

Exhibit No.:
Issue(s): Return on Equity
Witness: Robert B. Hevert
Sponsoring Party: Union Electric Company
Type of Exhibit: Surrebuttal Testimony
Case No.: ER-2012-0166
Date Testimony Prepared: September 7, 2012

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. ER-2012-0166

SURREBUTTAL TESTIMONY

OF

ROBERT B. HEVERT

ON

BEHALF OF

**Union Electric Company
d/b/a Ameren Missouri**

**Marlborough, Massachusetts
September, 2012**

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1 **SURREBUTTAL TESTIMONY**

2 **OF**

3 **ROBERT B. HEVERT**

4 **CASE NO. ER-2012-0166**

5 **I. INTRODUCTION**

6 **Q. Please state your name, affiliation, and business address.**

7 A. My name is Robert B. Hevert. I am Managing Partner of Sussex Economic
8 Advisors, LLC, and an Executive Advisor to Concentric Energy Advisors, Inc., located at
9 293 Boston Post Road West, Suite 500, Marlborough, Massachusetts 01752.

10 **Q. Have you previously filed testimony in this proceeding?**

11 A. Yes, I filed direct and rebuttal testimony on behalf of Union Electric
12 Company d/b/a Ameren Missouri. I use the terms “Ameren Missouri” and the “Company” to
13 refer to Union Electric Company.

14 **Q. What is the purpose of your surrebuttal testimony?**

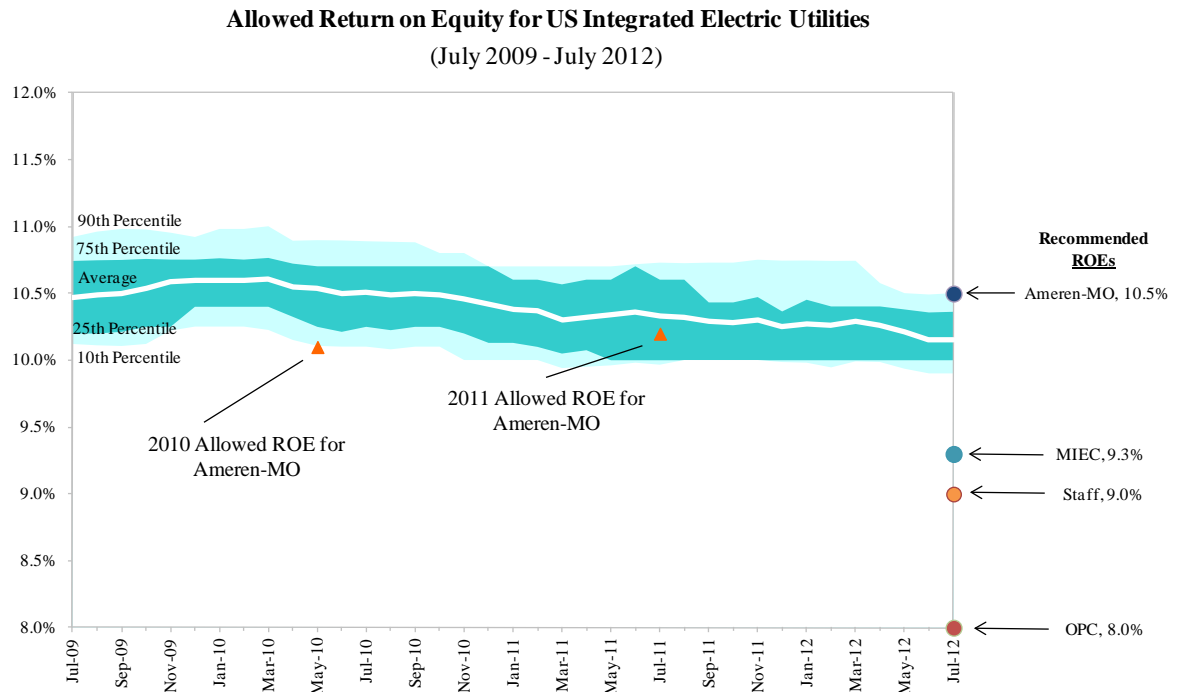
15 A. The purpose of my surrebuttal testimony is to respond to the rebuttal
16 testimony of Mr. David Murray on behalf of the Missouri Public Service Commission Utility
17 Services Division (“Staff”). My surrebuttal testimony is supported by the data presented in
18 Schedules RBH-ES30 through RBH-ES36, which have been prepared by me or under my
19 direction.

20 **Q. Have you updated your analyses from those provided in your rebuttal**
21 **testimony?**

22 A. No, I have not. I continue to rely on the analyses provided with my rebuttal
23 testimony, which were updated based on market data through July 13, 2012. Chart 1 (below)
24 provides the rolling twelve-month average authorized Return on Equity (“ROE”) for

1 vertically-integrated electric utilities across the United States from July 2009 to July 2012.
 2 As shown on that Chart, my ROE recommendation of 10.50 percent is within the range of
 3 results in other jurisdictions over the past three years, while the ROE recommendations of the
 4 witnesses for Staff (i.e., 9.00 percent) and the Missouri Industrial Energy Consumers (i.e.,
 5 9.30 percent) are well below the range of results in other jurisdictions.¹

6 **Chart 1: Allowed Return on Equity for U.S. Integrated Electric Utilities**
 7 **(July 2009 – July 2012)**



Sources and Notes:
 Analysis of data compiled by Regulatory Research Associates.
 [1]: Allowed ROE calculated as 12-month rolling average of commission-approved
 [2]: Average and percentiles exclude decisions that apply only to electric distribution companies or individual generating

8
9

¹ The Office of the Public Counsel (“OPC”) did not file testimony on Return on Equity in this case, and has not provided any evidence or analysis to support an ROE recommendation in this case. It is my understanding, however, that the OPC has advocated at public hearings an ROE for Ameren Missouri of 8.00 percent.

1 **II. RESPONSE TO MR. MURRAY**

2 **Q. Please summarize Mr. Murray’s rebuttal testimony.**

3 A. Mr. Murray develops a “control group” of electric utility companies
4 comprised of certain companies from his original proxy group and certain companies from
5 my original proxy group in order to evaluate differences in the results produced by our
6 respective application of the Multi-Stage Discounted Cash Flow (“DCF”) analysis.²
7 Mr. Murray concludes that differences in the estimated long-term growth rate account for
8 most of the difference in our analytical results.³ Mr. Murray also objects to the use of
9 analysts’ earnings growth rates in the Constant Growth DCF model,⁴ and to my methods of
10 deriving a forward-looking market risk premium for the Capital Asset Pricing Model
11 (“CAPM”).⁵ In addition, Mr. Murray expresses concerns with the “circularity” of using
12 authorized returns in other jurisdictions to calculate the equity risk premium in the Risk
13 Premium analysis.⁶ Lastly, Mr. Murray states that my regulatory risk analysis should have
14 considered what he claims is the risk reducing effect of the Demand-Side Programs
15 Investment Mechanism (“DSIM”) that was recently approved by the Commission for
16 Ameren Missouri,⁷ although he acknowledges that Staff is not sure how to quantify the effect
17 of the DSIM.⁸

18 **Q. What are the specific areas in which you disagree with Mr. Murray’s**
19 **rebuttal testimony?**

² See, rebuttal testimony of David Murray, at 6.

³ *Ibid.*, at 12.

⁴ *Ibid.*, at 18.

⁵ *Ibid.*, at 19-22.

⁶ *Ibid.*, at 22-23.

⁷ *Ibid.*, at 26-27.

⁸ *Ibid.*, at 28.

1 A. There are several areas in which I disagree with Mr. Murray, including:
2 (1) the composition of Mr. Murray’s “control group” and the purpose of that group;
3 (2) Mr. Murray’s continued objections to the use of long-term GDP growth as the terminal
4 growth rate in the Multi-Stage DCF model, as well as his concerns with my assumptions
5 relating to the dividend payout ratio and the timing of cash flows; (3) Mr. Murray’s objection
6 to the use of analysts’ EPS growth rates in the Constant Growth DCF model;
7 (4) Mr. Murray’s concerns with my derivation of a forward-looking market risk premium for
8 the CAPM analysis; (5) Mr. Murray’s reservations with the use of authorized returns in other
9 jurisdictions in the Risk Premium analysis and as a benchmark for evaluating the
10 reasonableness of various ROE estimates; and (6) Mr. Murray’s failure to consider the effect
11 of Staff’s proposed revisions to Ameren Missouri’s Fuel Adjustment Clause on the
12 Company’s regulatory risk and Cost of Equity relative to the proxy group. I discuss each of
13 those issues in turn, below.

14 ***A. Development of “Control Group”***

15 **Q. Please summarize Mr. Murray’s development of a “control group” in his**
16 **rebuttal testimony.**

17 A. Mr. Murray develops what he refers to as a “control group” of companies that
18 he believes “Mr. Hevert would accept at least for purposes of helping reconcile the
19 differences between our multi-stage methodologies.”⁹ Mr. Murray objects to the inclusion of
20 certain companies in the proxy group that was presented in my direct testimony (referred to
21 in my rebuttal testimony as the Hevert Original Proxy Group). Specifically, Mr. Murray is
22 opposed to the inclusion of Edison International (“EIX”), Integrys Energy Group, Inc.

⁹ *Ibid.*, at 6.

1 (“TEG”), and Otter Tail Corporation (“OTTR”). In the Staff Report, Mr. Murray also
2 excluded Portland General Electric Company (“POR”), but he has now chosen to include that
3 company in his “control group.”

4 **Q. Do you agree with Mr. Murray’s reason for excluding EIX?**

5 A. No, I do not. Mr. Murray states that EIX should be excluded from the
6 “control group” because of its exposure to merchant generation which, he states, represents
7 approximately 20.00 percent of that company’s assets and revenues.¹⁰ Mr. Murray argues
8 that there are significant business risk differences between regulated electric utility
9 operations and non-regulated electric power operations.¹¹ According to Schedule 7 of the
10 Staff Report, Mr. Murray excluded EIX because it did not have an “Excellent” business risk
11 profile from Standard and Poor’s (“S&P”). As discussed in my rebuttal testimony, EIX has
12 an investment grade credit rating of BBB- from S&P, which is the same credit rating
13 assigned to Ameren Missouri; as such, I do not believe EIX should be eliminated on the basis
14 of its business risk profile.¹² From an investment risk standpoint, the relevant consideration
15 is the corporate credit rating (which considers both business and financial risk). Since one of
16 Mr. Murray’s screening criteria is an investment grade credit rating, his decision to now
17 include an additional screen for business risk (which already is considered in the credit
18 rating) essentially double counts that factor.¹³

19 **Q. Does Mr. Murray attempt to quantify the difference between returns on**
20 **equity for regulated and non-regulated operations?**

¹⁰ *Ibid.*, at 6.

¹¹ *Ibid.*, at 6-7.

¹² *See*, rebuttal testimony of Robert B. Hevert, at 33.

¹³ As noted in my rebuttal testimony, EIX’s Constant Growth DCF results are unreasonably low and should be given little, if any, weight. EIX was, however, included in my Multi-Stage DCF analysis, which is the model which Mr. Murray is discussing in his development of a “control group”.

1 A. Yes, Mr. Murray notes that in its last electric rate case, Ameren Missouri
2 provided information to Staff showing that it used a Cost of Equity for non-regulated
3 operations that was more than twice that used for its regulated utility operations (i.e.,
4 ****[REDACTED]**** percent for regulated operations vs. ****[REDACTED]**** percent for non-regulated
5 operations).¹⁴ Mr. Murray states that if Ameren were to use rates anywhere close to those
6 that I have recommended for the Company's regulated utility operations, the estimated value
7 of those assets would be significantly less than Ameren estimated for purposes of financial
8 reporting.¹⁵

9 **Q. What is your response to Mr. Murray on that point?**

10 A. The purpose of the impairment analysis to which Mr. Murray refers in the last
11 electric rate case was to estimate the value of an asset from the perspective of a single,
12 acquisitive party while the purpose of the ROE witnesses' testimonies is to estimate the Cost
13 of Equity based on equity market prices. As such, there is no reason why the discount rate
14 used by Duff and Phelps in its present value analysis would be relevant to the ROE
15 determination in this proceeding. Mr. Murray's reference to that impairment study is
16 misplaced in the context of estimating Ameren Missouri's Cost of Equity. In its previous
17 Order, the Commission rejected Mr. Murray's reference to the impairment analysis, stating:

18 Murray's reliance on valuation analyses to support the reasonableness of his
19 return on equity recommendation is misplaced. Murray acknowledged that he
20 has no experience in asset valuation. In his surrebuttal testimony, Robert
21 Hevert explained in great detail why the valuation analyses cited by Staff are
22 different than the analysis necessary to evaluate a reasonable return on equity
23 in the rate making process. The Commission is persuaded by that explanation
24 and accepts Mr. Hevert's explanation without repeating his arguments.¹⁶

¹⁴ See, rebuttal testimony of David Murray, at 8.

¹⁵ *Ibid.*

¹⁶ Public Service Commission of the State of Missouri, File No. ER-2011-0028, Report and Order, July 13, 2011, at 70.

1 Furthermore, Mr. Murray has not demonstrated why it is appropriate to assume a
2 linear relationship between returns for regulated and non-regulated companies. In that
3 regard, it is possible to assess Mr. Murray's assumption using the CAPM, which uses the
4 Beta coefficient as the measure of non-diversifiable risk. For example, if the utility ROE is
5 10.50 percent, based on a risk-free rate of 4.50 percent, a Market Risk Premium of 8.00
6 percent, and a Beta coefficient of 0.75, in order for the non-regulated operations to have a
7 Cost of Equity twice as high as the utility's ROE, it would require a Beta coefficient of 2.06.
8 Given the fact that the Beta coefficient for the overall market is 1.00, it does not seem
9 reasonable that the Beta coefficient for merchant power operations would be more than twice
10 that level. In fact, the average Value Line Beta coefficient for companies classified as
11 merchant power producers is 1.15.¹⁷

12 **Q. Do you agree with Mr. Murray's reason for excluding OTTR?**

13 A. No, I do not. According to Mr. Murray, OTTR should be excluded from the
14 "control group" because it has four other reportable business segments (Wind Energy,
15 Manufacturing, Construction, and Plastics) that each comprise at least 10.00 percent of its
16 assets or revenues.¹⁸ Schedule 7 to the Staff Report shows that OTTR was excluded from the
17 proxy group because it is not classified as a regulated electric utility by EEI, which
18 categorizes companies according to the percentage of assets devoted to regulated electric
19 utility operations.

20 As discussed in my rebuttal testimony, Mr. Murray's asset screen fails to consider
21 that to the extent investors consider the percentage of assets used for regulated services, the
22 purpose is to determine the operating income that those regulated assets might be expected to

¹⁷ The average Value Line Beta coefficient includes AES Corporation, GenOn Energy, Inc., and NRG Energy, Inc.

¹⁸ See, rebuttal testimony of David Murray, at 9-10.

1 produce, which, in turn, would contribute to cash flows and earnings.¹⁹ Consequently, I
2 believe that it is more appropriate to rely on the percentage of regulated operating income
3 rather than the percentage of regulated assets to develop a risk comparable proxy group.
4 Further, OTTR's investor presentation indicates that that company plans to make significant
5 capital investments in its regulated electric utility operations that will cause its average rate
6 base to grow at a compound annual rate of 11.30 percent between 2011 and 2016.²⁰ As
7 noted in my rebuttal testimony, however, I removed the Value Line earnings per share
8 growth rate for OTTR of 24.00 percent because I consider it to be an outlier.²¹

9 **Q. Do you agree with Mr. Murray's reason for excluding TEG?**

10 A. No, I do not. Mr. Murray states that TEG should be excluded from the
11 "control group" because it does not receive a majority of its revenues from regulated electric
12 utility operations. Specifically, Mr. Murray notes that, according to AUS Utility Reports,
13 only 28.00 percent of TEG's revenues are from electric operations, while 42.00 percent are
14 from natural gas operations, and the remainder is from its non-regulated subsidiary.²²
15 Schedule 7 of the Staff Report indicates that TEG was excluded from the proxy group
16 because its percentage of electric revenues was less than 70.00 percent.

17 As explained in my rebuttal testimony, I disagree with Mr. Murray's screening
18 criterion, which considers the percentage of total revenues derived from electric utility
19 service.²³ To the extent investors consider the percentage of total revenues from regulated
20 electric utility service, the purpose is to determine the operating income that those regulated

¹⁹ See, rebuttal testimony of Robert B. Hevert, at 34.

²⁰ Source: Otter Tail Corporation Investor Presentation to Baird Investor Meetings, June 2012, at 8.

²¹ See, rebuttal testimony of Robert B. Hevert, at 16. See, Footnote 25.

²² See, rebuttal testimony of David Murray, at 10.

²³ See, rebuttal testimony of Robert B. Hevert, at 33-34.

1 revenues might be expected to produce, which, in turn, would contribute to cash flows and
2 earnings. Since equity securities often are valued on the basis of earnings (*i.e.*, the
3 Price/Earnings ratio), and many credit metrics are cash flow based, earnings are the more
4 relevant measure of segment performance. Consequently, I believe that it is more
5 appropriate to rely on the percentage of operating income rather than the percentage of
6 revenues from regulated electric service. On that basis, TEG derived more than 60.00
7 percent of its operating income from regulated electric utility operations between 2009 and
8 2011.

9 **Q. Mr. Murray also has excluded LNT, XEL and WEC from his “control**
10 **group” because they were not included in your original proxy group. What is your**
11 **response to that point?**

12 A. As indicated in my rebuttal testimony, I agreed to include those three
13 companies in a Combined Proxy Group because (in the case of LNT and XEL) they fell only
14 somewhat short of the operating income threshold and, as a practical matter, there was not a
15 material effect on the results of the Multi-Stage DCF Model.²⁴ On the basis of percentage of
16 operating income, both LNT and XEL derive more than 86.00 percent of their operating
17 income from regulated electric utility operations. While WEC’s percentage is somewhat
18 lower (*i.e.*, 67.00 percent), I did not object to the inclusion of that company in the Combined
19 Proxy Group in an effort to reduce the number of contested issues.

20 **Q. What is your conclusion with regard to Mr. Murray’s “control group”?**

21 A. The purpose of Mr. Murray’s “control group” is not clear. Analysts, including
22 Mr. Murray, generally develop a proxy group of companies with comparable operating and

²⁴ *Ibid.*, at 35.

1 business risk characteristics to serve as a proxy in order to estimate the required return for
2 companies that are similar to the subject company. Rather than referring to a revised proxy
3 group, however, Mr. Murray develops a “control group” for the sole purpose of evaluating
4 differences in the results produced by our Multi-Stage DCF methodologies. Mr. Murray
5 does not use the “control group” to present updated or revised ROE results, nor does he
6 suggest that the “control group” is comparable in terms of business and financial risk to
7 Ameren Missouri. Consequently, I conclude that Mr. Murray’s “control group” should be
8 rejected by the Commission, and that the ROE determination for Ameren Missouri should be
9 based on the results for the Hevert Revised Proxy Group and the Combined Proxy Group that
10 were presented in my rebuttal testimony.

11 ***B. Application of Multi-Stage DCF Model***

12 **Q. Do you agree with Mr. Murray that differences in the long-term growth**
13 **rate used in the terminal stage of the Multi-Stage DCF Model account for much of the**
14 **difference in your respective results?**

15 A. Yes, I do.

16 **Q. What is your response to Mr. Murray’s assumption that the perpetual**
17 **growth rate for electric utilities is not higher than 4.00 percent, and that your estimate**
18 **of long-term nominal GDP growth of 5.61 percent (revised to 5.67 percent in rebuttal) is**
19 **overstated?**

20 A. First, I note that in the Staff Report, Mr. Murray presented a version of the
21 Multi-Stage DCF analysis on Schedule 13-4 using a long-term growth rate of 4.30 percent,
22 which was the lower end of his estimate of nominal GDP growth of 4.30 percent to 4.90
23 percent. It is unclear why Mr. Murray has not considered that to be the highest possible

1 growth rate for electric utilities in his rebuttal testimony, since the Staff Report presented that
2 analysis.

3 Notwithstanding that apparent inconsistency, Mr. Murray's assumed perpetual growth
4 rate for electric utilities of 4.00 percent is not consistent with observable measures of long-
5 term economic growth. Specifically, Mr. Murray's perpetual *nominal* growth rate of 4.00
6 percent is only 74 basis points higher than the *real* GDP growth rate for the period from
7 1926-2011, even though the Staff Report states that projected inflation is either 2.00
8 percent²⁵ (based on the GDP price deflator) or in the range from 2.25 percent to 2.40
9 percent²⁶ (based on the 2012 spread between 30-Year Treasury Inflation Protected Securities
10 ("TIPS") and non-inflation protected Treasury bonds). Alternatively, if Mr. Murray is
11 assuming that projected inflation will be 2.25 percent (the lower end of his range for the
12 implied TIPS spread), his perpetual growth rate of 4.00 percent implies that real GDP growth
13 will be approximately 1.71 percent,²⁷ or 155 basis points lower than the historical average
14 since 1926. Mr. Murray provides no support for either position, other than to claim in the
15 Staff Report that EPS growth for electric utilities has been less than 50.00 percent of long-
16 term GDP growth.²⁸ As I explained in my rebuttal testimony, however, industry practice has
17 been to assume that nominal GDP growth is a reasonable surrogate for long-term EPS
18 growth.²⁹ In fact, as noted in my rebuttal testimony, the Commission has relied on nominal
19 GDP growth as the appropriate growth rate for the terminal stage in prior decisions.³⁰

²⁵ See, Staff Revenue Requirement Cost of Service Report, at 17.

²⁶ *Ibid.*, at 17-18.

²⁷ $1.71\% = (1.040 / 1.0225) - 1$

²⁸ See, Staff Revenue Requirement Cost of Service Report, at 33.

²⁹ See, rebuttal testimony of Robert B. Hevert, at 51.

³⁰ *Ibid.*, at 51-52.

1 **Q. Do you agree with Mr. Murray that your application of the mid-year**
2 **convention overstates cash flows in the Multi-Stage DCF analysis?**

3 A. No, I do not. Mr. Murray states that I essentially took five-year compound
4 earnings per share (“EPS”) growth rates and compressed them into 4.5 years, which produces
5 a higher growth rate than those provided by equity analysts.³¹ Mr. Murray asserts that, under
6 my application of the Multi-Stage DCF Model, when converting EPS forecasts into cash
7 flows, I have assumed that an investor will receive the full annual compound growth rate
8 estimate within the first half-year.³² Mr. Murray states that if the mid-year discounting
9 convention is applied to annual compound growth rates, then it is necessary to adjust the
10 assumed cash flows (i.e., the projected 5-year earnings per share growth rates).³³

11 As I explained in my response to Mr. Gorman, it is incorrect to assume that quarterly
12 dividends are all received at the end of the year, the effect of which is to reduce their present
13 value and downwardly bias the ROE estimates produced by the Multi-Stage DCF Model.³⁴
14 In contrast, the mid-year convention is based on the reasonable assumption that an
15 annualized dividend payment is received in the middle of each consecutive one-year period
16 of stock ownership in order to more accurately approximate the actual quarterly cash flows
17 that stockholders receive. Consistent with the mid-year convention, my Multi-Stage DCF
18 Model assumes that six months after the purchase of a stock, the shareholder will receive an
19 annualized dividend payment that represents the quarterly dividends for the two quarters
20 during which the shareholder has owned the stock, as well as the next two quarters. The
21 model discounts the first year’s annualized dividend payment as if it had been received by

³¹ See, rebuttal testimony of David Murray, at 13.

³² *Ibid.*

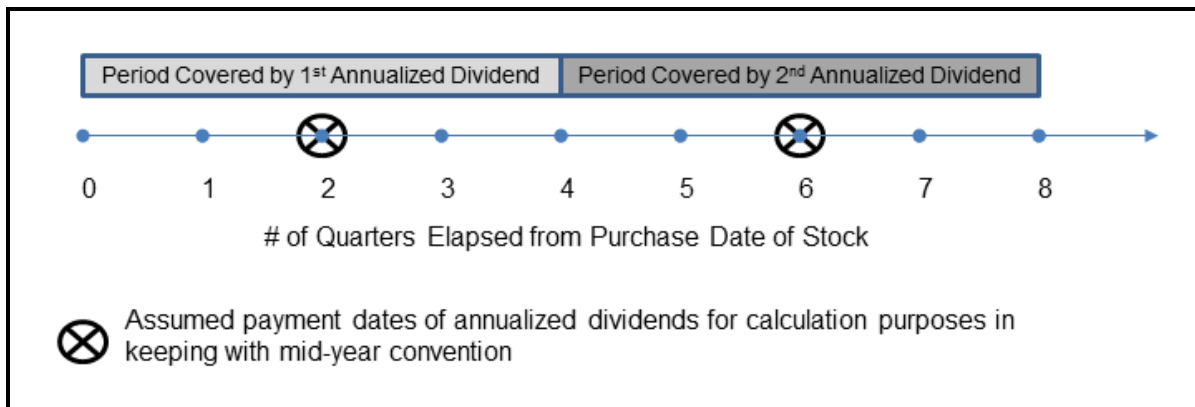
³³ *Ibid.*

³⁴ See, rebuttal testimony of Robert B. Hevert, at 85-86.

1 the shareholder at mid-year. One year later, for calculation purposes, the model assumes that
2 the shareholder receives another annualized dividend payment, also in keeping with the mid-
3 year convention.

4 Chart 2 (which is reproduced from my rebuttal testimony) illustrates the assumed
5 timing of the receipt of annualized dividend payments under the mid-year convention. As
6 shown on that Chart and as explained above, the mid-year convention does not lead to any
7 extra dividend payments, nor does it compress five years of earnings growth into 4.5 years,
8 as Mr. Murray claims. Rather, the mid-year approach simply recognizes that dividends are
9 paid quarterly, and that investors will, on average, receive those cash flows at mid-year.

10 **Chart 2: Illustration of Mid-Year Convention Timing of Annualized Dividend**
11 **Payments Assumed in the Multi-Stage DCF Model**



12
13 Mr. Murray claims to demonstrate quantitatively in his Schedule 5 that I have
14 overstated cash flows by using the mid-year convention. Schedule RBH-ES30, however,
15 shows that Mr. Murray's Schedule 5, once corrected to consistently apply the mid-year
16 convention to annualized dividend payments, does not support his claim. As such, I disagree
17 with Mr. Murray that under the mid-year convention, it is necessary to adjust the projected
18 five-year EPS growth rates.

1 **Q. What is your response to Mr. Murray’s statement that your assumption**
2 **that dividend payout ratios will revert to the long-term historical average for the**
3 **industry results in some fairly unreasonable assumptions about the expected dividend**
4 **payments for certain companies?**

5 A. One benefit of the Multi-Stage DCF Model as compared to the Constant
6 Growth DCF Model is the ability to adjust expectations for dividend payout ratios over time.
7 As explained in my rebuttal testimony, it is not reasonable to assume that current dividend
8 payout ratios will persist in perpetuity because those payout ratios are influenced by the
9 current elevated level of capital spending in the electric utility industry.³⁵ As capital
10 spending declines over time, it is reasonable to assume that the payout ratio also will revert to
11 the historical average for the electric utility industry. By assuming a constant payout ratio in
12 his application of the Multi-Stage DCF Model, Mr. Murray has understated the value of
13 future cash flows to investors because he has assumed that the payout ratio will remain
14 constant even as capital spending returns to historical levels.

15 **Q. Please describe the current and anticipated trends in electric utility**
16 **capital spending.**

17 A. The Edison Electric Institute (“EEI”) reports that the electric utility industry is
18 experiencing “historically high levels of capital spending.”³⁶ Moreover, in May 2012, S&P
19 described the electric utility industry as being in the midst of a “capital expenditure
20 construction boom.”³⁷ One of the primary drivers of this trend in capital spending is the set
21 of recently issued or proposed federal environmental regulations. S&P explains that “[o]ver

³⁵ *Ibid.*, at 88.

³⁶ Edison Electric Institute, *2011 Financial Review*, at 13.

³⁷ SNL Financial, “S&P Expects Utility Building Boom to Continue Despite Weak Economy,” May 18, 2012.

1 the next 10 years, the proposed and final environmental rules will steer utilities' capital
2 spending either toward retrofitting existing coal units or building new generation.”³⁸ S&P
3 anticipates that “these new federal rules will have the most significant impact on utilities and
4 their generation plants since the acid rain programs of the 1990s.”³⁹ More broadly, S&P
5 refers to “the growing amount of capital spending forecast for the industry related to
6 environmental rules, renewables, and aging infrastructure.”⁴⁰ Similarly, other industry
7 analysts note that:

8 The EPA proposals come at a time when the industry is already
9 heavily committed to various other investment areas that
10 include: compliance with increased renewable generation
11 requirements; transmission enhancements and replacements; a
12 smattering of new baseload generation projects; and,
13 distribution-related investments, including smart-metering
14 buildout programs.⁴¹

15 Among the new federal environmental rules, one of the primary drivers of electric
16 utility capital spending in coming years will be the Utility Mercury Air Toxics Standards
17 (“Utility MATS”), which will necessitate extensive retrofits or replacements of coal-fired
18 power plants that lack modern pollution controls. Power plant owners must comply with the
19 Utility MATS by 2015 to 2016 (depending on compliance extensions).⁴² That timing
20 suggests that, over roughly the next decade, the currently elevated trend in electric utility
21 capital spending should peak sometime around 2016 and then return to levels more consistent

³⁸ Standard & Poor’s, *U.S. Utilities’ Capital Spending Is Rising, And Cost-Recovery Is Vital*, May 14, 2012, at 5.

³⁹ Standard & Poor’s, *The Top 10 Investor Questions for U.S. Regulated Electric Utilities in 2012*, January 6, 2012, at 2.

⁴⁰ *Ibid.*

⁴¹ SNL Financial, *Capital Expenditure Update*, May 25, 2012, at 2.

⁴² Van Ness Feldman, “FERC Finalizes Policy for Advising EPA on Power Plant Mercury and Air Toxics Standards Compliance Extensions,” May 21, 2012.

1 with historical averages. Such a trend in capital spending is entirely consistent with the
2 payout ratio assumptions employed in my Multi-Stage DCF analysis.

3 **Q. Please explain the relationship between capital spending, the need for**
4 **investment recovery mechanisms, and the effect of those mechanisms (or the absence of**
5 **those mechanisms) on the credit metrics and the payout ratio.**

6 A. During periods of elevated capital spending, such as the electric utility
7 industry currently is experiencing, the ability to recover capital investments in a timely
8 manner is critical to the ability of the utility to maintain adequate cash flows and credit
9 metrics throughout the construction phase. Elevated levels of capital spending also place
10 pressure on dividend payout ratios for electric utilities because more cash is required to
11 finance capital investments; in turn, less cash is available to fund dividend payments.

12 **Q. Has S&P also commented recently on the importance of capital cost**
13 **recovery for utilities given the present and expected elevated levels of capital spending?**

14 A. Yes, it has. In a May 2012 report, S&P explains:

15 [F]or a company to preserve its financial strength, it must be
16 able to quickly begin recovering this [infrastructure] spending.

17 To retain critical access to the debt markets, utilities will need
18 to continue to seek and receive supportive cost recovery from
19 regulators.

20 As companies spend on investments, a significant
21 consideration for regulated utilities will be how quickly
22 regulators allow them to fully recover these costs. If the costs
23 are significant, any delays or denials in the recovery could hurt
24 a utility's credit quality. Thus, regulatory support is necessary
25 to successfully implement such projects. Cost recovery through
26 base rates and rate mechanisms that provide for predictable and
27 timely cash flow could offset the costs of a company's capital
28 spending. These mechanisms help provide timely and
29 consistent recovery of costs and bolster financial measures by
30 limiting cash-flow drains and reducing the amount of debt

1 needed during construction. Ultimately, the dollar amount of
2 the costs and the timeliness in recovering them will be
3 important factors affecting our view of a utility's credit
4 quality.⁴³

5 **Q. Please summarize Mr. Murray's position regarding the implied dividend**
6 **growth rates for certain companies in his "control group" under the assumption that**
7 **the payout ratio will revert to the long-term industry average.**

8 A. Mr. Murray states that the implied annual compound growth rate in dividends
9 per share for the "control group" is 6.26 percent, with a range of 4.71 percent for PNW to
10 8.51 percent for IDA.⁴⁴ Mr. Murray compares those dividend growth rates to a statement
11 from Ameren Missouri in the previous rate case that it expected a growth rate of ** **
12 percent for regulated utility assets.⁴⁵ On that basis, Mr. Murray concludes that the dividend
13 growth assumed in my application of the Multi-Stage DCF Model is not consistent with the
14 Company's own expectations for dividend growth.

15 **Q. What is your response to Mr. Murray's position on that issue?**

16 A. As stated above, one of the advantages of using the Multi-Stage DCF Model
17 rather than the Constant Growth DCF Model is that it allows for adjustments to the dividend
18 payout ratio for each company in the proxy group to the long-term industry average. The
19 current payout ratios for certain companies in the Hevert Revised Proxy Group such as
20 IDACORP ("IDA") are extremely low compared to the industry average (either current or
21 projected). IDA, for example, did not increase its dividend payment from 2003 until the first
22 quarter of 2012, even as its EPS increased at a compound annual growth rate of

⁴³ Standard & Poor's, *U.S. Utilities' Capital Spending Is Rising, And Cost-Recovery Is Vital*, May 14, 2012, at 6-7.

⁴⁴ See, rebuttal testimony of David Murray, at 15.

⁴⁵ *Ibid.*

1 approximately 13.50 percent over that period.⁴⁶ As a result, IDA's payout ratio decreased
2 from more than 138.00 percent in 2003 and more than 63.00 percent in 2004 to less than
3 36.00 percent in 2011.⁴⁷ That example not only demonstrates the problem with relying on
4 historical DPS growth rates in the Constant Growth DCF model, but also supports the use of
5 the Multi-Stage DCF Model, which allows for the more reasonable assumption that electric
6 utilities' dividend payout ratios will revert to the long-term industry average of 66.40 percent
7 over time. On that basis, I disagree with Mr. Murray that a regression to the industry average
8 payout ratio causes unreasonable dividend per share growth rates for certain companies in the
9 "control group".

10 **Q. Mr. Murray states that regulated electric utilities have never been able to**
11 **grow their DPS and/or EPS over the long-term at anywhere near the growth rates that**
12 **are used throughout all stages of your Multi-Stage DCF analysis.⁴⁸ What is your**
13 **response to Mr. Murray on that point?**

14 A. The purpose of the DCF analysis is to estimate the growth rate that investors
15 require, as indicated by the current stock price and the expected growth in dividend
16 payments. Mr. Murray's own data, however, do not fully support his statement that regulated
17 electric utilities have never been able to achieve DPS or EPS growth rates over the long-term
18 anywhere near the growth rates used in my Multi-Stage DCF analysis. In fact, the data that
19 Mr. Murray relies on from Mergent for the period from 1947 through 1999 demonstrate that
20 historical EPS growth (based on 10-year averages) exceeded nominal GDP growth (also
21 based on 10-year averages) in several of those three-year periods; Value Line data from 1968

⁴⁶ Source: Bloomberg Professional.

⁴⁷ Source: Bloomberg Professional.

⁴⁸ See, rebuttal testimony of David Murray, at 15-16.

1 through 1999 also show that historical EPS growth exceeded nominal GDP growth in several
2 of those three-year periods. Lastly, it is not clear why the particular years 1947 through 1999
3 reflect investors' expectations for future growth. As such, I disagree with Mr. Murray's
4 conclusion that no rational investor would use growth rates similar to those proposed in my
5 analyses.

6 **Q. Have you performed any additional analyses to test the reasonableness of**
7 **Mr. Murray's proposition that investors never expect earnings growth to be higher**
8 **than nominal GDP growth?**

9 A. Yes, I have. In order to test the reasonableness of Mr. Murray's proposition
10 that earnings growth is never expected to be higher than nominal GDP growth, I compared
11 the projected pre-tax corporate profit growth rate to the projected nominal GDP growth rate,
12 both of which are reported by Blue Chip Economic Indicators, for both the current year and
13 the next year. As shown on Schedule RBH-ES31, from the first quarter of 2004 through the
14 second quarter of 2012, the projected pre-tax corporate profit growth rate for the current year
15 has exceeded the projected nominal GDP growth rate for the current year in more than 63.00
16 percent of the quarters, while the projected pre-tax corporate profit growth rate for the next
17 year has exceeded the projected nominal GDP growth rate for the next year in more than
18 69.00 percent of the quarters. That analysis supports my view that forecasted nominal GDP
19 growth is a reasonable, if not conservative, estimate of forecasted long-term EPS growth. As
20 such, I do not share Mr. Murray's perspective that the use of a nominal GDP growth rate in
21 the terminal stage of the Multi-Stage DCF Model overstates the expected sustainable growth
22 rate for electric utilities.

1 **Q. Please summarize Mr. Murray’s application of the Multi-Stage DCF**
2 **analysis to compare the Cost of Equity for the S&P 500 Index to the Cost of Equity for**
3 **electric utilities.**

4 A. Mr. Murray suggests that the simplest way to illustrate the “fallacy” of my use
5 of GDP growth as the assumed perpetual growth rate for the electric utility industry is to
6 consider the impact of the application of this logic to the S&P 500 Index.⁴⁹ As shown on
7 Schedule 9, Mr. Murray assumes an EPS growth rate of 10.68 percent for the S&P 500 in the
8 first five years, which was the growth rate used in the market-based DCF approach to
9 calculate the equity risk premium in my direct testimony. In years six through ten, he
10 gradually reduces that growth rate until he transitions to the terminal stage growth of 5.61
11 percent, which was the nominal GDP growth rate in my direct testimony. Mr. Murray
12 observes that using an assumed GDP growth rate of 5.61 percent in the Multi-Stage DCF
13 analysis of the S&P 500 Index results in an implied cost of equity of 8.97 percent for the
14 market as a whole. He compares this Cost of Equity estimate to the Multi-Stage DCF result
15 of 10.76 percent using 90-day average stock prices (from my direct testimony), and
16 concludes that cost of equity “estimates derived from Mr. Hevert’s multi-stage DCF analysis
17 using GDP as a proxy for electric utility perpetual growth defies basic risk and return
18 principles.”⁵⁰

19 **Q. What is your response to Mr. Murray on that point?**

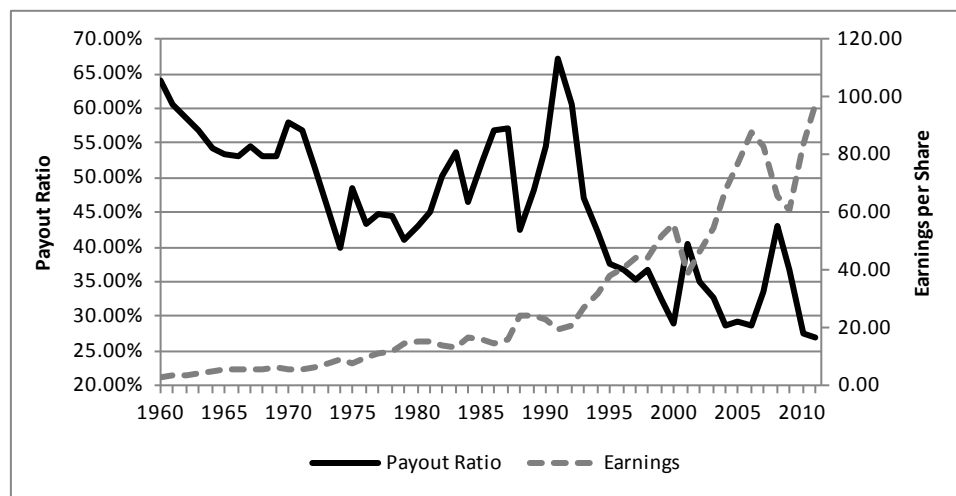
20 A. The principal shortcoming with Mr. Murray’s Multi-Stage DCF analysis of
21 the S&P 500 is that he assumes a constant dividend payout ratio in perpetuity, based on the

⁴⁹ *Ibid.*, at 16.

⁵⁰ *Ibid.*, at 16-17.

1 current level.⁵¹ The payout ratio for the S&P 500, however, has declined from
2 approximately 64.00 percent in 1960 to approximately 27.00 percent in 2011. The average
3 payout ratio over that period was 45.60 percent. As shown on Chart 3 (below), the dividend
4 payout ratio for the S&P 500 generally has decreased since 1960, even as aggregate earnings
5 per share have steadily increased for the companies in the index.

6 **Chart 3: Payout Ratio and Earnings Per Share for S&P 500**
7 **1960-2011⁵²**



8
9 In order to assess the reasonableness of Mr. Murray's Multi-Stage DCF analysis of
10 the S&P 500, I re-created Schedule 9 of his rebuttal testimony. As shown on Schedule
11 RBH-ES32, using the Gordon Growth model, I calculated the terminal price for the S&P 500
12 Index in Year 15 of Mr. Murray's Multi-Stage DCF Model. Based on that terminal price, I
13 then calculated the implied P/E ratio for the S&P 500 Index using Mr. Murray's assumption
14 that the payout ratio will remain constant at 35.26 percent; that result is 11.05. Next, I
15 calculated the historical P/E ratio for the S&P 500 Index from 1960-2011, which is 16.18.
16 Lastly, I applied the historical average P/E ratio to Mr. Murray's Multi-Stage DCF analysis

⁵¹ Mr. Murray makes the same assumption in his Multi-Stage DCF Model for his utility proxy group.

⁵² Source: http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/spearn.htm
According to the web page, the raw data was obtained from Bloomberg and S&P.

1 to compute the Cost of Equity for the S&P 500 Index. Based on that calculation, I
2 determined that the estimated Cost of Equity for the S&P 500 is 11.21 percent, or 224 basis
3 points higher than Mr. Murray's result of 8.97 percent.

4 **Q. What are your conclusions with respect to Mr. Murray's Multi-Stage**
5 **DCF analysis of the S&P 500, and the implications of that analysis for the Cost of**
6 **Equity for Ameren Missouri?**

7 A. Mr. Murray's application of the Multi-Stage DCF analysis with respect to the
8 S&P 500, in particular his assumption that the payout ratio will remain constant at current
9 levels, produces results that are not reasonable in the context of historical total returns for
10 that index. As such, I disagree with Mr. Murray that it is unreasonable to use nominal GDP
11 growth as the assumed perpetual growth rate for the electric utility industry. Furthermore,
12 the implied P/E ratio for Mr. Murray's proxy group (assuming a terminal growth rate of 4.00
13 percent) is 13.90, which indicates that Mr. Murray is assuming that electric utilities will trade
14 at a premium to the broad market in perpetuity (i.e., 11.05 P/E ratio for S&P 500 vs. 13.90
15 P/E ratio for Mr. Murray's electric utility proxy group).

16 **Q. Please summarize Mr. Murray's position with respect to the use of GDP**
17 **growth in the Multi-Stage DCF model.**

18 A. Mr. Murray states that the use of GDP growth as a generic perpetual growth
19 rate is more appropriate when estimating the cost of equity of a broader index, such as the
20 S&P 500, and that if the equity index involves a sector that is expected to grow at a slower
21 rate than that of the overall economy (e.g., a utility index), then a negative excess corporate
22 growth rate should be considered.⁵³

⁵³ See, rebuttal testimony of David Murray, at 18.

1 **Q. Why do you disagree with Mr. Murray’s position on that issue?**

2 A. As discussed earlier in my surrebuttal testimony, as well as in my rebuttal
3 testimony, the Commission has relied on GDP growth as the appropriate long-term growth
4 rate in the Multi-Stage DCF Model and industry practice has been to assume that nominal
5 GDP growth is a reasonable surrogate for long-term earnings per share growth.⁵⁴ Further, as
6 also discussed in my rebuttal testimony, Dr. Morin has indicated that electric utilities can be
7 expected to grow at the same rate as the overall economy.⁵⁵ Mr. Murray has failed to
8 demonstrate that investors expect electric utilities to grow at a different rate than the overall
9 economy over the long term. Consequently, I disagree that the GDP growth rate should be
10 reduced to reflect a lower growth rate for electric utilities. Since much economic activity
11 depends on the availability of reliable electric utility service, it is reasonable to assume that
12 investors expect long-term growth rates for electric utilities to approximate that of the
13 aggregate economy.

14 **Q. Do you agree with Mr. Murray that the compound annual growth rate**
15 **projection for Mr. Gorman’s estimate of GDP growth from 2019-2023 is 4.60 percent?**⁵⁶

16 A. No, I do not. While I do not agree with Mr. Gorman’s estimate of long-term
17 GDP growth for the reasons discussed in my rebuttal testimony, I note that the long-term
18 growth rate for nominal GDP from 2019-2023, as reported by Blue Chip Financial Forecasts,
19 is 4.70 percent. It appears that Mr. Murray simply added the consensus projected real GDP
20 growth rate of 2.50 percent and the projected GDP Chained Price Index of 2.10 percent to

⁵⁴ See, rebuttal testimony of Robert B. Hevert, at 51.

⁵⁵ *Ibid.*, at 52.

⁵⁶ See, rebuttal testimony of David Murray, at 29.

1 arrive at his 4.60 percent, rather than multiplying those two growth rates as Mr. Gorman has
2 correctly done.⁵⁷

3 **Q. What is your response to Mr. Murray's statement that if the Commission**
4 **accepts Mr. Gorman's and your theory of using aggregate GDP growth as a proxy for**
5 **perpetual growth, then this 4.60 percent growth rate would be a much more reasonable**
6 **long-term estimate?**

7 A. Mr. Murray has not explained why a 4.60 percent growth rate is a more
8 reasonable estimate of long-term growth, nor has he clearly indicated what benchmark he is
9 comparing it to: (1) my updated estimate of GDP growth of 5.67 percent; (2) Mr. Gorman's
10 estimate of GDP growth of 4.90 percent; or (3) Mr. Murray's own long-term terminal growth
11 rate of either 4.00 percent or 4.30 percent. Further, it is unclear how Mr. Murray derives his
12 9.15 percent Cost of Equity estimate given a long-term growth rate of 4.60 percent.
13 Mr. Murray does not state which model or which proxy group (or "control group") he used to
14 produce that result.

15 ***C. Relevance of Projected EPS Growth Rates in Constant Growth DCF Model***

16 **Q. Mr. Murray states that analysts' five-year EPS growth rates in the**
17 **Constant Growth DCF model are not sustainable in perpetuity and do not reflect the**
18 **long-term fundamentals of the electric utility industry.⁵⁸ What is your response to**
19 **Mr. Murray on that point?**

20 A. First, from a practical perspective, the average EPS growth rate as of July 13,
21 2012 for the Hevert Revised Proxy Group was 5.07 percent. That growth rate is only slightly
22 higher than the long-term nominal GDP estimate of 4.90 percent that Mr. Gorman relies upon

⁵⁷ The formula is $[(1 + \text{Real GDP Growth}) \times (1 + \text{inflation})]^{-1}$.

⁵⁸ See, rebuttal testimony of David Murray, at 18.

1 in his Multi-Stage DCF Model and which is the upper boundary for Mr. Murray's estimate of
2 long-term GDP growth. By contrast, the 5.07 percent EPS growth rate is 60 basis points
3 lower than the 5.67 percent GDP growth rate in my updated Multi-Stage DCF analysis that
4 was presented in my rebuttal testimony. On that basis, and contrary to Mr. Murray's view, I
5 see the current five-year EPS growth rates as understating the long-term fundamentals of
6 sustainable growth for the electric utility industry.

7 More importantly, investors' return requirements are based on current stock
8 valuations and expectations for growth in earnings and dividends. The Constant Growth
9 DCF model requires the following assumptions: (1) a constant growth rate for earnings and
10 dividends; (2) a stable dividend payout ratio; (3) a constant P/E ratio; and (4) a discount rate
11 greater than the expected growth rate. As explained in my rebuttal testimony, to the extent
12 any of those assumptions is violated, considered judgment and/or specific adjustments should
13 be applied to the results. Given the continuing instability in capital markets, it is not clear
14 that those assumptions are likely to hold, and as such I placed primary weight on the results
15 of the Multi-Stage DCF analysis.⁵⁹

16 ***D. Equity Risk Premium in CAPM Analysis***

17 **Q. Please summarize Mr. Murray's position with respect to your CAPM**
18 **analysis.**

19 **A.** Mr. Murray states that my CAPM results can be attributed to the use of *ex-*
20 *ante* risk premium estimates that are far higher than those used by investors when valuing
21 utility stocks.⁶⁰ Specifically, Mr. Murray states that the equity risk premia presented in my
22 direct testimony (i.e., 9.94 percent for the market-derived DCF method and 10.18 percent for

⁵⁹ See, rebuttal testimony of Robert B. Hevert, at 37-38.

⁶⁰ See, rebuttal testimony of David Murray, at 5.

1 the Sharpe Ratio method) are far above what most investors expect as a total return for the
2 market, much less an additional return over the risk free rate.⁶¹ Mr. Murray claims that he
3 knows of no institutional investors that are using equity risk premiums anywhere near this
4 level when making investment decisions in the current environment.⁶² Lastly, Mr. Murray
5 claims that my “inclination to inflate . . . equity risk premiums well above rational estimates
6 should cause concern about Mr. Hevert’s tendency to use higher estimates regardless of the
7 cost of equity methodology employed.”⁶³

8 **Q. What is your response to Mr. Murray on those points?**

9 A. First, Mr. Murray provides no evidence or supporting documentation for his
10 observation concerning the equity risk premium that institutional investors are using in the
11 current market environment. Mr. Murray simply provides his opinion, without offering any
12 evidence to support it. Although Mr. Murray asserts that investors do not expect total market
13 returns as high as my estimated equity risk premium, I note that Mr. Murray himself uses the
14 projected five-year EPS growth rate for the S&P 500 of 10.68 percent (See Schedule 9),
15 which is higher than either of the equity risk premia used in the CAPM analyses presented in
16 my direct testimony. Furthermore, this figure does not include the average dividend yield of
17 approximately 2.12 percent⁶⁴ for the companies in that index, which brings the total return
18 for the broader market to 12.91 percent. Subtracting the risk-free rate of 3.13 percent (as
19 shown on Schedule 22 of the Staff Report) produces an implied market risk premium of 9.78
20 percent.

⁶¹ *Ibid.*, at 19.

⁶² *Ibid.*, at 20.

⁶³ *Ibid.*

⁶⁴ *See*, Schedule RBH-E4.

1 As discussed in my direct and rebuttal testimony, academic research has shown that
2 there is an inverse relationship between interest rates and the equity risk premium, which
3 Mr. Murray fails to consider.⁶⁵ Based on that inverse relationship, it is not appropriate to use
4 an historical equity risk premium (i.e., currently 6.60 percent, as reported by Morningstar), as
5 Mr. Murray has done, because that figure is based on an average income-only return on
6 government bonds of 5.20 percent that is substantially higher than the current average yield
7 on government bonds. Forward-looking, or *ex-ante*, equity risk premia such as those
8 presented in my CAPM analyses, take into consideration that inverse relationship with
9 interest rates, so that the CAPM results reflect the current and projected level of interest rates
10 and what those yields imply about the equity risk premium. The historical market risk
11 premium of 6.60 percent that Mr. Murray relies upon in his CAPM analysis is based on data
12 from Morningstar that also assumes a historical capital appreciation rate for large-company
13 stocks of 7.40 percent. Based on my Risk Premium analysis (*See*, Schedule RBH-ER14),
14 with the historical risk free rate reported by Morningstar of 5.20 percent, the estimated Cost
15 of Equity for electric utilities would be approximately 10.90 percent, or 40 basis points
16 higher than my revised ROE recommendation of 10.50 percent and 190 basis points higher
17 than Mr. Murray's ROE recommendation of 9.00 percent.

18 With respect to the market-derived DCF estimate of the equity risk premium, that
19 method simply uses market-based information that investors rely upon to establish their
20 return expectations. To the extent investors rely on that information, it already is reflected in
21 current stock prices. With regard to the Sharpe Ratio method to estimate the equity risk
22 premium, as explained in my direct testimony, that approach takes into consideration the

⁶⁵ *See*, direct testimony of Robert B. Hevert, at 8, and 37-38, and rebuttal testimony of Robert B. Hevert, at 65-66.

1 ratio of expected market volatility to historical market volatility to adjust the historical equity
2 risk premium based on investors' expectations regarding future market risk.⁶⁶ Contrary to
3 Mr. Murray's concern that the Sharpe Ratio method produces an "inflated" equity risk
4 premium, I note that in my rebuttal testimony, the equity risk premium using the Sharpe
5 Ratio method decreased to 8.42 percent (*See*, Schedule RBH-ER13), as expectations for
6 market volatility have declined.

7 **Q. What is your response to Mr. Murray's statement that Staff is not aware**
8 **of any professional investors that expect a 12.91 percent return for the S&P 500 in the**
9 **long-run, let alone a double-digit return for the S&P 500 Index?**

10 A. As support for his position, Mr. Murray cites the Survey of Professional
11 Forecasters published by the Philadelphia Federal Reserve. On reviewing that survey, I note
12 that it does not specify whether the expected returns for the S&P 500 represent *total* returns
13 or only capital appreciation. Specifically, the survey question states: "What do you expect
14 to be the annual average [stock return] over the next ten years for the S&P 500?"⁶⁷ To the
15 extent the Philadelphia Fed survey results include only capital gains and not dividends, the
16 survey understates the actual total return that investors expect, which, in turn, suggests that it
17 is not appropriate to rely on that survey to estimate the market risk premium because the
18 long-term growth rate for the S&P 500 might be understated. Further, the Survey of
19 Professional Forecasters for the first quarter of 2012 considered the responses of 45
20 economists and financial forecasters; however, only 19 survey participants responded to the
21 question regarding the expected return for the S&P 500 over the next ten years.⁶⁸

⁶⁶ *See*, direct testimony of Robert B. Hevert, at 34.

⁶⁷ Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters, First Quarter of 2011, at 4.

⁶⁸ Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters, First Quarter of 2012, at 17.

1 **Q. Have you performed any additional analysis in order to check the**
2 **reasonableness of your DCF-derived market risk premium?**

3 A. Yes, in order to evaluate the reasonableness of the 12.91 percent estimate for
4 the expected total return on the S&P 500, I also have calculated the market-capitalization
5 weighted total return for all 1,547 companies in the Value Line universe, which is a source
6 that Mr. Murray relies on heavily in the Staff Report. As shown on Schedule RBH-ES33, the
7 market-cap weighted expected total return for the Value Line universe of companies is 13.57
8 percent. Subtracting the market-cap weighted dividend yield for those companies produces
9 an implied growth rate of 11.60 percent. Based on the results of that analysis, I conclude that
10 the 12.91 percent total return estimate for the S&P 500 is reasonable, if not conservative.

11 **Q. In rejecting the Sharpe Ratio method, Mr. Murray also observes that the**
12 **short-term volatility of the S&P 500 is not a reason for a higher Cost of Equity for**
13 **regulated electric utilities, but rather a reason for a lower Cost of Equity.⁶⁹ What is**
14 **your response?**

15 A. Mr. Murray acknowledges that there has been higher volatility in the broad
16 market, but argues that regulated utilities are currently trading at a premium to the S&P 500
17 even though they normally trade at a discount.⁷⁰ Mr. Murray also observes that the
18 cumulative returns for electric utilities in 2010 and 2011 were higher than for the S&P 500.⁷¹
19 Moreover, Mr. Murray states that those higher returns for utilities are not due to higher EPS

⁶⁹ See, rebuttal testimony of David Murray, at 22.

⁷⁰ *Ibid.*, at 21.

⁷¹ *Ibid.*, at 22.

1 growth expectations, but rather are due to a decrease in regulated utility discount rates due to
2 the extremely low interest rate environment and investors' flight to safety.⁷²

3 As discussed in my response to Mr. Gorman in my rebuttal testimony, during periods
4 of market instability, utility stock returns are more highly correlated to overall market returns
5 than during periods of relative stability.⁷³ I have reproduced Table 1 (below) from my
6 rebuttal testimony to illustrate the relationship between return correlations for electric utility
7 stocks and the S&P 500 during periods of high volatility in equity markets. As shown on that
8 Table, when overall market risk is higher, as measured by the VIX, return correlations
9 between electric utility companies and the broader market tend to be higher as well.

10 **Table 1: Correlation of Electric Utility Stock Returns to Overall Market Returns**
11 **During Periods of Higher and Lower Market Volatility (2002 through July 13, 2012)⁷⁴**

VIX ⁷⁵	Correlation of S&P 500 and S&P Electric Utility Index Returns ⁷⁶
< 15%	0.53
< 20%	0.54
> 20%	0.66
> 25%	0.73

12

13 Further, while the Sharpe Ratio approach relies on the average VIX since inception of
14 20.53, I note that the median VIX over that same period has been approximately 19.07. As
15 such, current expectations for the VXV and the VIX futures of approximately 25.90 (see
16 Schedule RBH-ER13) indicate that investors are expecting volatility to be more than 35.00

⁷² *Ibid.*

⁷³ *See*, rebuttal testimony of Robert B. Hevert, at 73.

⁷⁴ Source: Bloomberg Professional.

⁷⁵ 90-trading-day average value.

⁷⁶ Average of 90-trading-day correlation of weekly returns on S&P 500 Index and the S&P Electric Utility Index during periods when the average VIX value fell within the specified range.

1 percent higher than the median level since 1991, which again supports the use of a higher
2 equity risk premium.

3 **Q. Do you agree with Mr. Murray that the use of actual or allowed ROE**
4 **data to interpret the market required risk premium is of questionable value due to**
5 **concerns about “circularity”?**⁷⁷

6 A. No, I do not. First, as discussed in my rebuttal testimony, the Commission
7 traditionally has recognized authorized returns in other jurisdictions as a relevant benchmark
8 because Ameren Missouri must compete for capital with other comparable regulated electric
9 utilities.⁷⁸ There is no reason to believe that utility commissions do not consider publicly
10 available, market-based data in arriving at their ROE determinations. Further, as explained
11 in my direct testimony, I have used my Risk Premium analysis to assess the reasonableness
12 of my DCF results, not as a primary method to establish the Cost of Equity for Ameren
13 Missouri.⁷⁹

14 **Q. Do you agree with Mr. Murray that “considering the bond-like**
15 **characteristics of regulated utility stocks, it should be fairly intuitive that the cost of**
16 **equity for regulated utility companies is well below 10%”?**⁸⁰

17 A. No, I do not. As demonstrated in my rebuttal testimony, there is a significant
18 difference in the relative risk of regulated utility stocks and bonds, as evidenced by the Beta
19 coefficients for each.⁸¹ As also discussed in my rebuttal testimony and as shown on the
20 chart below (reproduced from my rebuttal testimony), authorized ROEs for electric utilities

⁷⁷ See, rebuttal testimony of David Murray, at 23.

⁷⁸ See, rebuttal testimony of Robert B. Hevert, at 10.

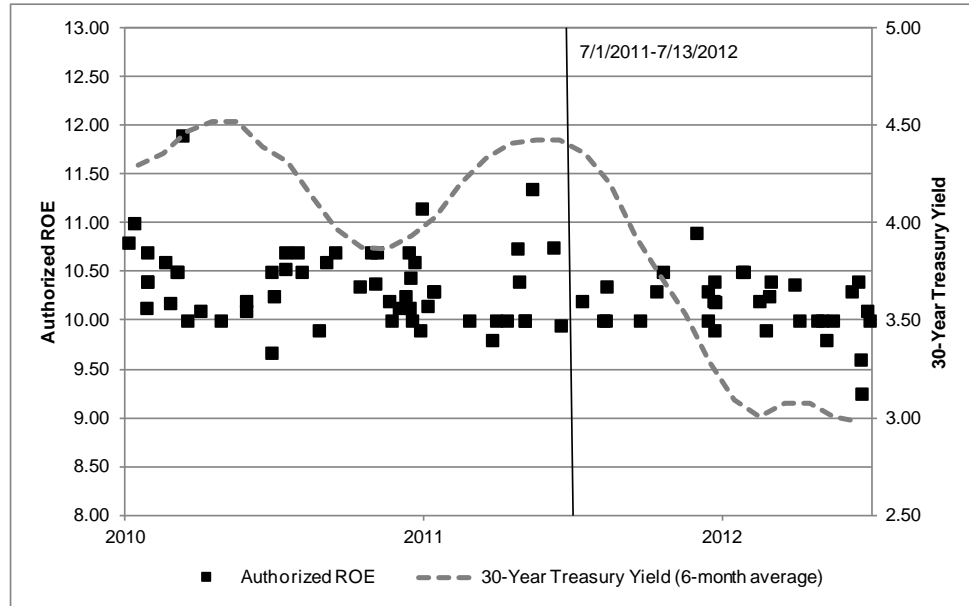
⁷⁹ See, direct testimony of Robert B. Hevert, at 31.

⁸⁰ See, rebuttal testimony of David Murray, at 24.

⁸¹ See, rebuttal testimony of Robert B. Hevert, at 63-64.

1 have remained above 10.00 percent on average over the past year despite the decline in
2 Treasury yields.⁸²

3 **CHART 4: Authorized ROEs vs. 30-Year Treasury Yields**



4
5

6 That fact demonstrates that utility commissions have recognized that there are factors
7 beyond interest rates that must be considered in arriving at ROE determinations, and that
8 investors require compensation for the additional risk of owning equities. Furthermore,
9 credit risk has been rising, as indicated by the higher incremental credit spreads between
10 Baa-rated and A-rated utility bonds.⁸³ As discussed in my rebuttal testimony, those higher
11 credit spreads, especially among lower-rated utility bonds, suggest that investors continue to
12 be more risk averse today than they were in the period immediately preceding the recent
13 recession or at the time of the Company's last electric rate case decision in July 2011.⁸⁴ To
14 the extent that credit spreads have increased, it is an observable measure of the capital

⁸² *Ibid.*, at 4-5.
⁸³ *Ibid.*, at 23.
⁸⁴ *Ibid.*, at 23-24.

1 market's increased risk aversion, which suggests that the equity risk premium and the Cost of
2 Equity have increased for Ameren Missouri since its last electric rate case decision.

3 ***E. Application and Relevance of Risk Premium Analysis***

4 **Q. Please summarize Mr. Murray's position with regard to the relationship**
5 **between the equity risk premium and the volatility of bonds.**

6 A. Mr. Murray states: "Many experts attribute the decrease in equity risk
7 premiums during the 1980s to the volatility of bonds, not a lower required return for stocks.
8 Consequently, the volatility of interest rates is a more important factor to determining the
9 equity risk premium as opposed to the level of interest rates."⁸⁵

10 **Q. What is your response to Mr. Murray on this point?**

11 A. While I agree with Mr. Murray that there is a relationship between the equity
12 risk premium and the volatility of bonds, I disagree with his suggestion that the current
13 equity risk premium is lower because the volatility of bond prices and interest rates is lower.
14 In response to Mr. Murray's statement, I performed an analysis that examines the volatility of
15 interest rates (as measured by the coefficient of variation) using the daily yield on ten-year
16 Treasury bonds.⁸⁶ As shown on Chart 5 (below, also see Schedule RBH-ES34), that analysis
17 demonstrates that yields on ten-year Treasury securities have been more volatile in the last
18 few years (i.e., 2008-2011) than at any time since at least 1980.

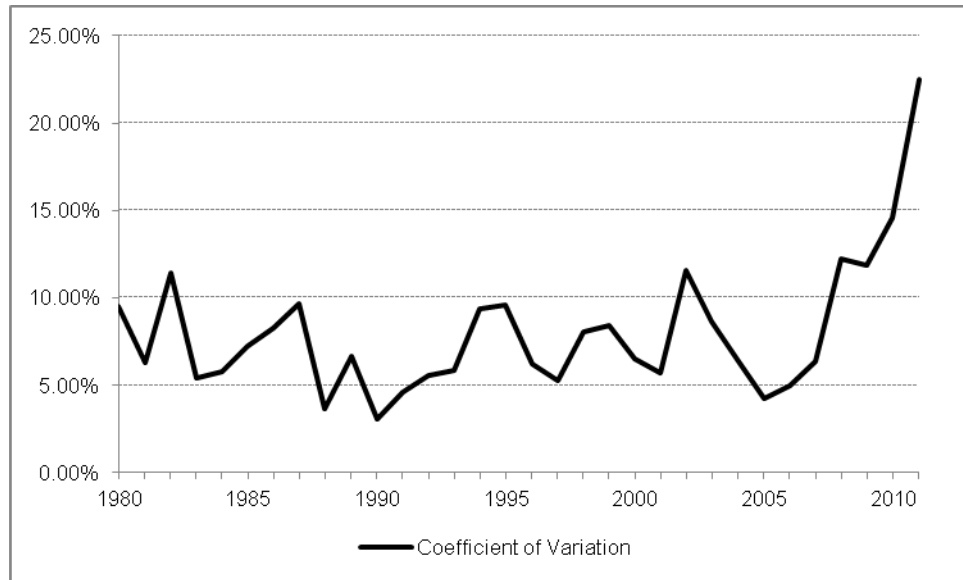
19

⁸⁵ See, rebuttal testimony of David Murray, at 24.

⁸⁶ I did not use 30-year Treasury yields because there was a period from early 2002 through early 2006 when those yields were not available because the U.S. government stopped issuing the 30-year Treasury bond.

1

Chart 5: 10-Year U.S. Treasury Bonds Coefficient of Variation



2

3

4

The implication of that analysis, based on Mr. Murray's rebuttal testimony, is that the current equity risk premium should be substantially higher than the historical average. As such, Mr. Murray's position with regard to the relationship between the equity risk premium and the volatility of bonds (i.e., interest rates) supports the equity risk premia that I relied upon in my CAPM analysis.⁸⁷

8

9

Q. Do you agree with Mr. Murray that it is incorrect to add the estimated equity risk premium to projected bond yields because bond prices already reflect investors' expectations of future interest rates?⁸⁸

10

11

12

A. No, I do not. First, the Risk Premium analysis presented in my direct and rebuttal testimony uses both current and projected bond yields. More importantly, it is appropriate to consider projected bond yields because the process of estimating the Cost of Equity is forward-looking. Moreover, if Mr. Murray is correct that bond prices already

13

14

15

⁸⁷ See, Schedule RBH-ER13.

⁸⁸ See, rebuttal testimony of David Murray, at 24.

1 reflect investors' expectations about future interest rates, then it is unclear why there is such a
2 large difference between current and projected yields on government bonds. In my view, one
3 reason for the low yields on government bonds is Federal Reserve intervention in financial
4 markets. For example, in an effort to reduce interest rates on longer-term government bonds,
5 on September 21, 2011, the Fed announced plans to purchase by June 2012 \$400 billion in
6 Treasury securities with remaining maturities of six to 30 years and to sell an equal amount
7 of Treasury securities with remaining maturities of three years or less.⁸⁹ The Fed recently
8 announced that it would extend that program (known as "Operation Twist") through
9 December 2012.⁹⁰ It is important to recognize that Federal intervention in the capital
10 markets has created additional uncertainty among investors.

11 Furthermore, the shape and slope of the yield curve is not constant over time, such
12 that a relatively flat slope at the short-end of the curve (e.g., one or three years) may not be
13 representative of investors' inflation expectations that would be derived from the long-end of
14 the curve (e.g., 20 years). To that point, the average 30-day yield on the 20-year Treasury as
15 of July 13, 2012 (the date of the analyses in my rebuttal testimony) was 2.29 percent. By
16 comparison, as shown on the work paper for Schedule RBH-ER11, the implied forward
17 20-year Treasury yield for the period from 2022 through 2042 as of July 13, 2012 was 3.22
18 percent. That differential demonstrates that investors' expectations for increased interest
19 rates, and the Company's exposure to the risk of such a rise, are substantially greater than
20 what is reflected in current yields on long-term Treasury securities.

⁸⁹ Source: Minutes of Federal Open Market Committee Meeting, September 20-21, 2011, at 10.

⁹⁰ Source: Minutes of Federal Open Market Committee Meeting, July 31 – August 1, 2012, at 9.

1 Lastly, as shown on Schedule RBH-ER14, the projected yield on the 30-year
2 Treasury bond for the period from 2014-2023 is 5.30 percent,⁹¹ which reflects investors'
3 expectation that yields will increase during the period in which the Company's rates will be
4 in place, thereby putting the shareholders at risk.

5 ***F. Effect of Regulatory Risk on Authorized ROE***

6 **Q. What is your response to Mr. Murray's statement that you did not make**
7 **any downward adjustment to your Cost of Equity estimate to take into consideration**
8 **the fact that your proxy group includes at least two companies with significant non-**
9 **regulated operations?**⁹²

10 A. As discussed in my direct and rebuttal testimony, the companies in my Hevert
11 Original Proxy Group and Hevert Revised Proxy Group are comparable to Ameren Missouri
12 in terms of business and financial risk.⁹³ As such, no adjustment to the Cost of Equity for
13 non-regulated operations is required. The screening criteria used to select my proxy group
14 account for differences in risk (including those due to non-regulated operations) by
15 considering relevant factors such as credit ratings, percentage of operating income derived
16 from regulated utility operations, and percentage of operating income derived from regulated
17 electric utility service.⁹⁴ Further, while I did compare the regulatory mechanisms in place at
18 my proxy group companies to those at Ameren Missouri, I did not make any specific
19 adjustments to my ROE recommendation to account for differences in risk. In fact, my
20 original ROE recommendation of 10.75 percent was at the mid-point of my recommended
21 10.50 percent to 11.00 percent range, and was fully supported by the various analyses

⁹¹ Source: Blue Chip Financial Forecasts, Vol. 31, No. 6, June 1, 2012, at 14.

⁹² See, rebuttal testimony of David Murray, at 25.

⁹³ See, direct testimony of Robert B. Hevert, at 14, and rebuttal testimony of Robert B. Hevert, at 30.

⁹⁴ See, direct testimony of Robert B. Hevert, at 16.

1 described in my direct testimony. In my rebuttal testimony, I reduced the lower end of my
2 range of results and my ROE recommendation by 25 basis points to reflect updated market
3 conditions as of July 13, 2012. That revised recommendation is toward the lower end of my
4 revised range of results from 10.25 percent to 11.00 percent.

5 **Q. Do you agree with Mr. Murray that your risk analysis should have**
6 **considered the effect on Ameren Missouri’s risk profile of the Commission’s approval**
7 **of the Company’s Demand-Side Programs Investment Mechanism (“DSIM”)?**

8 A. No, I do not. Mr. Murray himself acknowledges that Staff does not know how
9 to quantify what he claims is a reduction in risk due to the DSIM.⁹⁵ More importantly, risk
10 adjustments should be performed on a relative basis. In that regard, Mr. Murray has not
11 indicated whether the companies in his proxy group have similar mechanisms to the DSIM,
12 so that any reduction in risk would already be reflected in the Cost of Equity estimates for
13 those companies. As shown on Schedule RBH-ES35, the vast majority of electric utilities in
14 Mr. Murray’s proxy group (i.e., 78.00 percent of the operating companies) have cost
15 recovery mechanisms for Demand Side Management (“DSM”) related costs. As such, no
16 risk adjustment is necessary because the market data for those companies already reflect the
17 fact that they are allowed to recover DSM-related costs.

18 **Q. Has Staff proposed any cost recovery modifications that could affect the**
19 **risk profile of Ameren Missouri relative to the Hevert Revised Proxy Group?**

20 A. Yes. Staff has recommended that the current sharing mechanism in the
21 Company’s Fuel Adjustment Clause (“FAC”), which allocates 95.00 percent of the increases
22 or decreases in net fuel costs to customers and 5.00 percent to the Company be modified to

⁹⁵ See, rebuttal testimony of David Murray, at 28.

1 allocate 85.00 percent to customers and 15.00 percent to the Company. As shown on
2 Schedule RBH-ES36, the vast majority of electric utilities in the Hevert Revised Proxy
3 Group (i.e., 78.00 percent of the operating companies) are allowed to recover 100.00 percent
4 of fuel costs through an automatic pass-through mechanism. As such, Ameren Missouri's
5 current FAC already makes the Company more risky than most companies in the Hevert
6 Revised Proxy Group. If Staff's proposal to modify the FAC is adopted, Ameren Missouri
7 will face even higher risk than the proxy group companies on fuel cost recovery, which
8 represents a significant cost category for the Company. Mr. Murray, however, has not
9 accounted for that possibility in his assessment of the Company's business risk relative to the
10 proxy group or in his ROE recommendation.

11 **III. CONCLUSIONS AND RECOMMENDATIONS**

12 **Q. What are your overall conclusions and recommendations?**

13 A. I continue to support the revised range of returns (i.e., 10.25 percent to 11.00
14 percent) and the revised ROE recommendation (i.e., 10.50 percent) that were provided in my
15 rebuttal testimony. Furthermore, I disagree that Mr. Murray's ROE recommendation of 9.00
16 percent for Ameren Missouri is consistent with prevailing return levels for other integrated
17 electric utilities with commensurate risk. As discussed throughout my surrebuttal testimony,
18 I disagree with certain aspects of Mr. Murray's rebuttal testimony, including: (1) the
19 composition of his "control group" and the purpose of that group; (2) his continued
20 objections to the use of long-term GDP growth as the terminal growth rate in the Multi-Stage
21 DCF model, as well as his concerns with my assumptions relating to the dividend payout
22 ratio and the timing of cash flows; (3) his objection to the use of analysts' EPS growth rates
23 in the Constant Growth DCF model; (4) his concerns with my derivation of a forward-

1 looking market risk premium for the CAPM analysis; (5) his reservations with the use of
2 authorized returns in other jurisdictions in the Risk Premium analysis and as a benchmark for
3 evaluating the reasonableness of various ROE estimates; and (6) his failure to consider the
4 effect of Staff's proposed revisions to Ameren Missouri's Fuel Adjustment Clause on the
5 Company's regulatory risk and Cost of Equity relative to the proxy group.

6 **Q. Does that conclude your surrebuttal testimony?**

7 **A. Yes, it does.**

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Union Electric Company d/b/a)
Ameren Missouri's Tariffs to Increase Its Revenues) Case No. ER-2012-0166
for Electric Service.)

AFFIDAVIT OF ROBERT B. HEVERT

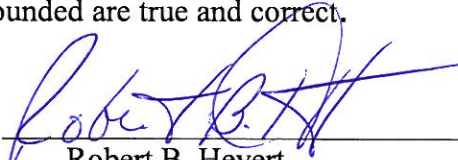
COMMONWEALTH OF MASSACHUSETTS)
) ss
COUNTY OF MIDDLESEX)

Robert B. Hevert, being first duly sworn on his oath, states:

1. My name is Robert B. Hevert and my office is located in Marlborough, Massachusetts and I am Managing Partner of Sussex Economic Advisors, LLC, and an Executive Advisor to Concentric Energy Advisors, Inc.

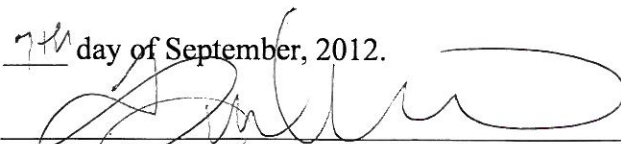
2. Attached hereto and made a part hereof for all purposes is my surrebuttal testimony on behalf of Union Electric Company d/b/a Ameren Missouri consisting of 39 pages and Schedule(s) RBH-ES30-RBH-ES36, all of which have been prepared in written form for introduction into evidence in the above-referenced docket.

3. I hereby swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.



Robert B. Hevert

Subscribed and sworn to before me this 7th day of September, 2012.



Notary Public

My commission expires:



KIMBERLY H. DAO
Notary Public
Commonwealth of Massachusetts
My Commission Expires
April 16, 2015

Correction of Mr. Murray's Rebuttal Testimony Schedule 5

Re-creation of Mr. Murray's Schedule 5

Mr. Murray's Incorrect Presentation of Dividend Cash Flows based on the Mid-Year Convention

	12/31/2011	07/01/2012	07/01/2013	07/01/2014	07/01/2015	07/01/2016	Period Duration (Yrs)	CAGR
American Electric Power	\$2.71	\$2.82	\$2.94	\$3.06	\$3.18	\$3.31	4.5	4.59%

Dividend Cash Flows Assuming Year End Payment of Annualized Dividend

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	Period Duration (Yrs)	CAGR
American Electric Power	\$2.71	\$2.82	\$2.94	\$3.06	\$3.18	\$3.31	5.0	4.12%

Correction of Mr. Murray's Schedule 5 - Apply the Mid-Year Convention Consistently

Corrected Dividend Cash Flows based on the Mid-Year Convention

	07/01/2011	07/01/2012	07/01/2013	07/01/2014	07/01/2015	07/01/2016	Period Duration (Yrs)	CAGR
American Electric Power	\$2.71	\$2.82	\$2.94	\$3.06	\$3.18	\$3.31	5.0	4.12%

Dividend Cash Flows Assuming Year End Payment of Annualized Dividend

	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	Period Duration (Yrs)	CAGR
American Electric Power	\$2.71	\$2.82	\$2.94	\$3.06	\$3.18	\$3.31	5.0	4.12%

Notes:

CAGR is the compound annual growth rate computed for the specified number of years based on the first and last values in each series

BLUE CHIP ECONOMIC INDICATORS
PERCENT CHANGE -- NOMINAL GDP AND CORPORATE PROFITS

	Current Year	Next Year	Corp. Profits > Nom. GDP?	
			Current Year	Next Year
Jun-04			Yes	Yes
Nominal GDP	6.60	5.70		
Corporate Profits	17.60	11.90		
Sep-04			Yes	Yes
Nominal GDP	6.60	5.70		
Corporate Profits	16.40	8.50		
Dec-04			Yes	Yes
Nominal GDP	6.60	5.60		
Corporate Profits	15.00	9.70		
Mar-05			Yes	Yes
Nominal GDP	5.80	5.40		
Corporate Profits	10.40	5.90		
Jun-05			Yes	No
Nominal GDP	6.00	5.40		
Corporate Profits	14.40	5.40		
Sep-05			Yes	Yes
Nominal GDP	6.20	5.60		
Corporate Profits	16.10	6.40		
Dec-05			Yes	Yes
Nominal GDP	6.40	6.00		
Corporate Profits	17.10	7.90		
Mar-06			Yes	No
Nominal GDP	6.00	5.30		
Corporate Profits	9.50	4.60		
Jun-06			Yes	No
Nominal GDP	6.50	5.20		
Corporate Profits	15.50	3.90		
Sep-06			Yes	No
Nominal GDP	6.60	5.20		
Corporate Profits	18.70	4.30		
Dec-06			Yes	Yes
Nominal GDP	6.30	4.60		
Corporate Profits	19.80	5.00		
Mar-07			No	Yes
Nominal GDP	4.70	5.10		
Corporate Profits	4.50	5.30		
Jun-07			No	No
Nominal GDP	4.80	5.20		
Corporate Profits	4.70	5.10		
Sep-07			No	No
Nominal GDP	4.70	4.80		
Corporate Profits	3.40	3.70		
Dec-07			No	No
Nominal GDP	4.90	4.30		
Corporate Profits	3.80	2.40		
Mar-08			No	Yes
Nominal GDP	3.90	4.50		
Corporate Profits	-1.60	6.00		
Jun-08			No	Yes
Nominal GDP	3.90	4.30		
Corporate Profits	-2.60	4.40		
Sep-08			No	No
Nominal GDP	4.10	3.90		
Corporate Profits	-4.60	2.80		

BLUE CHIP ECONOMIC INDICATORS
PERCENT CHANGE -- NOMINAL GDP AND CORPORATE PROFITS

	Current Year	Next Year	Corp. Profits > Nom. GDP?	
			Current Year	Next Year
Dec-08			No	No
Nominal GDP	3.50	0.70		
Corporate Profits	-8.50	-5.50		
Mar-09			No	Yes
Nominal GDP	-1.40	3.20		
Corporate Profits	-12.80	6.00		
Jun-09			No	Yes
Nominal GDP	-1.00	3.40		
Corporate Profits	-13.70	6.90		
Sep-09			No	Yes
Nominal GDP	-1.20	3.80		
Corporate Profits	-8.10	9.80		
Dec-09			No	Yes
Nominal GDP	-1.30	3.90		
Corporate Profits	-5.80	13.10		
Mar-10			Yes	Yes
Nominal GDP	4.20	4.70		
Corporate Profits	16.30	8.00		
Jun-10			Yes	Yes
Nominal GDP	4.10	4.60		
Corporate Profits	21.70	7.40		
Sep-10			Yes	Yes
Nominal GDP	3.60	3.90		
Corporate Profits	30.00	6.40		
Dec-10			Yes	Yes
Nominal GDP	3.80	4.10		
Corporate Profits	31.10	6.20		
Mar-11			Yes	Yes
Nominal GDP	4.70	5.00		
Corporate Profits	7.50	6.40		
Jun-11			Yes	Yes
Nominal GDP	4.30	5.00		
Corporate Profits	7.70	6.00		
Sep-11			Yes	Yes
Nominal GDP	3.70	4.00		
Corporate Profits	6.80	4.80		
Dec-11			Yes	Yes
Nominal GDP	4.00	4.10		
Corporate Profits	8.10	6.10		
Mar-12			Yes	Yes
Nominal GDP	4.10	4.60		
Corporate Profits	5.80	5.50		
Jun-12			Yes	No
Nominal GDP	3.90	4.30		
Corporate Profits	5.40	4.20		
Total months where corporate profits > nominal GDP:			21	23
Percentage of total:			63.64%	69.70%

Source: Blue Chip Economic Indicators

**Re-creation of Schedule 9
Multiple-Stage Discounted Cash Flow (DCF) Estimated Costs of Common Equity
for the Standard & Poor's 500 Index**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Company Name	Annualized Quarterly Dividend	Growth Years 1-5	6	7	8	9	10	Growth in Perpetuity	Cost of Equity
S&P 500	\$29.12	10.68%	9.84%	8.99%	8.15%	7.30%	6.46%	5.61%	8.97%

Sources: (1) <http://www.spindices.com/indices/equity/sp-500>
(2) Schedule RBH-E4
(8) Schedule RBH-E2

**Re-creation of Schedule 9
Terminal Value in Year 15 Instead of 200 Years of Dividends And
Terminal Value Based on Historical Average P/E Ratio
Multiple-Stage Discounted Cash Flow (DCF) Estimated Costs of Common Equity
for the Standard & Poor's 500 Index**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
Company Name	ROE	Year 0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Terminal Price	Terminal P/E
Terminal Value in Year 15 Instead of 200 Years of Dividends																			
S&P 500	8.98%	(1,257.60)	32.23	35.67	39.48	43.70	48.37	53.12	57.90	62.61	67.18	71.52	75.53	79.77	84.25	88.97	93.96	2,945.55	
Cash Flow	(0.00)	1,257.60	32.23	35.67	39.48	43.70	48.37	53.12	57.90	62.61	67.18	71.52	75.53	79.77	84.25	88.97	93.96	3,039.51	
Dividends per Share			32.23	35.67	39.48	43.70	48.37	53.12	57.90	62.61	67.18	71.52	75.53	79.77	84.25	88.97	93.96	2,945.55	11.05 (20)
Payout Ratio (21)			35.26%	35.26%	35.26%	35.26%	35.26%	35.26%	35.26%	35.26%	35.26%	35.26%	35.26%	35.26%	35.26%	35.26%	35.26%	35.26%	
Implied Earnings per Share (22)			91.40	101.16	111.97	123.93	137.16	150.65	164.20	177.57	190.53	202.83	214.21	226.23	238.92	252.32	266.48		
Terminal Value Based on Historical Average P/E Ratio																			
S&P 500	11.21%	(1,257.60)	32.23	35.67	39.48	43.70	48.37	53.12	57.90	62.61	67.18	71.52	75.53	79.77	84.25	88.97	93.96	4,310.35	16.18 (23)
Cash Flow	(0.00)	1,257.60	32.23	35.67	39.48	43.70	48.37	53.12	57.90	62.61	67.18	71.52	75.53	79.77	84.25	88.97	93.96	4,404.31	

Sources: (2) S&P 500 index value as of December 31, 2011
(18) Equals Column (17) x (1 + LTG) / (ROE - LTG)
(20) Implied P/E ratio equals \$2,945.55 / \$266.48
(21) <http://www.spindices.com/indices/equity/sp-500>; equals payout ratio for Q4 2011
(22) Equals Dividends per Share / Payout Ratio
(23) Damodaran Online (http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/spearn.htm); historical average P/E ratio for 1960-2011

MARKET RISK PREMIUM DERIVED FROM VALUE LINE TOTAL RETURN ESTIMATES

[1]	[2]	[3]
Projected Weighted Dividend Yield	Implied Weighted Long-Term Growth Rate	Projected Weighted Total Return
1.97%	11.60%	13.57%

[4] 30-Year Treasury (30-day average): 2.68%

[5] Implied Market Risk Premium: 10.89%

VALUE LINE UNIVERSE

[6]	[7]	[8]	[9]	[10]	[11]		
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Proj 3-5 Yr % Annual Total Return	Market-Cap Weighted Proj. 3-5 Yr % Annual Total Return	Proj 3-5 Yr Dividend Yield	Market-Cap Weighted Proj. 3-5 Yr Dividend Yield
1-800-FLOWERS.COM	FLWS	\$242	0.0016%	26.00%	0.0004%		
3M Company	MMM	\$64,804	0.4228%	15.00%	0.0634%	2.50%	0.0106%
A.H. Belo	AHC	\$99	0.0006%	31.00%	0.0002%	2.00%	0.0000%
AAR Corp.	AIR	\$551	0.0036%	26.00%	0.0009%	0.70%	0.0000%
Aaron's Inc.	AAN	\$2,219	0.0145%	10.00%	0.0014%	0.30%	0.0000%
Abaxis, Inc.	ABAX	\$848	0.0055%	13.00%	0.0007%		
Abbott Labs.	ABT	\$104,251	0.6801%	13.00%	0.0884%	2.60%	0.0177%
Abercrombie & Fitch	ANF	\$2,923	0.0191%	31.00%	0.0059%	1.00%	0.0002%
Aberdeen Australia Fd.	IAF		0.0000%	14.00%	0.0000%	2.50%	0.0000%
ABM Industries Inc.	ABM	\$1,086	0.0071%	22.00%	0.0016%	1.80%	0.0001%
ACCO Brands	ACCO	\$815	0.0053%	37.00%	0.0020%		
ACI Worldwide	ACIW	\$1,764	0.0115%	5.00%	0.0006%		
Acme Packet	APKT	\$1,201	0.0078%	28.00%	0.0022%		
Activision Blizzard	ATVI	\$13,197	0.0861%	28.00%	0.0241%	1.00%	0.0009%
Actuant Corp.	ATU	\$2,089	0.0136%	13.00%	0.0018%	0.10%	0.0000%
Acuity Brands	AYI	\$2,696	0.0176%	5.00%	0.0009%	1.00%	0.0002%
Adams Express	ADX		0.0000%	12.00%	0.0000%	1.00%	0.0000%
Adobe Systems	ADBE	\$16,623	0.1084%	23.00%	0.0249%		
ADTRAN, Inc.	ADTN	\$1,436	0.0094%	29.00%	0.0027%	0.60%	0.0001%
Advance Auto Parts	AAP	\$5,281	0.0345%	15.00%	0.0052%	0.50%	0.0002%
Advanced Energy	AEIS	\$501	0.0033%	24.00%	0.0008%		
Advanced Micro Dev.	AMD	\$2,948	0.0192%	41.00%	0.0079%		
Advent Software	ADVS	\$1,168	0.0076%	17.00%	0.0013%		
Advisory Board	ABCO	\$1,446	0.0094%	-4.00%	-0.0004%		
AECOM Techn.	ACM	\$2,139	0.0140%	30.00%	0.0042%		
Aegion Corp.	AEGN	\$773	0.0050%	22.00%	0.0011%		
Aeropostale	ARO	\$1,110	0.0072%	23.00%	0.0017%		
AeroVironment	AVAV	\$518	0.0034%	21.00%	0.0007%		
AES Corp.	AES	\$9,048	0.0590%	17.00%	0.0100%	1.50%	0.0009%
Aetna Inc.	AET	\$13,260	0.0865%	26.00%	0.0225%	1.10%	0.0010%
AFC Enterprises	AFCE	\$579	0.0038%	7.00%	0.0003%		
Affiliated Managers	AMG	\$6,111	0.0399%	7.00%	0.0028%		
Affymetrix Inc.	AFFX	\$283	0.0018%	19.00%	0.0004%		
Aflac Inc.	AFL	\$21,457	0.1400%	20.00%	0.0280%	2.40%	0.0034%
AGCO Corp.	AGCO	\$4,257	0.0278%	20.00%	0.0056%		
Agilent Technologies	A	\$12,910	0.0842%	14.00%	0.0118%	0.60%	0.0005%
Agilysys, Inc.	AGYS	\$184	0.0012%	15.00%	0.0002%		
AGL Resources	GAS	\$4,706	0.0307%	15.00%	0.0046%	3.50%	0.0011%
Air Products & Chem.	APD	\$17,925	0.1169%	14.00%	0.0164%	2.20%	0.0026%

VALUE LINE UNIVERSE

		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr % Annual Total Return	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Dividend Yield	Dividend Yield
Aircastle Ltd.	AYR	\$868	0.0057%	22.00%	0.0012%	3.30%	0.0002%
Airgas Inc.	ARG	\$6,466	0.0422%	15.00%	0.0063%	1.90%	0.0008%
AK Steel Holding	AKS	\$617	0.0040%	65.00%	0.0026%	0.50%	0.0000%
Akamai Technologies	AKAM	\$6,770	0.0442%	21.00%	0.0093%		
Alaska Air Group	ALK	\$2,418	0.0158%	15.00%	0.0024%		
Alaska Communic.	ALSK	\$96	0.0006%	25.00%	0.0002%	4.40%	0.0000%
Albany Int'l 'A'	AIN	\$646	0.0042%	20.00%	0.0008%	2.10%	0.0001%
Albany Molecular	AMRI	\$99	0.0006%	13.00%	0.0001%		
Albemarle Corp.	ALB	\$5,476	0.0357%	14.00%	0.0050%	1.20%	0.0004%
Alcoa Inc.	AA	\$9,357	0.0610%	25.00%	0.0153%	0.90%	0.0005%
Alere Inc.	ALR	\$1,506	0.0098%	33.00%	0.0032%		
Alexion Pharmac.	ALXN	\$19,983	0.1304%				
Align Techn.	ALGN	\$2,771	0.0181%	10.00%	0.0018%		
Alleghany Corp.	Y	\$2,863	0.0187%	5.00%	0.0009%		
Allegheny Techn.	ATI	\$3,480	0.0227%	34.00%	0.0077%	0.90%	0.0002%
Allegiant Travel	ALGT	\$1,288	0.0084%	9.00%	0.0008%		
Allergan, Inc.	AGN	\$26,108	0.1703%	12.00%	0.0204%	0.40%	0.0007%
ALLETE	ALE	\$1,546	0.0101%	5.00%	0.0005%	4.80%	0.0005%
Alliance Data Sys.	ADS	\$6,862	0.0448%	2.00%	0.0009%		
Alliance Resource	ARLP	\$2,426	0.0158%	16.00%	0.0025%	5.70%	0.0009%
AllianceBernstein Hldg.	AB	\$3,576	0.0233%	38.00%	0.0089%	5.90%	0.0014%
AllianceBernstein Income	ACG		0.0000%	5.00%	0.0000%	6.80%	0.0000%
Alliant Energy	LNT	\$5,110	0.0333%	4.00%	0.0013%	4.80%	0.0016%
Alliant Techsystems	ATK	\$1,690	0.0110%	25.00%	0.0028%	1.10%	0.0001%
Allscripts Healthcare	MDRX	\$2,109	0.0138%	16.00%	0.0022%		
Allstate Corp.	ALL	\$18,606	0.1214%	11.00%	0.0134%	2.10%	0.0025%
Alnylam Pharmac.	ALNY	\$923	0.0060%	1.00%	0.0001%		
Alpha Natural Res.	ANR	\$1,454	0.0095%	51.00%	0.0048%	1.00%	0.0001%
Altera Corp.	ALTR	\$11,739	0.0766%	17.00%	0.0130%	0.60%	0.0005%
Altra Holdings, Inc.	AIMC	\$480	0.0031%	16.00%	0.0005%		
Altria Group	MO	\$71,756	0.4681%	6.00%	0.0281%	5.80%	0.0272%
Amazon.com	AMZN	\$108,698	0.7091%	11.00%	0.0780%		
AMCOL Int'l	ACO	\$967	0.0063%	16.00%	0.0010%	1.60%	0.0001%
Amdocs Ltd.	DOX	\$5,445	0.0355%	16.00%	0.0057%	1.50%	0.0005%
Amedisys, Inc.	AMED	\$449	0.0029%	15.00%	0.0004%		
Amer. Axle	AXL	\$852	0.0056%	25.00%	0.0014%		
Amer. Capital, Ltd.	ACAS	\$3,640	0.0237%	30.00%	0.0071%	2.30%	0.0005%
Amer. Eagle Outfitters	AEO	\$4,150	0.0271%	7.00%	0.0019%	2.20%	0.0006%
Amer. Elec. Power	AEP	\$20,976	0.1368%	6.00%	0.0082%	4.50%	0.0062%
Amer. Express	AXP	\$66,779	0.4357%	14.00%	0.0610%	1.10%	0.0048%
Amer. Financial Group	AFG	\$3,616	0.0236%	12.00%	0.0028%	1.60%	0.0004%
Amer. Greetings	AM	\$480	0.0031%	31.00%	0.0010%	2.40%	0.0001%
Amer. Int'l Group	AIG	\$62,071	0.4049%	-100.00%	-0.4049%		
Amer. States Water	AWR	\$857	0.0056%	8.00%	0.0004%	2.60%	0.0001%
Amer. Superconductor	AMSC	\$218	0.0014%	3.00%	0.0000%		
Amer. Tower 'A'	AMT	\$28,036	0.1829%	11.00%	0.0201%	2.60%	0.0048%
Amer. Vanguard Corp.	AVD	\$801	0.0052%	11.00%	0.0006%	0.50%	0.0000%
Amer. Water Works	AWK	\$6,705	0.0437%	7.00%	0.0031%	2.80%	0.0012%
Amer. Woodmark	AMWD	\$256	0.0017%	12.00%	0.0002%	1.00%	0.0000%
Ameren Corp.	AEE	\$8,205	0.0535%	6.00%	0.0032%	5.00%	0.0027%
Amerigon Inc.	THRM	\$368	0.0024%	20.00%	0.0005%		
Ameriprise Fin'l	AMP	\$12,065	0.0787%	18.00%	0.0142%	1.50%	0.0012%
AmerisourceBergen	ABC	\$9,440	0.0616%	19.00%	0.0117%	0.50%	0.0003%

VALUE LINE UNIVERSE

		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr Dividend Yield	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Yield	Yield
Ametek, Inc.	AME	\$8,168	0.0533%	13.00%	0.0069%	0.50%	0.0003%
Amgen	AMGN	\$64,909	0.4235%	12.00%	0.0508%	1.50%	0.0064%
Amkor Technology	AMKR	\$858	0.0056%	27.00%	0.0015%		
AMN Healthcare	AHS	\$305	0.0020%	25.00%	0.0005%		
Ampco-Pittsburgh	AP	\$185	0.0012%	23.00%	0.0003%	2.30%	0.0000%
Amphenol Corp.	APH	\$10,035	0.0655%	7.00%	0.0046%	0.60%	0.0004%
Anadarko Petroleum	APC	\$35,454	0.2313%	10.00%	0.0231%	0.40%	0.0009%
ANADIGICS Inc.	ANAD	\$87	0.0006%	60.00%	0.0003%		
Analog Devices	ADI	\$12,187	0.0795%	12.00%	0.0095%	2.80%	0.0022%
Analogic Corp.	ALOG	\$824	0.0054%	7.00%	0.0004%	0.60%	0.0000%
AngioDynamics	ANGO	\$263	0.0017%	18.00%	0.0003%		
Anixter Int'l	AXE	\$2,056	0.0134%	16.00%	0.0021%		
ANN Inc.	ANN	\$1,353	0.0088%	16.00%	0.0014%		
Annaly Capital Mgmt.	NLY	\$16,386	0.1069%	10.00%	0.0107%	11.80%	0.0126%
ANSYS, Inc.	ANSS	\$6,126	0.0400%	7.00%	0.0028%		
AOL, Inc.	AOL	\$3,136	0.0205%	-1.00%	-0.0002%		
Aon plc	AON	\$17,316	0.1130%	11.00%	0.0124%	0.80%	0.0009%
Apache Corp.	APA	\$34,077	0.2223%	17.00%	0.0378%	0.50%	0.0011%
Apartment Investment	AIV		0.0000%	9.00%	0.0000%	4.00%	0.0000%
Apogee Enterprises	APOG	\$457	0.0030%	15.00%	0.0004%	2.30%	0.0001%
Apollo Group `A`	APOL	\$3,254	0.0212%	30.00%	0.0064%		
Apollo Investment	AINV	\$1,525	0.0099%	34.00%	0.0034%	8.80%	0.0009%
Apple Inc.	AAPL	\$594,966	3.8815%	21.00%	0.8151%	1.30%	0.0505%
Applied Ind'l Techn.	AIT	\$1,749	0.0114%	10.00%	0.0011%	1.80%	0.0002%
Applied Materials	AMAT	\$15,355	0.1002%	28.00%	0.0280%	1.50%	0.0015%
Applied Micro	AMCC	\$352	0.0023%	9.00%	0.0002%		
AptarGroup	ATR	\$3,374	0.0220%	13.00%	0.0029%	1.30%	0.0003%
Aqua America	WTR	\$3,518	0.0230%	6.00%	0.0014%	2.70%	0.0006%
Arbitron Inc.	ARB	\$949	0.0062%	16.00%	0.0010%	0.90%	0.0001%
Arch Coal	ACI	\$1,492	0.0097%	37.00%	0.0036%	1.00%	0.0001%
Archer Daniels Mid'l'd	ADM	\$17,371	0.1133%	21.00%	0.0238%	1.90%	0.0022%
Ariba, Inc.	ARBA	\$4,299	0.0280%	-1.00%	-0.0003%		
Arkansas Best	ABFS	\$266	0.0017%	40.00%	0.0007%	1.50%	0.0000%
Armstrong World Inds.	AWI	\$2,591	0.0169%	12.00%	0.0020%		
Arris Group	ARRS	\$1,567	0.0102%	6.00%	0.0006%		
Arrow Electronics	ARW	\$4,053	0.0264%	8.00%	0.0021%		
ArthroCare Corp.	ARTC	\$774	0.0051%	12.00%	0.0006%		
Asbury Automotive	ABG	\$840	0.0055%	14.00%	0.0008%		
Ascena Retail Group	ASNA	\$2,841	0.0185%	15.00%	0.0028%		
Ashland Inc.	ASH	\$5,835	0.0381%	16.00%	0.0061%	1.20%	0.0005%
Assoc. Banc-Corp	ASBC	\$2,242	0.0146%	15.00%	0.0022%	2.80%	0.0004%
Assurant Inc.	AIZ	\$2,978	0.0194%	13.00%	0.0025%	2.00%	0.0004%
Astec Inds.	ASTE	\$698	0.0046%	19.00%	0.0009%		
Astoria Financial	AF	\$966	0.0063%	16.00%	0.0010%	1.40%	0.0001%
AT&T Inc.	T	\$216,169	1.4103%	9.00%	0.1269%	4.30%	0.0606%
athenahealth	ATHN	\$3,215	0.0210%	2.00%	0.0004%		
Atlantic Tele-Network	ATNI	\$604	0.0039%	9.00%	0.0004%	2.40%	0.0001%
Atlas Air Worldwide	AAWW	\$1,396	0.0091%	16.00%	0.0015%		
Atmel Corp.	ATML	\$2,496	0.0163%	30.00%	0.0049%		
ATMI, Inc.	ATMI	\$598	0.0039%	23.00%	0.0009%		
Atmos Energy	ATO	\$3,317	0.0216%	3.00%	0.0006%	4.20%	0.0009%
Autodesk, Inc.	ADSK	\$7,967	0.0520%	14.00%	0.0073%		
Autoliv, Inc.	ALV	\$5,891	0.0384%	24.00%	0.0092%	2.50%	0.0010%

VALUE LINE UNIVERSE

		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr Dividend Yield	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Yield	Yield
Automatic Data Proc.	ADP	\$28,590	0.1865%	15.00%	0.0280%	2.20%	0.0041%
AutoNation, Inc.	AN	\$4,810	0.0314%	6.00%	0.0019%		
AutoZone Inc.	AZO	\$13,650	0.0890%	7.00%	0.0062%		
Auxilium Pharmac.	AUXL	\$1,220	0.0080%	6.00%	0.0005%		
AvalonBay Communities	AVB		0.0000%	6.00%	0.0000%	3.80%	0.0000%
Avery Dennison	AVY	\$3,258	0.0213%	14.00%	0.0030%	3.80%	0.0008%
Avid Technology	AVID	\$352	0.0023%	26.00%	0.0006%		
Avis Budget Group	CAR	\$1,733	0.0113%	20.00%	0.0023%		
Avista Corp.	AVA	\$1,545	0.0101%	7.00%	0.0007%	4.80%	0.0005%
Avnet, Inc.	AVT	\$4,817	0.0314%	8.00%	0.0025%		
Avon Products	AVP	\$6,874	0.0448%	24.00%	0.0108%	2.50%	0.0011%
AVX Corp.	AVX	\$1,774	0.0116%	22.00%	0.0025%	2.10%	0.0002%
B&G Foods	BGS	\$1,395	0.0091%	6.00%	0.0005%	4.30%	0.0004%
B/E Aerospace	BEAV	\$4,187	0.0273%	17.00%	0.0046%	0.50%	0.0001%
Babcock & Wilcox	BWC	\$3,194	0.0208%	13.00%	0.0027%		
Badger Meter	BMI	\$504	0.0033%	16.00%	0.0005%	1.70%	0.0001%
Baker Hughes	BHI	\$20,800	0.1357%	23.00%	0.0312%	0.70%	0.0009%
Ball Corp.	BLL	\$6,675	0.0435%	12.00%	0.0052%	0.80%	0.0003%
Bally Technologies	BYI	\$1,884	0.0123%	23.00%	0.0028%		
BancorpSouth	BXS	\$1,374	0.0090%	15.00%	0.0013%	0.20%	0.0000%
Bank of America	BAC	\$85,451	0.5575%	16.00%	0.0892%	1.50%	0.0084%
Bank of Hawaii	BOH	\$2,112	0.0138%	17.00%	0.0023%	4.10%	0.0006%
Bank of New York Mellon	BK	\$26,848	0.1752%	32.00%	0.0560%	1.50%	0.0026%
Bard (C.R.)	BCR	\$8,245	0.0538%	14.00%	0.0075%	0.60%	0.0003%
Barnes & Noble	BKS	\$714	0.0047%	-3.00%	-0.0001%		
Barnes Group	B	\$1,315	0.0086%	17.00%	0.0015%	1.90%	0.0002%
Bassett Furniture	BSET	\$131	0.0009%	8.00%	0.0001%	0.80%	0.0000%
Baxter Int'l Inc.	BAX	\$32,279	0.2106%	12.00%	0.0253%	2.10%	0.0044%
BB&T Corp.	BBT	\$22,197	0.1448%	12.00%	0.0174%	2.50%	0.0036%
Beacon Roofing	BECN	\$1,265	0.0083%	14.00%	0.0012%		
Beam Inc.	BEAM	\$9,473	0.0618%	10.00%	0.0062%	1.50%	0.0009%
Beazer Homes USA	BZH	\$288	0.0019%	13.00%	0.0002%		
bebe stores	BEBE	\$524	0.0034%	26.00%	0.0009%	1.10%	0.0000%
Becton, Dickinson	BDX	\$15,144	0.0988%	16.00%	0.0158%	2.20%	0.0022%
Bed Bath & Beyond	BBBY	\$14,944	0.0975%	20.00%	0.0195%		
Belden Inc.	BDC	\$1,596	0.0104%	19.00%	0.0020%	0.40%	0.0000%
Belo Corp. 'A'	BLC	\$749	0.0049%	14.00%	0.0007%	3.80%	0.0002%
Bemis Co.	BMS	\$3,148	0.0205%	19.00%	0.0039%	1.80%	0.0004%
Benchmark Electronics	BHE	\$927	0.0060%	17.00%	0.0010%		
Berkley (W.R.)	WRB	\$5,196	0.0339%	10.00%	0.0034%	0.90%	0.0003%
Berkshire Hathaway 'B'	BRK/B		0.0000%	9.00%	0.0000%		
Berry Petroleum 'A'	BRY	\$2,169	0.0142%	19.00%	0.0027%	0.80%	0.0001%
Best Buy Co.	BBY	\$6,985	0.0456%	16.00%	0.0073%	2.30%	0.0010%
BGC Partners Inc.	BGCP	\$662	0.0043%	41.00%	0.0018%	8.30%	0.0004%
Big 5 Sporting Goods	BGFV	\$167	0.0011%	29.00%	0.0003%	2.30%	0.0000%
Big Lots Inc.	BIG	\$2,413	0.0157%	25.00%	0.0039%	1.10%	0.0002%
Biglari Hldgs.	BH	\$463	0.0030%	8.00%	0.0002%		
Bio-Rad Labs. 'A'	BIO	\$2,929	0.0191%	11.00%	0.0021%		
Biogen Idec Inc.	BIIB	\$34,705	0.2264%				
BioMarin Pharmac.	BMRN	\$4,703	0.0307%	-15.00%	-0.0046%		
BioScrip, Inc.	BIOS	\$417	0.0027%	12.00%	0.0003%		
BJ's Restaurants	BJRI	\$1,119	0.0073%	17.00%	0.0012%		
Black Box	BBOX	\$427	0.0028%	23.00%	0.0006%	0.70%	0.0000%

VALUE LINE UNIVERSE

		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr % Annual Total Return	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Dividend Yield	Dividend Yield
Black Hills	BKH	\$1,394	0.0091%	5.00%	0.0005%	4.80%	0.0004%
BlackRock, Inc.	BLK	\$30,642	0.1999%	16.00%	0.0320%	3.20%	0.0064%
Blackstone Group LP	BX	\$7,131	0.0465%	30.00%	0.0140%	3.40%	0.0016%
Block (H&R)	HRB	\$4,814	0.0314%	15.00%	0.0047%	4.00%	0.0013%
Blue Nile	NILE	\$472	0.0031%	13.00%	0.0004%		
BlueLinx Holdings	BXC	\$140	0.0009%	21.00%	0.0002%		
Blyth Inc.	BTH	\$747	0.0049%	5.00%	0.0002%	1.30%	0.0001%
BMC Software	BMC	\$6,767	0.0441%	14.00%	0.0062%		
Boardwalk Pipeline	BWP	\$5,629	0.0367%	15.00%	0.0055%	6.90%	0.0025%
Bob Evans Farms	BOBE	\$1,153	0.0075%	9.00%	0.0007%	3.00%	0.0002%
Body Central Corp.	BODY	\$145	0.0009%	41.00%	0.0004%		
Boeing	BA	\$55,329	0.3610%	12.00%	0.0433%	1.70%	0.0061%
BOK Financial	BOKF	\$3,943	0.0257%	7.00%	0.0018%	2.30%	0.0006%
BorgWarner	BWA	\$8,167	0.0533%	18.00%	0.0096%		
Boston Beer 'A'	SAM	\$1,392	0.0091%	6.00%	0.0005%		
Boston Properties	BXP		0.0000%	1.00%	0.0000%	3.00%	0.0000%
Boston Scientific	BSX	\$7,805	0.0509%	22.00%	0.0112%		
Boyd Gaming	BYD	\$539	0.0035%	17.00%	0.0006%		
Brady Corp.	BRC	\$1,472	0.0096%	14.00%	0.0013%	2.30%	0.0002%
BRE Properties	BRE		0.0000%	1.00%	0.0000%	5.10%	0.0000%
Bridgepoint Education	BPI	\$546	0.0036%	22.00%	0.0008%		
Briggs & Stratton	BGG	\$861	0.0056%	23.00%	0.0013%	1.70%	0.0001%
Brightpoint, Inc.	CELL	\$620	0.0040%	23.00%	0.0009%		
Brink's (The) Co.	BCO	\$1,111	0.0072%	27.00%	0.0020%	1.10%	0.0001%
Brinker Int'l	EAT	\$2,590	0.0169%	8.00%	0.0014%	2.40%	0.0004%
Bristol-Myers Squibb	BMJ	\$53,594	0.3496%	15.00%	0.0524%	3.40%	0.0119%
Bristow Group	BRS	\$1,649	0.0108%	19.00%	0.0020%	1.10%	0.0001%
Broadcom Corp. 'A'	BRCM	\$20,135	0.1314%	17.00%	0.0223%	0.90%	0.0012%
Brocade Communic.	BRCD	\$2,577	0.0168%	14.00%	0.0024%		
Brookdale Senior Living	BKD	\$2,294	0.0150%	17.00%	0.0025%		
Brookfield Asset Mgmt.	BAM	\$21,849	0.1425%	17.00%	0.0242%	1.70%	0.0024%
Brooks Automation	BRKS	\$526	0.0034%	22.00%	0.0008%	1.90%	0.0001%
Brown & Brown	BRO	\$3,675	0.0240%	13.00%	0.0031%	1.10%	0.0003%
Brown Shoe	BWS	\$633	0.0041%	13.00%	0.0005%	2.30%	0.0001%
Brown-Forman 'B'	BF/B	\$13,213	0.0862%	1.00%	0.0009%	2.10%	0.0018%
Bruker Corp.	BRKR	\$2,005	0.0131%	14.00%	0.0018%		
Brunswick Corp.	BC	\$2,042	0.0133%	19.00%	0.0025%	0.80%	0.0001%
Buckeye Partners L.P.	BPL	\$5,145	0.0336%	18.00%	0.0060%	5.70%	0.0019%
Buckle (The), Inc.	BKE	\$1,972	0.0129%	19.00%	0.0024%	2.20%	0.0003%
Buffalo Wild Wings	BWLD	\$1,387	0.0090%	10.00%	0.0009%		
Bunge Ltd.	BG	\$9,511	0.0621%	12.00%	0.0074%	1.40%	0.0009%
C.H. Robinson	CHRW	\$9,221	0.0602%	18.00%	0.0108%	1.70%	0.0010%
CA, Inc.	CA	\$11,940	0.0779%	22.00%	0.0171%	1.90%	0.0015%
Cabela's Inc.	CAB	\$3,352	0.0219%	4.00%	0.0009%		
Cablevision Sys. 'A'	CVC	\$4,012	0.0262%	18.00%	0.0047%	2.20%	0.0006%
Cabot Corp.	CBT	\$2,328	0.0152%	13.00%	0.0020%	1.40%	0.0002%
Cabot Microelectr's	CCMP	\$737	0.0048%	25.00%	0.0012%		
Cabot Oil & Gas 'A'	COG	\$9,074	0.0592%	4.00%	0.0024%	0.20%	0.0001%
CACI Int'l	CACI	\$1,417	0.0092%	24.00%	0.0022%		
Cadence Design Sys.	CDNS	\$3,477	0.0227%	7.00%	0.0016%		
Caesars Entertainment	CZR	\$1,016	0.0066%	21.00%	0.0014%		
Cal-Maine Foods	CALM	\$926	0.0060%	8.00%	0.0005%	3.30%	0.0002%
Calavo Growers Inc.	CVGW	\$391	0.0025%	23.00%	0.0006%	1.50%	0.0000%

VALUE LINE UNIVERSE

		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr Dividend Yield	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Yield	Yield
Calgon Carbon	CCC	\$792	0.0052%	17.00%	0.0009%	1.00%	0.0001%
California Water	CWT	\$791	0.0052%	10.00%	0.0005%	3.00%	0.0002%
Callaway Golf	ELY	\$393	0.0026%	12.00%	0.0003%	1.80%	0.0000%
Cambrex Corp.	CBM	\$373	0.0024%	4.00%	0.0001%		
Camden Property Trust	CPT		0.0000%	9.00%	0.0000%	2.90%	0.0000%
Cameron Int'l Corp.	CAM	\$13,094	0.0854%	14.00%	0.0120%		
Campbell Soup	CPB	\$10,997	0.0717%	11.00%	0.0079%	3.10%	0.0022%
Capital One Fin'l	COF	\$28,604	0.1866%	8.00%	0.0149%	0.70%	0.0013%
Capital Trust	CT	\$73	0.0005%	15.00%	0.0001%		
CapitalSource	CSE	\$1,613	0.0105%	18.00%	0.0019%	1.20%	0.0001%
Capitol Fed. Fin'l	CFFN	\$1,857	0.0121%	12.00%	0.0015%	2.60%	0.0003%
CARBO Ceramics	CRR	\$1,645	0.0107%	31.00%	0.0033%	0.50%	0.0001%
Cardinal Health	CAH	\$13,795	0.0900%	20.00%	0.0180%	2.20%	0.0020%
Career Education	CECO	\$232	0.0015%	47.00%	0.0007%		
CareFusion Corp.	CFN	\$5,942	0.0388%	14.00%	0.0054%		
Caribou Coffee	CBOU	\$259	0.0017%	22.00%	0.0004%		
Carlisle Cos.	CSL	\$3,227	0.0211%	15.00%	0.0032%	1.10%	0.0002%
CarMax, Inc.	KMX	\$6,794	0.0443%	16.00%	0.0071%		
Carpenter Technology	CRS	\$2,672	0.0174%	15.00%	0.0026%	1.20%	0.0002%
Carriage Services	CSV	\$160	0.0010%	9.00%	0.0001%	0.80%	0.0000%
Carter's Inc.	CRI	\$3,119	0.0203%	10.00%	0.0020%		
Cascade Corp.	CASC	\$556	0.0036%	18.00%	0.0007%	1.90%	0.0001%
Casella Waste Sys.	CWST	\$122	0.0008%	53.00%	0.0004%		
Casey's Gen'l Stores	CASY	\$2,212	0.0144%	7.00%	0.0010%	1.20%	0.0002%
Cash Amer. Int'l	CSH	\$1,169	0.0076%	18.00%	0.0014%	0.20%	0.0000%
Caterpillar Inc.	CAT	\$57,873	0.3776%	20.00%	0.0755%	1.30%	0.0049%
Cato Corp.	CATO	\$875	0.0057%	6.00%	0.0003%	4.20%	0.0002%
Cbeyond, Inc.	CBEY	\$237	0.0015%	12.00%	0.0002%		
CBRE Group	CBG	\$5,743	0.0375%	19.00%	0.0071%		
CBS Corp. 'B'	CBS	\$23,102	0.1507%	10.00%	0.0151%	2.40%	0.0036%
CDI Corp.	CDI	\$323	0.0021%	13.00%	0.0003%	2.20%	0.0000%
CEC Entertainment	CEC	\$514	0.0034%	26.00%	0.0009%	1.70%	0.0001%
Cedar Fair L.P.	FUN	\$1,813	0.0118%	13.00%	0.0015%	5.00%	0.0006%
Celgene Corp.	CELG	\$30,417	0.1984%	14.00%	0.0278%		
CenterPoint Energy	CNP	\$8,725	0.0569%	3.00%	0.0017%	4.80%	0.0027%
Central Europe/Russia	CEE		0.0000%	16.00%	0.0000%	0.70%	0.0000%
Central European Dist.	CEDC	\$208	0.0014%	-100.00%	-0.0014%		
Central Garden & Pet	CENT	\$497	0.0032%	13.00%	0.0004%		
CenturyLink Inc.	CTL	\$26,087	0.1702%	6.00%	0.0102%	6.90%	0.0117%
Cepheid	CPHD	\$2,414	0.0157%	9.00%	0.0014%		
Ceradyne Inc.	CRDN	\$575	0.0038%	26.00%	0.0010%	1.50%	0.0001%
Cerner Corp.	CERN	\$12,623	0.0824%	10.00%	0.0082%		
CF Industries	CF	\$13,537	0.0883%	6.00%	0.0053%	1.00%	0.0009%
CH Energy Group	CHG	\$975	0.0064%	-1.00%	-0.0001%	4.40%	0.0003%
Charles River	CRL	\$1,780	0.0116%	17.00%	0.0020%		
Chart Industries	GTLS	\$2,188	0.0143%	-1.00%	-0.0001%		
Checkpoint Systems	CKP	\$288	0.0019%	26.00%	0.0005%		
Cheesecake Factory	CAKE	\$1,767	0.0115%	12.00%	0.0014%		
Chemed Corp.	CHE	\$1,249	0.0081%	12.00%	0.0010%	1.10%	0.0001%
Chemical Financial	CHFC	\$629	0.0041%	16.00%	0.0007%	2.70%	0.0001%
Chesapeake Energy	CHK	\$12,222	0.0797%	21.00%	0.0167%	1.30%	0.0010%
Chevron Corp.	CVX	\$222,350	1.4506%	9.00%	0.1306%	3.50%	0.0508%
Chicago Bridge & Iron	CBI	\$3,669	0.0239%	18.00%	0.0043%	0.70%	0.0002%

VALUE LINE UNIVERSE

		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr % Annual Total Return	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Dividend Yield	Dividend Yield
Chico's FAS	CHS	\$2,658	0.0173%	18.00%	0.0031%	1.20%	0.0002%
Children's Place	PLCE	\$1,365	0.0089%	15.00%	0.0013%		
China Fund (The)	CHN		0.0000%	18.00%	0.0000%	0.60%	0.0000%
Chipotle Mex. Grill	CMG	\$9,500	0.0620%	13.00%	0.0081%		
Chiquita Brands Int'l	CQB	\$279	0.0018%	17.00%	0.0003%		
Choice Hotels Int'l	CHH	\$2,566	0.0167%	4.00%	0.0007%	1.70%	0.0003%
Christopher & Banks	CBK	\$88	0.0006%	5.00%	0.0000%		
Chubb Corp.	CB	\$19,590	0.1278%	6.00%	0.0077%	2.30%	0.0029%
Church & Dwight	CHD	\$7,384	0.0482%	6.00%	0.0029%	1.40%	0.0007%
Ciena Corp.	CIEN	\$1,709	0.0112%	9.00%	0.0010%		
CIGNA Corp.	CI	\$12,820	0.0836%	23.00%	0.0192%	0.10%	0.0001%
Cimarex Energy	XEC	\$5,307	0.0346%	12.00%	0.0042%	0.60%	0.0002%
Cincinnati Bell	CBB	\$892	0.0058%	12.00%	0.0007%		
Cincinnati Financial	CINF	\$6,360	0.0415%	5.00%	0.0021%	4.30%	0.0018%
Cinemark Hldgs.	CNK	\$2,715	0.0177%	15.00%	0.0027%	2.70%	0.0005%
Cintas Corp.	CTAS	\$5,213	0.0340%	10.00%	0.0034%	1.30%	0.0004%
Cirrus Logic	CRUS	\$2,534	0.0165%	8.00%	0.0013%		
Cisco Systems	CSCO	\$102,385	0.6679%	19.00%	0.1269%	1.40%	0.0094%
Citi Trends	CTRN	\$169	0.0011%	7.00%	0.0001%		
Citigroup Inc.	C	\$84,505	0.5513%	39.00%	0.2150%	1.60%	0.0088%
Citrix Sys.	CTXS	\$14,350	0.0936%	10.00%	0.0094%		
City National Corp.	CYN	\$2,663	0.0174%	10.00%	0.0017%	2.70%	0.0005%
CLARCOR Inc.	CLC	\$2,438	0.0159%	13.00%	0.0021%	0.90%	0.0001%
Clean Energy Fuels	CLNE	\$1,226	0.0080%	23.00%	0.0018%		
Clean Harbors	CLH	\$3,019	0.0197%	3.00%	0.0006%		
Clearwire Corp.	CLWR	\$943	0.0062%	24.00%	0.0015%		
Cleco Corp.	CNL	\$2,564	0.0167%	4.00%	0.0007%	4.50%	0.0008%
Cliffs Natural Res.	CLF	\$6,044	0.0394%	37.00%	0.0146%	2.20%	0.0009%
Clorox Co.	CLX	\$9,383	0.0612%	13.00%	0.0080%	3.00%	0.0018%
CME Group	CME	\$17,701	0.1155%	18.00%	0.0208%	2.20%	0.0025%
CMS Energy Corp.	CMS	\$6,178	0.0403%	5.00%	0.0020%	4.90%	0.0020%
CNA Fin'l	CNA	\$7,081	0.0462%	20.00%	0.0092%	2.00%	0.0009%
Coach Inc.	COH	\$16,331	0.1065%	22.00%	0.0234%	1.80%	0.0019%
Coca-Cola	KO	\$178,054	1.1616%	11.00%	0.1278%	2.50%	0.0290%
Coca-Cola Bottling	COKE	\$616	0.0040%	12.00%	0.0005%	1.00%	0.0000%
Coca-Cola Enterprises	CCE	\$8,658	0.0565%	21.00%	0.0119%	1.30%	0.0007%
Cognex Corp.	CGNX	\$1,562	0.0102%	24.00%	0.0024%	0.90%	0.0001%
Cognizant Technology	CTSH	\$19,427	0.1267%	21.00%	0.0266%		
Coherent, Inc.	COHR	\$1,155	0.0075%	17.00%	0.0013%		
Coinstar Inc.	CSTR	\$1,593	0.0104%	26.00%	0.0027%		
Coldwater Creek	CWTR	\$65	0.0004%	30.00%	0.0001%		
Colgate-Palmolive	CL	\$50,181	0.3274%	12.00%	0.0393%	2.20%	0.0072%
Collective Brands	PSS	\$1,326	0.0087%	9.00%	0.0008%		
Columbia Sportswear	COLM	\$1,709	0.0111%	9.00%	0.0010%	1.40%	0.0002%
Columbus McKinnon	CMCO	\$291	0.0019%	17.00%	0.0003%		
Comcast Corp.	CMCSA	\$91,353	0.5960%	14.00%	0.0834%	1.40%	0.0083%
Comerica Inc.	CMA	\$6,086	0.0397%	13.00%	0.0052%	2.80%	0.0011%
Commerce Bancshs.	CBSH	\$3,467	0.0226%	6.00%	0.0014%	2.40%	0.0005%
Commercial Metals	CMC	\$1,577	0.0103%	20.00%	0.0021%	2.40%	0.0002%
Commercial Vehicle	CVGI	\$254	0.0017%	22.00%	0.0004%		
Community Health	CYH	\$2,250	0.0147%	26.00%	0.0038%		
Compass Minerals Int'l	CMP	\$2,388	0.0156%	16.00%	0.0025%	2.50%	0.0004%
Computer Prog. & Sys.	CPSI	\$524	0.0034%	24.00%	0.0008%	1.70%	0.0001%

VALUE LINE UNIVERSE

		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr Dividend Yield	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Yield	Yield
Computer Sciences	CSC	\$4,981	0.0325%	19.00%	0.0062%	2.50%	0.0008%
Compuware Corp.	CPWR	\$2,147	0.0140%	12.00%	0.0017%		
Comtech Telecom.	CMTL	\$521	0.0034%	8.00%	0.0003%	4.50%	0.0002%
Con-way Inc.	CNW	\$1,727	0.0113%	21.00%	0.0024%	1.30%	0.0001%
ConAgra Foods	CAG	\$10,271	0.0670%	14.00%	0.0094%	3.00%	0.0020%
Concur Techn.	CNQR	\$3,912	0.0255%	12.00%	0.0031%		
Conmed Corp.	CNMD	\$770	0.0050%	15.00%	0.0008%		
ConocoPhillips	COP	\$69,897	0.4560%	13.00%	0.0593%	4.10%	0.0187%
CONSOL Energy	CNX	\$7,328	0.0478%	20.00%	0.0096%	1.50%	0.0007%
Consol. Communic.	CNSL	\$490	0.0032%	18.00%	0.0006%	6.20%	0.0002%
Consol. Edison	ED	\$18,100	0.1181%	1.00%	0.0012%	4.50%	0.0053%
Consolidated Graphics	CGX	\$260	0.0017%	26.00%	0.0004%		
Constellation Brands	STZ	\$5,663	0.0369%	10.00%	0.0037%		
Convergys Corp.	CVG	\$1,721	0.0112%	14.00%	0.0016%	0.10%	0.0000%
Cooper Cos.	COO	\$3,933	0.0257%	6.00%	0.0015%	1.00%	0.0003%
Cooper Inds.	CBE	\$11,845	0.0773%	6.00%	0.0046%	1.50%	0.0012%
Cooper Tire & Rubber	CTB	\$1,256	0.0082%	13.00%	0.0011%	1.80%	0.0001%
Copano Energy	CPNO	\$2,150	0.0140%	12.00%	0.0017%	7.20%	0.0010%
Copart, Inc.	CPRT	\$3,305	0.0216%	12.00%	0.0026%		
Core-Mark Holding	CORE	\$542	0.0035%	7.00%	0.0002%	1.20%	0.0000%
Corinthian Colleges	COCO	\$199	0.0013%	36.00%	0.0005%		
Corning Inc.	GLW	\$17,508	0.1142%	29.00%	0.0331%	2.10%	0.0024%
Corporate Executive	CEB	\$1,597	0.0104%	3.00%	0.0003%	2.10%	0.0002%
Corrections Corp. Amer.	CXW	\$3,323	0.0217%	7.00%	0.0015%	2.00%	0.0004%
CoStar Group	CSGP	\$2,308	0.0151%	1.00%	0.0002%		
Costco Wholesale	COST	\$41,799	0.2727%	5.00%	0.0136%	1.30%	0.0035%
Covance Inc.	CVD	\$2,670	0.0174%	10.00%	0.0017%		
Covanta Holding Corp.	CVA	\$2,334	0.0152%	7.00%	0.0011%	1.80%	0.0003%
Coventry Health Care	CVH	\$4,939	0.0322%	10.00%	0.0032%		
Cracker Barrel	CBRL	\$1,471	0.0096%	9.00%	0.0009%	2.20%	0.0002%
Crane Co.	CR	\$2,340	0.0153%	21.00%	0.0032%	2.00%	0.0003%
Crawford & Co. 'B'	CRD/B	\$227	0.0015%	42.00%	0.0006%	2.00%	0.0000%
Cree, Inc.	CREE	\$3,293	0.0215%	28.00%	0.0060%		
Crocs, Inc.	CROX	\$1,515	0.0099%	23.00%	0.0023%		
Cross Country Health.	CCRN	\$127	0.0008%	42.00%	0.0003%		
Crosstex Energy	XTXI	\$610	0.0040%	25.00%	0.0010%	3.50%	0.0001%
Crown Castle Int'l	CCI	\$18,199	0.1187%	-3.00%	-0.0036%		
Crown Holdings	CCK	\$5,481	0.0358%	24.00%	0.0086%		
CryoLife Inc.	CRY	\$143	0.0009%	42.00%	0.0004%		
CSG Systems Int'l	CSGS	\$635	0.0041%	8.00%	0.0003%		
CSX Corp.	CSX	\$24,117	0.1573%	19.00%	0.0299%	2.10%	0.0033%
CTS Corp.	CTS	\$323	0.0021%	14.00%	0.0003%	1.00%	0.0000%
Cubic Corp.	CUB	\$1,312	0.0086%	10.00%	0.0009%	0.30%	0.0000%
Cubist Pharm.	CBST	\$2,759	0.0180%	6.00%	0.0011%		
Cullen/Frost Bankers	CFR	\$3,467	0.0226%	8.00%	0.0018%	3.30%	0.0007%
Culp Inc.	CFI	\$129	0.0008%	22.00%	0.0002%	1.20%	0.0000%
Cummins Inc.	CMI	\$19,412	0.1266%	19.00%	0.0241%	1.20%	0.0015%
Curtiss-Wright	CW	\$1,409	0.0092%	16.00%	0.0015%	0.80%	0.0001%
Cutera, Inc.	CUTR	\$103	0.0007%	16.00%	0.0001%		
CVR Partners, LP	UAN	\$1,892	0.0123%	12.00%	0.0015%	7.10%	0.0009%
CVS Caremark Corp.	CVS	\$56,877	0.3711%	17.00%	0.0631%	1.70%	0.0063%
Cyberonics	CYBX	\$1,236	0.0081%	11.00%	0.0009%		
Cymer Inc.	CYMI	\$1,900	0.0124%	8.00%	0.0010%		

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		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr Dividend Yield	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Yield	Yield
Cypress Semic.	CY	\$1,869	0.0122%	34.00%	0.0041%	1.70%	0.0002%
Cytec Inds.	CYT	\$3,009	0.0196%	5.00%	0.0010%	0.70%	0.0001%
Daktronics Inc.	DAKT	\$334	0.0022%	31.00%	0.0007%	1.60%	0.0000%
Dana Holding Corp.	DAN	\$2,139	0.0140%	20.00%	0.0028%	0.70%	0.0001%
Danaher Corp.	DHR	\$37,125	0.2422%	20.00%	0.0484%	0.20%	0.0005%
Darden Restaurants	DRI	\$6,945	0.0453%	14.00%	0.0063%	3.60%	0.0016%
DaVita Inc.	DVA	\$9,287	0.0606%	8.00%	0.0048%		
DDR Corp.	DDR		0.0000%	17.00%	0.0000%	4.70%	0.0000%
DealerTrack Hldgs.	TRAK	\$1,201	0.0078%	11.00%	0.0009%		
Dean Foods	DF	\$3,027	0.0198%	11.00%	0.0022%		
Deckers Outdoor	DECK	\$1,794	0.0117%	30.00%	0.0035%		
Deere & Co.	DE	\$30,033	0.1959%	15.00%	0.0294%	1.50%	0.0029%
Dell Inc.	DELL	\$21,537	0.1405%	29.00%	0.0407%	1.20%	0.0017%
Delta Air Lines	DAL	\$7,630	0.0498%	22.00%	0.0110%		
Deluxe Corp.	DLX	\$1,427	0.0093%	15.00%	0.0014%	2.20%	0.0002%
Denbury Resources	DNR	\$6,090	0.0397%	25.00%	0.0099%		
Dendreon Corp.	DNDN	\$719	0.0047%	44.00%	0.0021%		
Dentsply Int'l	XRAY	\$5,540	0.0361%	15.00%	0.0054%	0.50%	0.0002%
Devon Energy	DVN	\$23,821	0.1554%	19.00%	0.0295%	0.90%	0.0014%
DeVry Inc.	DV	\$1,318	0.0086%	41.00%	0.0035%	0.50%	0.0000%
DexCom Inc.	DXCM	\$885	0.0058%	17.00%	0.0010%		
Diamond Foods	DMND	\$409	0.0027%	37.00%	0.0010%		
Diamond Offshore	DO	\$9,428	0.0615%	17.00%	0.0105%	0.50%	0.0003%
Dick's Sporting Goods	DKS	\$6,093	0.0398%	12.00%	0.0048%	1.10%	0.0004%
Diebold, Inc.	DBD	\$2,107	0.0137%	19.00%	0.0026%	2.30%	0.0003%
Digital River	DRIV	\$538	0.0035%	21.00%	0.0007%		
DigitalGlobe, Inc.	DGI	\$984	0.0064%	-1.00%	-0.0001%		
Dillard's, Inc.	DDS	\$3,667	0.0239%	11.00%	0.0026%	0.40%	0.0001%
DineEquity Inc.	DIN	\$969	0.0063%	9.00%	0.0006%		
DIRECTV	DTV	\$32,762	0.2137%	29.00%	0.0620%		
Discover Fin'l Svcs.	DFS	\$19,557	0.1276%	17.00%	0.0217%	0.70%	0.0009%
Discovery Commun.	DISCA	\$20,204	0.1318%	10.00%	0.0132%		
Dish Network 'A'	DISH	\$13,967	0.0911%	17.00%	0.0155%		
Disney (Walt)	DIS	\$90,897	0.5930%	9.00%	0.0534%	1.30%	0.0077%
Dixie Group	DXYN	\$42	0.0003%	32.00%	0.0001%		
DNP Select Inc. Fund	DNP		0.0000%	3.00%	0.0000%	6.80%	0.0000%
Dolby Labs.	DLB	\$3,721	0.0243%	20.00%	0.0049%		
Dole Food	DOLE	\$1,122	0.0073%	8.00%	0.0006%		
Dollar General	DG	\$17,022	0.1110%	15.00%	0.0167%	0.80%	0.0009%
Dollar Tree, Inc.	DLTR	\$11,394	0.0743%	11.00%	0.0082%		
Dominion Resources	D	\$30,932	0.2018%	5.00%	0.0101%	4.70%	0.0095%
Domino's Pizza	DPZ	\$2,009	0.0131%	4.00%	0.0005%		
Donaldson Co.	DCI	\$5,215	0.0340%	8.00%	0.0027%	1.00%	0.0003%
Donnelley (R.R) & Sons	RRD	\$2,241	0.0146%	28.00%	0.0041%	4.00%	0.0006%
Dorman Products	DORM	\$1,075	0.0070%	6.00%	0.0004%		
Douglas Dynamics	PLOW	\$307	0.0020%	11.00%	0.0002%	4.90%	0.0001%
Dover Corp.	DOV	\$10,637	0.0694%	20.00%	0.0139%	1.20%	0.0008%
Dow Chemical	DOW	\$36,003	0.2349%	29.00%	0.0681%	2.40%	0.0056%
Dr Pepper Snapple	DPS	\$9,456	0.0617%	12.00%	0.0074%	2.10%	0.0013%
DreamWorks Animation	DWA	\$1,486	0.0097%	11.00%	0.0011%		
Dresser-Rand Group	DRC	\$3,833	0.0250%	18.00%	0.0045%		
Drew Industries	DW	\$657	0.0043%	10.00%	0.0004%		
Dril-Quip, Inc.	DRQ	\$2,894	0.0189%	10.00%	0.0019%		

VALUE LINE UNIVERSE

		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr Dividend Yield	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Yield	Yield
DSP Group	DSPG	\$126	0.0008%	4.00%	0.0000%		
DST Systems	DST	\$2,277	0.0149%	13.00%	0.0019%	1.30%	0.0002%
DSW Inc.	DSW	\$2,663	0.0174%	15.00%	0.0026%	0.70%	0.0001%
DTE Energy	DTE	\$10,372	0.0677%	3.00%	0.0020%	4.70%	0.0032%
DTS, Inc.	DTSI	\$355	0.0023%	30.00%	0.0007%		
Du Pont	DD	\$47,037	0.3069%	24.00%	0.0736%	1.90%	0.0058%
Duke Energy	DUK	\$29,741	0.1940%	3.00%	0.0058%	5.20%	0.0101%
Duke Realty Corp.	DRE		0.0000%	10.00%	0.0000%	4.30%	0.0000%
Dun & Bradstreet	DNB	\$3,999	0.0261%	17.00%	0.0044%	1.30%	0.0003%
Dunkin' Brands Group	DNKN	\$3,743	0.0244%	12.00%	0.0029%	1.70%	0.0004%
DWS High Income	KHI		0.0000%	-1.00%	0.0000%	11.20%	0.0000%
Dycum Inds.	DY	\$646	0.0042%	23.00%	0.0010%		
Dynamic Materials	BOOM	\$218	0.0014%	23.00%	0.0003%	0.70%	0.0000%
E*Trade Fin'l	ETFC	\$2,442	0.0159%	36.00%	0.0057%		
Eagle Bulk Shipping	EGLE	\$46	0.0003%	16.00%	0.0000%		
Eagle Materials	EXP	\$1,835	0.0120%	-2.00%	-0.0002%	1.60%	0.0002%
EarthLink, Inc.	ELNK	\$710	0.0046%	20.00%	0.0009%	1.50%	0.0001%
East West Bancorp	EWBC	\$3,134	0.0204%	12.00%	0.0025%	1.20%	0.0002%
Eastman Chemical	EMN	\$7,577	0.0494%	16.00%	0.0079%	1.30%	0.0006%
Eaton Corp.	ETN	\$15,546	0.1014%	25.00%	0.0254%	1.70%	0.0017%
Eaton Vance Corp.	EV	\$3,077	0.0201%	25.00%	0.0050%	1.50%	0.0003%
eBay Inc.	EBAY	\$58,978	0.3848%	9.00%	0.0346%		
Echelon Corp.	ELON	\$145	0.0009%	56.00%	0.0005%		
EchoStar Corp.	SATS	\$2,481	0.0162%	7.00%	0.0011%		
Ecolab Inc.	ECL	\$19,531	0.1274%	7.00%	0.0089%	1.20%	0.0015%
Edison Int'l	EIX	\$14,684	0.0958%	3.00%	0.0029%	3.50%	0.0034%
Edwards Lifesciences	EW	\$11,276	0.0736%	7.00%	0.0051%		
Einstein Noah Rest.	BAGL	\$294	0.0019%	12.00%	0.0002%	2.90%	0.0001%
El Paso Electric	EE	\$1,337	0.0087%	6.00%	0.0005%	3.50%	0.0003%
El Paso Pipeline	EPB	\$7,249	0.0473%	16.00%	0.0076%	5.50%	0.0026%
Electr. for Imaging	EFII	\$716	0.0047%	19.00%	0.0009%		
Electro Scientific	ESIO	\$342	0.0022%	17.00%	0.0004%		
Electronic Arts	EA	\$4,392	0.0287%	31.00%	0.0089%		
Elizabeth Arden	RDEN	\$1,348	0.0088%	2.00%	0.0002%		
EMC Corp.	EMC	\$55,112	0.3595%	13.00%	0.0467%		
EMCOR Group	EME	\$1,873	0.0122%	9.00%	0.0011%	0.60%	0.0001%
EMCORE Corp.	EMKR	\$127	0.0008%	-2.00%	0.0000%		
Emerson Electric	EMR	\$37,992	0.2479%	14.00%	0.0347%	1.70%	0.0042%
Empire Dist. Elec.	EDE	\$902	0.0059%	5.00%	0.0003%	5.50%	0.0003%
Emulex Corp.	ELX	\$616	0.0040%	34.00%	0.0014%		
Endo Health Solns.	ENDP	\$3,805	0.0248%	14.00%	0.0035%		
Energen Corp.	EGN	\$3,789	0.0247%	13.00%	0.0032%	0.80%	0.0002%
Energizer Holdings	ENR	\$4,322	0.0282%	19.00%	0.0054%	1.30%	0.0004%
Energy Transfer	ETP	\$10,059	0.0656%	13.00%	0.0085%	7.50%	0.0049%
EnergySolutions	ES	\$225	0.0015%	61.00%	0.0009%		
EnerNOC, Inc.	ENOC	\$255	0.0017%	16.00%	0.0003%		
Enesco plc	ESV	\$13,179	0.0860%	15.00%	0.0129%	3.40%	0.0029%
Entergy Corp.	ETR	\$12,335	0.0805%	5.00%	0.0040%	4.70%	0.0038%
Enterprise Products	EPD	\$46,949	0.3063%	12.00%	0.0368%	4.90%	0.0150%
Enzo Biochem	ENZ	\$59	0.0004%	28.00%	0.0001%		
Enzon Pharmac.	ENZN	\$316	0.0021%	3.00%	0.0001%		
EOG Resources	EOG	\$29,946	0.1954%	12.00%	0.0234%	0.50%	0.0010%
EQT Corp.	EQT	\$8,388	0.0547%	13.00%	0.0071%	1.20%	0.0007%

VALUE LINE UNIVERSE

		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr Dividend Yield	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Yield	Yield
Equifax, Inc.	EFX	\$5,571	0.0363%	17.00%	0.0062%	1.00%	0.0004%
Equinix, Inc.	EQIX	\$8,893	0.0580%	7.00%	0.0041%		
Equity Residential	EQR		0.0000%	9.00%	0.0000%	4.00%	0.0000%
Erie Indemnity Co.	ERIE	\$3,021	0.0197%	6.00%	0.0012%	3.70%	0.0007%
ESCO Technologies	ESE	\$970	0.0063%	14.00%	0.0009%	0.60%	0.0000%
Esterline Technologies	ESL	\$1,688	0.0110%	16.00%	0.0018%	0.40%	0.0000%
Ethan Allen Interiors	ETH	\$645	0.0042%	15.00%	0.0006%	3.30%	0.0001%
European Equity Fund	EEA		0.0000%	14.00%	0.0000%	1.40%	0.0000%
Everest Re Group Ltd.	RE	\$5,520	0.0360%	7.00%	0.0025%	1.50%	0.0005%
Exelixis, Inc.	EXEL	\$653	0.0043%	30.00%	0.0013%		
Exelon Corp.	EXC	\$31,948	0.2084%	10.00%	0.0208%	4.50%	0.0094%
Expedia Inc.	EXPE	\$7,089	0.0462%	15.00%	0.0069%	0.80%	0.0004%
Expeditors Int'l	EXPD	\$8,064	0.0526%	25.00%	0.0132%	1.00%	0.0005%
Express Scripts	ESRX	\$49,297	0.3216%	18.00%	0.0579%		
Express, Inc.	EXPR	\$1,414	0.0092%	31.00%	0.0029%		
Extreme Networks	EXTR	\$308	0.0020%	45.00%	0.0009%		
Exxon Mobil Corp.	XOM	\$409,295	2.6702%	11.00%	0.2937%	2.20%	0.0587%
EZCORP, Inc.	EZPW	\$1,195	0.0078%	23.00%	0.0018%		
F5 Networks	FFIV	\$8,221	0.0536%	22.00%	0.0118%		
Facebook Inc.	FB	\$42,493	0.2772%	22.00%	0.0610%		
FactSet Research	FDS	\$4,208	0.0275%	15.00%	0.0041%	1.00%	0.0003%
Fair Isaac	FICO	\$1,494	0.0097%	15.00%	0.0015%	0.30%	0.0000%
Fairchild Semic.	FCS	\$1,955	0.0128%	23.00%	0.0029%		
Family Dollar Stores	FDO	\$7,564	0.0493%	10.00%	0.0049%	1.30%	0.0006%
FARO Technologies	FARO	\$614	0.0040%	23.00%	0.0009%		
Fastenal Co.	FAST	\$12,844	0.0838%	9.00%	0.0075%	1.40%	0.0012%
Federal Rlty. Inv. Trust	FRT		0.0000%			4.00%	0.0000%
Federal Signal	FSS	\$374	0.0024%	16.00%	0.0004%		
Federal-Mogul Corp.	FDML	\$982	0.0064%	35.00%	0.0022%		
Federated Investors	FII	\$2,120	0.0138%	20.00%	0.0028%	4.10%	0.0006%
FedEx Corp.	FDX	\$28,448	0.1856%	20.00%	0.0371%	0.40%	0.0007%
FEI Company	FEIC	\$2,132	0.0139%	17.00%	0.0024%		
FelCor Lodging Tr.	FCH		0.0000%	28.00%	0.0000%	5.50%	0.0000%
Ferro Corp.	FOE	\$300	0.0020%	43.00%	0.0008%		
Fifth & Pacific Co.	FNP	\$1,414	0.0092%	2.00%	0.0002%		
Fifth Third Bancorp	FITB	\$13,184	0.0860%	17.00%	0.0146%	2.10%	0.0018%
Finisar Corp.	FNSR	\$1,364	0.0089%	40.00%	0.0036%		
Finish Line (The)	FINL	\$1,156	0.0075%	11.00%	0.0008%	1.10%	0.0001%
First Cash Fin'l Svcs	FCFS	\$1,214	0.0079%	14.00%	0.0011%		
First Commonwealth	FCF	\$726	0.0047%	25.00%	0.0012%	2.30%	0.0001%
First Horizon National	FHN	\$2,183	0.0142%	14.00%	0.0020%	2.30%	0.0003%
First Midwest Bancorp	FMBI	\$877	0.0057%	10.00%	0.0006%	1.70%	0.0001%
First Niagara Finl Group	FNFG	\$2,853	0.0186%	28.00%	0.0052%	2.30%	0.0004%
First Solar, Inc.	FSLR	\$1,869	0.0122%	17.00%	0.0021%		
FirstEnergy Corp.	FE	\$19,230	0.1255%	8.00%	0.0100%	4.70%	0.0059%
FirstMerit Corp.	FMER	\$1,718	0.0112%	11.00%	0.0012%	3.10%	0.0003%
Fiserv Inc.	FISV	\$9,693	0.0632%	11.00%	0.0070%		
Flextronics Int'l	FLEX	\$4,411	0.0288%	21.00%	0.0060%		
FLIR Systems	FLIR	\$3,160	0.0206%	26.00%	0.0054%	0.90%	0.0002%
Flowers Foods	FLO	\$2,706	0.0177%	14.00%	0.0025%	3.30%	0.0006%
Flowserve Corp.	FLS	\$6,587	0.0430%	7.00%	0.0030%	1.30%	0.0006%
Fluor Corp.	FLR	\$9,104	0.0594%	22.00%	0.0131%	0.60%	0.0004%
Flushing Financial	FFIC	\$449	0.0029%	12.00%	0.0004%	3.20%	0.0001%

VALUE LINE UNIVERSE

		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr Dividend Yield	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Yield	Yield
FMC Corp.	FMC	\$7,632	0.0498%	2.00%	0.0010%	1.00%	0.0005%
FMC Technologies	FTI	\$11,400	0.0744%	17.00%	0.0126%		
Foot Locker	FL	\$5,227	0.0341%	9.00%	0.0031%	2.50%	0.0009%
Ford Motor	F	\$36,576	0.2386%	28.00%	0.0668%	1.20%	0.0029%
Forest City Enterpr.	FCE/A	\$2,529	0.0165%	2.00%	0.0003%	0.70%	0.0001%
Forest Labs.	FRX	\$9,121	0.0595%	2.00%	0.0012%		
Forest Oil	FST	\$885	0.0058%	29.00%	0.0017%		
Forrester Research	FORR	\$667	0.0043%	18.00%	0.0008%	1.50%	0.0001%
Fortress Investment	FIG	\$880	0.0057%	36.00%	0.0021%	6.70%	0.0004%
Fortune Brands Home	FBHS	\$3,895	0.0254%	2.00%	0.0005%		
Forward Air	FWRD	\$983	0.0064%	18.00%	0.0012%	0.80%	0.0001%
Fossil Inc.	FOSL	\$5,382	0.0351%	20.00%	0.0070%		
Foster Wheeler AG	FWLT	\$2,157	0.0141%	17.00%	0.0024%		
Franklin Electric	FELE	\$1,313	0.0086%	12.00%	0.0010%	1.20%	0.0001%
Franklin Resources	BEN	\$25,462	0.1661%	5.00%	0.0083%	1.00%	0.0017%
Fred's Inc. 'A'	FRED	\$574	0.0037%	14.00%	0.0005%	1.70%	0.0001%
Freep't-McMoRan C&G	FCX	\$134,037	0.8744%	17.00%	0.1487%	2.90%	0.0254%
Fresh Market (The)	TFM	\$2,883	0.0188%	8.00%	0.0015%		
Frontier Communic.	FTR	\$4,653	0.0304%	17.00%	0.0052%	5.60%	0.0017%
FSI Int'l	FSII	\$242	0.0016%	23.00%	0.0004%		
FTI Consulting	FCN	\$1,042	0.0068%	35.00%	0.0024%		
Fuel Sys. Solns.	FSYS	\$366	0.0024%	30.00%	0.0007%		
FuelCell Energy	FCEL	\$190	0.0012%	31.00%	0.0004%		
Fuller (H.B.)	FUL	\$1,487	0.0097%	9.00%	0.0009%	0.90%	0.0001%
Furniture Brands	FBN	\$62	0.0004%	40.00%	0.0002%		
G&K Services `A'	GKSR	\$620	0.0040%	17.00%	0.0007%	1.20%	0.0000%
G't Plains Energy	GXP	\$2,975	0.0194%	3.00%	0.0006%	5.30%	0.0010%
Gabelli Equity	GAB		0.0000%	10.00%	0.0000%	0.60%	0.0000%
Gallagher (Arthur J.)	AJG	\$4,333	0.0283%	7.00%	0.0020%	4.10%	0.0012%
GameStop Corp.	GME	\$2,373	0.0155%	29.00%	0.0045%		
Gannett Co.	GCI	\$3,592	0.0234%	10.00%	0.0023%	4.20%	0.0010%
Gap (The), Inc.	GPS	\$16,861	0.1100%	5.00%	0.0055%	2.00%	0.0022%
Gardner Denver	GDI	\$3,018	0.0197%	11.00%	0.0022%	0.30%	0.0001%
Garmin Ltd.	GRMN	\$8,016	0.0523%	7.00%	0.0037%	4.90%	0.0026%
Gartner Inc.	IT	\$4,512	0.0294%	3.00%	0.0009%		
GATX Corp.	GMT	\$2,006	0.0131%	12.00%	0.0016%	2.10%	0.0003%
Gaylord Entertainm.	GET	\$1,935	0.0126%	3.00%	0.0004%		
Gen'l Amer. Invest	GAM		0.0000%	12.00%	0.0000%	0.50%	0.0000%
Gen'l Cable	BGC	\$1,422	0.0093%	28.00%	0.0026%		
Gen'l Communic. 'A'	GNCMA	\$401	0.0026%	15.00%	0.0004%		
Gen'l Dynamics	GD	\$23,058	0.1504%	14.00%	0.0211%	2.60%	0.0039%
Gen'l Electric	GE	\$222,264	1.4500%	18.00%	0.2610%	3.20%	0.0464%
Gen'l Mills	GIS	\$24,961	0.1628%	12.00%	0.0195%	2.90%	0.0047%
Genco Shipping	GNK	\$149	0.0010%	27.00%	0.0003%		
GenCorp Inc.	GY	\$522	0.0034%	11.00%	0.0004%		
General Motors	GM	\$33,402	0.2179%	25.00%	0.0545%		
Genesco Inc.	GCO	\$1,661	0.0108%	8.00%	0.0009%		
Genesee & Wyoming	GWR	\$2,727	0.0178%	10.00%	0.0018%	0.20%	0.0000%
Genomic Health	GHDX	\$1,085	0.0071%	2.00%	0.0001%		
GenOn Energy	GEN	\$1,937	0.0126%	4.00%	0.0005%		
Gentex Corp.	GNTX	\$2,635	0.0172%	26.00%	0.0045%	1.80%	0.0003%
Genuine Parts	GPC	\$9,930	0.0648%	13.00%	0.0084%	3.00%	0.0019%
Genworth Fin'l	GNW	\$2,538	0.0166%	44.00%	0.0073%	1.00%	0.0002%

VALUE LINE UNIVERSE

		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr Dividend Yield	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Yield	Yield
Geo Group (The)	GEO	\$1,558	0.0102%	12.00%	0.0012%	1.80%	0.0002%
GeoEye, Inc.	GEOY	\$621	0.0041%	19.00%	0.0008%		
Georgia Gulf	GGC	\$1,289	0.0084%	11.00%	0.0009%	1.60%	0.0001%
Gibraltar Inds.	ROCK	\$338	0.0022%	27.00%	0.0006%		
Gilead Sciences	GILD	\$42,866	0.2797%	5.00%	0.0140%		
Gladstone Capital	GLAD	\$183	0.0012%	21.00%	0.0003%	5.60%	0.0001%
Glatfelter	GLT	\$701	0.0046%	18.00%	0.0008%	1.30%	0.0001%
Global Payments	GPN	\$3,264	0.0213%	12.00%	0.0026%	0.20%	0.0000%
GNC Holdings	GNC	\$3,804	0.0248%	9.00%	0.0022%	0.80%	0.0002%
Goldman Sachs	GS	\$51,249	0.3343%	22.00%	0.0736%	0.90%	0.0030%
Goodyear Tire	GT	\$2,880	0.0188%	24.00%	0.0045%		
Google, Inc.	GOOG	\$219,991	1.4352%	13.00%	0.1866%		
Gorman-Rupp Co.	GRC	\$587	0.0038%	13.00%	0.0005%	1.20%	0.0000%
Graco Inc.	GGG	\$3,025	0.0197%	9.00%	0.0018%	1.80%	0.0004%
Grainger (W.W.)	GWW	\$14,364	0.0937%	5.00%	0.0047%	1.90%	0.0018%
Granite Construction	GVA	\$1,011	0.0066%	12.00%	0.0008%	1.60%	0.0001%
Greatbatch, Inc.	GB	\$559	0.0036%	18.00%	0.0007%		
Green Mtn. Coffee	GMCR	\$3,868	0.0252%	49.00%	0.0124%		
Greif, Inc.	GEF	\$1,970	0.0129%	22.00%	0.0028%	2.00%	0.0003%
Griffon Corp.	GFF	\$560	0.0037%	22.00%	0.0008%	0.80%	0.0000%
Group 1 Automotive	GPI	\$1,180	0.0077%	15.00%	0.0012%	1.00%	0.0001%
GT Advanced Tech.	GTAT	\$727	0.0047%	40.00%	0.0019%		
Guess Inc.	GES	\$2,954	0.0193%	26.00%	0.0050%	1.30%	0.0003%
Haemonetics Corp.	HAE	\$1,840	0.0120%	13.00%	0.0016%		
Hain Celestial Group	HAIN	\$2,431	0.0159%	7.00%	0.0011%		
Halliburton Co.	HAL	\$32,688	0.2133%	25.00%	0.0533%	0.60%	0.0013%
Hancock Holding	HBHC	\$2,571	0.0168%	20.00%	0.0034%	2.40%	0.0004%
Hanesbrands, Inc.	HBI	\$3,174	0.0207%	14.00%	0.0029%		
Hanover Insurance	THG	\$1,604	0.0105%	26.00%	0.0027%	1.90%	0.0002%
Harley-Davidson	HOG	\$9,819	0.0641%	17.00%	0.0109%	1.10%	0.0007%
Harman Int'l	HAR	\$3,232	0.0211%	18.00%	0.0038%	1.20%	0.0003%
Harmonic, Inc.	HLIT	\$521	0.0034%	40.00%	0.0014%		
Harris & Harris Group	TINY		0.0000%	25.00%	0.0000%		
Harris Corp.	HRS	\$5,179	0.0338%	18.00%	0.0061%	1.90%	0.0006%
Harris Teeter Super.	HTSI	\$1,976	0.0129%	4.00%	0.0005%	1.40%	0.0002%
Harsco Corp.	HSC	\$1,763	0.0115%	14.00%	0.0016%	2.50%	0.0003%
Harte-Hanks	HHS	\$441	0.0029%	29.00%	0.0008%	1.90%	0.0001%
Hartford Fin'l Svcs.	HIG	\$7,839	0.0511%	27.00%	0.0138%	2.40%	0.0012%
Hasbro, Inc.	HAS	\$4,981	0.0325%	12.00%	0.0039%	3.20%	0.0010%
Haverty Furniture	HVT	\$267	0.0017%	18.00%	0.0003%	1.50%	0.0000%
Hawaiian Elec.	HE	\$2,666	0.0174%	4.00%	0.0007%	5.10%	0.0009%
Hawaiian Hldgs.	HA	\$311	0.0020%	20.00%	0.0004%		
HCC Insurance Hldgs.	HCC	\$3,326	0.0217%	13.00%	0.0028%	1.60%	0.0003%
HCP Inc.	HCP		0.0000%	8.00%	0.0000%	4.80%	0.0000%
Headwaters Inc.	HW	\$429	0.0028%	-13.00%	-0.0004%		
Health Care REIT	HCN		0.0000%	11.00%	0.0000%	5.80%	0.0000%
Health Mgmt. Assoc.	HMA	\$1,771	0.0116%	36.00%	0.0042%		
Health Net	HNT	\$1,797	0.0117%	20.00%	0.0023%		
Healthcare R'lty Trust	HR		0.0000%	2.00%	0.0000%	6.00%	0.0000%
Healthcare Svcs.	HCSG	\$1,448	0.0094%	9.00%	0.0009%	3.60%	0.0003%
Healthways Inc.	HWAY	\$363	0.0024%	19.00%	0.0004%		
Heartland Express	HTLD	\$1,168	0.0076%	14.00%	0.0011%	0.70%	0.0001%
HEICO Corp.	HEI	\$1,856	0.0121%	17.00%	0.0021%	0.40%	0.0000%

VALUE LINE UNIVERSE

		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr Dividend Yield	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Yield	Yield
Heidrick & Struggles	HSII	\$227	0.0015%	37.00%	0.0005%	1.50%	0.0000%
Heinz (H.J.)	HNZ	\$17,767	0.1159%	12.00%	0.0139%	3.40%	0.0039%
Helen of Troy Ltd.	HELE	\$983	0.0064%	22.00%	0.0014%		
Helix Energy Solutions	HLX	\$2,001	0.0131%	13.00%	0.0017%		
Helmerich & Payne	HP	\$5,130	0.0335%	18.00%	0.0060%	0.50%	0.0002%
Henry (Jack) & Assoc.	JKHY	\$3,224	0.0210%	8.00%	0.0017%	1.30%	0.0003%
Hershey Co.	HSY	\$16,129	0.1052%	9.00%	0.0095%	2.40%	0.0025%
Hertz Global Hldgs.	HTZ	\$5,363	0.0350%	28.00%	0.0098%		
Hess Corp.	HES	\$16,930	0.1104%	21.00%	0.0232%	0.50%	0.0006%
Hewlett-Packard	HPQ	\$38,611	0.2519%	28.00%	0.0705%	1.30%	0.0033%
Hexcel Corp.	HXL	\$2,412	0.0157%	8.00%	0.0013%		
Hi-Tech Pharmacial	HITK	\$468	0.0031%	5.00%	0.0002%		
Hibbett Sports	HIBB	\$1,627	0.0106%	7.00%	0.0007%		
Hill-Rom Hldgs.	HRC	\$1,695	0.0111%	19.00%	0.0021%	1.40%	0.0002%
Hillenbrand, Inc.	HI	\$1,176	0.0077%	16.00%	0.0012%	2.50%	0.0002%
HNI Corp.	HNI	\$1,273	0.0083%	16.00%	0.0013%	3.10%	0.0003%
HollyFrontier Corp.	HFC	\$8,208	0.0535%	11.00%	0.0059%	1.60%	0.0009%
Hologic, Inc.	HOLX	\$5,246	0.0342%	13.00%	0.0044%		
Home Depot	HD	\$86,154	0.5621%	7.00%	0.0393%	2.60%	0.0146%
Honeywell Int'l	HON	\$45,866	0.2992%	14.00%	0.0419%	2.40%	0.0072%
Hormel Foods	HRL	\$7,473	0.0488%	14.00%	0.0068%	1.80%	0.0009%
Horton D.R.	DHI	\$6,039	0.0394%	9.00%	0.0035%	0.60%	0.0002%
Hospira Inc.	HSP	\$5,589	0.0365%	19.00%	0.0069%		
Hospitality Properties	HPT		0.0000%	20.00%	0.0000%	5.00%	0.0000%
Host Hotels & Resorts	HST		0.0000%	18.00%	0.0000%	2.00%	0.0000%
Hot Topic, Inc.	HOTT	\$414	0.0027%	17.00%	0.0005%	2.40%	0.0001%
Hovnanian Enterpr. 'A'	HOV	\$335	0.0022%	24.00%	0.0005%		
HSN, Inc.	HSNI	\$2,480	0.0162%	12.00%	0.0019%	1.30%	0.0002%
Hub Group	HUBG	\$1,213	0.0079%	16.00%	0.0013%		
Hubbell Inc. 'B'	HUB/B	\$4,845	0.0316%	6.00%	0.0019%	2.10%	0.0007%
Hudson City Bancorp	HCBK	\$3,528	0.0230%	20.00%	0.0046%	3.30%	0.0008%
Humana Inc.	HUM	\$11,085	0.0723%	23.00%	0.0166%	1.40%	0.0010%
Hunt (J.B.)	JBHT	\$6,543	0.0427%	8.00%	0.0034%	1.10%	0.0005%
Huntington Bancshs.	HBAN	\$5,594	0.0365%	12.00%	0.0044%	2.40%	0.0009%
Huntington Ingalls	HII	\$1,999	0.0130%	3.00%	0.0004%		
Huntsman Corp.	HUN	\$3,490	0.0228%	24.00%	0.0055%	2.00%	0.0005%
Huron Consulting	HURN	\$735	0.0048%	12.00%	0.0006%		
Hutchinson Techn.	HTCH	\$37	0.0002%	18.00%	0.0000%		
Hyatt Hotels	H	\$6,296	0.0411%	16.00%	0.0066%		
IAC/InterActiveCorp	IACI	\$4,661	0.0304%	19.00%	0.0058%	1.60%	0.0005%
Iconix Brand Group	ICON	\$1,276	0.0083%	16.00%	0.0013%		
ICU Medical	ICUI	\$801	0.0052%	9.00%	0.0005%		
IDACORP, Inc.	IDA	\$2,137	0.0139%	5.00%	0.0007%	4.20%	0.0006%
IDEX Corp.	IEX	\$3,389	0.0221%	13.00%	0.0029%	1.60%	0.0004%
IDEXX Labs.	IDXX	\$5,145	0.0336%	2.00%	0.0007%		
IHS Inc.	IHS	\$7,455	0.0486%	4.00%	0.0019%		
II-VI Inc.	IIVI	\$1,164	0.0076%	18.00%	0.0014%		
Illinois Tool Works	ITW	\$27,974	0.1825%	16.00%	0.0292%	1.70%	0.0031%
Illumina Inc.	ILMN	\$5,075	0.0331%	18.00%	0.0060%		
Imation Corp.	IMN	\$220	0.0014%	8.00%	0.0001%		
Incyte Corp.	INCY	\$2,442	0.0159%	33.00%	0.0053%		
Inergy, L.P.	NRGY	\$2,465	0.0161%	18.00%	0.0029%	4.60%	0.0007%
Infinera Corp.	INFN	\$650	0.0042%	27.00%	0.0011%		

VALUE LINE UNIVERSE

		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr Dividend Yield	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Yield	Yield
Informatica Corp.	INFA	\$3,405	0.0222%	16.00%	0.0036%		
Ingersoll-Rand	IR	\$14,311	0.0934%	18.00%	0.0168%	1.20%	0.0011%
Ingles Markets	IMKTA	\$398	0.0026%	23.00%	0.0006%	1.90%	0.0000%
Ingram Micro 'A'	IM	\$2,343	0.0153%	24.00%	0.0037%		
Ingredion Inc.	INGR	\$4,118	0.0269%	9.00%	0.0024%	1.70%	0.0005%
Insight Enterprises	NSIT	\$820	0.0054%	25.00%	0.0013%		
Int'l Business Mach.	IBM	\$229,515	1.4973%	9.00%	0.1348%	1.70%	0.0255%
Int'l Flavors & Frag.	IFF	\$5,072	0.0331%	10.00%	0.0033%	1.80%	0.0006%
Int'l Game Tech.	IGT	\$3,219	0.0210%	34.00%	0.0071%	1.60%	0.0003%
Int'l Paper	IP	\$15,257	0.0995%	18.00%	0.0179%	1.80%	0.0018%
Int'l Rectifier	IRF	\$1,297	0.0085%	13.00%	0.0011%		
Int'l Speedway 'A'	ISCA	\$1,177	0.0077%	11.00%	0.0008%	0.70%	0.0001%
Integra LifeSciences	IART	\$1,053	0.0069%	21.00%	0.0014%		
Integrated Device	IDTI	\$785	0.0051%	29.00%	0.0015%		
Integrus Energy	TEG	\$4,442	0.0290%	2.00%	0.0006%	5.60%	0.0016%
Intel Corp.	INTC	\$133,296	0.8696%	20.00%	0.1739%	2.30%	0.0200%
Inter Parfums	IPAR	\$528	0.0034%	19.00%	0.0007%	1.40%	0.0000%
IntercontinentalExch.	ICE	\$9,868	0.0644%	19.00%	0.0122%		
InterDigital Inc.	IDCC	\$1,416	0.0092%	-4.00%	-0.0004%	1.60%	0.0001%
Interface Inc. 'A'	IFSIA	\$888	0.0058%	17.00%	0.0010%	1.10%	0.0001%
Intermec Inc.	IN	\$361	0.0024%	36.00%	0.0008%		
Interpublic Group	IPG	\$4,843	0.0316%	19.00%	0.0060%	1.90%	0.0006%
Intersil Corp. 'A'	ISIL	\$1,208	0.0079%	25.00%	0.0020%	3.30%	0.0003%
Intuit Inc.	INTU	\$17,680	0.1153%	16.00%	0.0185%	1.00%	0.0012%
Intuitive Surgical	ISRG	\$20,547	0.1340%	2.00%	0.0027%		
Invacare Corp.	IVC	\$426	0.0028%	17.00%	0.0005%	0.30%	0.0000%
Invesco Ltd.	IVZ	\$10,712	0.0699%	21.00%	0.0147%	2.20%	0.0015%
Investment Techn.	ITG	\$316	0.0021%	34.00%	0.0007%		
Investors Bancorp	ISBC	\$1,723	0.0112%	12.00%	0.0013%		
ION Geophysical	IO	\$1,211	0.0079%	21.00%	0.0017%		
iRobot Corp.	IRBT	\$704	0.0046%	20.00%	0.0009%		
Iron Mountain	IRM	\$5,726	0.0374%	13.00%	0.0049%	2.10%	0.0008%
Isis Pharmac.	ISIS	\$1,359	0.0089%	5.00%	0.0004%		
ITC Holdings	ITC	\$3,695	0.0241%	15.00%	0.0036%	1.80%	0.0004%
Itron Inc.	ITRI	\$1,757	0.0115%	20.00%	0.0023%		
ITT Corp.	ITT	\$1,918	0.0125%	19.00%	0.0024%	1.30%	0.0002%
ITT Educational	ESI	\$747	0.0049%	42.00%	0.0020%		
J&J Snack Foods	JJSF	\$1,084	0.0071%	4.00%	0.0003%	1.20%	0.0001%
j2 Global	JCOM	\$1,310	0.0085%	8.00%	0.0007%	3.10%	0.0003%
Jabil Circuit	JBL	\$4,734	0.0309%	23.00%	0.0071%	1.10%	0.0003%
Jack in the Box	JACK	\$1,154	0.0075%	-1.00%	-0.0001%		
Jacobs Engineering	JEC	\$5,300	0.0346%	17.00%	0.0059%		
Janus Capital Group	JNS	\$1,583	0.0103%	20.00%	0.0021%	1.80%	0.0002%
Japan Equity Fund	JEQ		0.0000%	16.00%	0.0000%	1.00%	0.0000%
Japan Smaller Cap Fd	JOF		0.0000%	17.00%	0.0000%	0.70%	0.0000%
Jarden Corp.	JAH	\$3,890	0.0254%	4.00%	0.0010%		
JDS Uniphase	JDSU	\$2,735	0.0178%	23.00%	0.0041%		
Jefferies Group	JEF	\$3,012	0.0197%	35.00%	0.0069%	1.00%	0.0002%
JetBlue Airways	JBLU	\$1,450	0.0095%	30.00%	0.0028%		
Johnson & Johnson	JNJ	\$187,588	1.2238%	10.00%	0.1224%	3.40%	0.0416%
Johnson Controls	JCI	\$18,466	0.1205%	28.00%	0.0337%	1.60%	0.0019%
Jones Group (The)	JNY	\$869	0.0057%	12.00%	0.0007%	1.40%	0.0001%
Jones Lang LaSalle	JLL	\$3,112	0.0203%	14.00%	0.0028%	0.70%	0.0001%

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		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return		Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Dividend Yield	Dividend Yield
Joseph A. Bank	JOSB	\$1,131	0.0074%	16.00%	0.0012%		
Journal Communications	JRN	\$309	0.0020%	14.00%	0.0003%		
Joy Global	JOY	\$5,925	0.0387%	22.00%	0.0085%	0.80%	0.0003%
JPMorgan Chase	JPM	\$141,765	0.9249%	19.00%	0.1757%	2.30%	0.0213%
Juniper Networks	JNPR	\$9,781	0.0638%	24.00%	0.0153%		
K-Swiss, Inc.	KSWS	\$106	0.0007%	45.00%	0.0003%		
Kadant Inc.	KAI	\$260	0.0017%	21.00%	0.0004%		
Kaman Corp.	KAMN	\$882	0.0058%	17.00%	0.0010%	1.50%	0.0001%
Kansas City South'n	KSU	\$8,427	0.0550%	14.00%	0.0077%	0.20%	0.0001%
Kaydon Corp.	KDN	\$722	0.0047%	29.00%	0.0014%	1.30%	0.0001%
KB Home	KBH	\$840	0.0055%	12.00%	0.0007%	0.60%	0.0000%
KBR, Inc.	KBR	\$4,114	0.0268%	19.00%	0.0051%	0.90%	0.0002%
Kellogg	K	\$18,297	0.1194%	15.00%	0.0179%	2.60%	0.0031%
Kelly Services 'A'	KELYA	\$476	0.0031%	26.00%	0.0008%	2.70%	0.0001%
Kemper Corp.	KMPR	\$1,836	0.0120%	16.00%	0.0019%	3.10%	0.0004%
Kennametal Inc.	KMT	\$2,984	0.0195%	23.00%	0.0045%	0.80%	0.0002%
Kenneth Cole 'A'	KCP	\$279	0.0018%	19.00%	0.0003%		
KeyCorp	KEY	\$7,964	0.0520%	13.00%	0.0068%	2.20%	0.0011%
Kimball Int'l 'B'	KBALB	\$436	0.0028%	7.00%	0.0002%	2.40%	0.0001%
Kimberly-Clark	KMB	\$32,929	0.2148%	8.00%	0.0172%	3.20%	0.0069%
Kimco Realty	KIM		0.0000%	6.00%	0.0000%	4.80%	0.0000%
Kinder Morgan Energy	KMP	\$28,807	0.1879%	12.00%	0.0226%	6.20%	0.0117%
Kirby Corp.	KEX	\$3,088	0.0201%	17.00%	0.0034%		
KKR & Co. L.P.	KKR	\$3,089	0.0202%	33.00%	0.0067%	4.70%	0.0009%
KLA-Tencor	KLAC	\$8,920	0.0582%	18.00%	0.0105%	2.40%	0.0014%
Knight Capital Group	KCG	\$256	0.0017%	19.00%	0.0003%		
Knight Transportation	KNX	\$1,215	0.0079%	25.00%	0.0020%	1.40%	0.0001%
Kohl's Corp.	KSS	\$12,429	0.0811%	22.00%	0.0178%	1.80%	0.0015%
Korea Fund	KF		0.0000%	14.00%	0.0000%	0.40%	0.0000%
Korn/Ferry Int'l	KFY	\$694	0.0045%	21.00%	0.0010%		
Kraft Foods	KFT	\$72,228	0.4712%	13.00%	0.0613%	2.70%	0.0127%
Krispy Kreme	KKD	\$444	0.0029%	13.00%	0.0004%		
Kroger Co.	KR	\$12,149	0.0793%	21.00%	0.0166%	1.80%	0.0014%
Kronos Worldwide	KRO	\$2,135	0.0139%	20.00%	0.0028%	2.30%	0.0003%
Kulicke & Soffa	KLIC	\$886	0.0058%	18.00%	0.0010%		
L-3 Communic.	LLL	\$6,645	0.0434%	18.00%	0.0078%	2.10%	0.0009%
La-Z-Boy Inc.	LZB	\$694	0.0045%	19.00%	0.0009%	0.70%	0.0000%
Laboratory Corp.	LH	\$8,536	0.0557%	14.00%	0.0078%		
Laclede Group	LG	\$972	0.0063%	6.00%	0.0004%	3.80%	0.0002%
Lam Research	LRCX	\$4,215	0.0275%	24.00%	0.0066%		
Lamar Advertising	LAMR	\$3,033	0.0198%	-4.00%	-0.0008%		
Lancaster Colony	LANC	\$1,888	0.0123%	3.00%	0.0004%	2.90%	0.0004%
Landauer, Inc.	LDR	\$572	0.0037%	16.00%	0.0006%	4.80%	0.0002%
Las Vegas Sands	LVS	\$31,315	0.2043%	32.00%	0.0654%	1.10%	0.0022%
Lattice Semiconductor	LSCC	\$472	0.0031%	32.00%	0.0010%		
Lauder (Estee)	EL	\$23,824	0.1554%	11.00%	0.0171%	0.80%	0.0012%
Lawson Products	LAWS	\$80	0.0005%	21.00%	0.0001%	2.00%	0.0000%
Layne Christensen	LAYN	\$404	0.0026%	26.00%	0.0007%		
LCA-Vision	LCAV	\$70	0.0005%	21.00%	0.0001%		
Leap Wireless	LEAP	\$472	0.0031%	20.00%	0.0006%		
LeapFrog Enterpr. 'A'	LF	\$767	0.0050%	9.00%	0.0005%		
Lear Corp.	LEA	\$3,969	0.0259%	18.00%	0.0047%	1.20%	0.0003%
Learning Tree Int'l	LTRE	\$56	0.0004%	16.00%	0.0001%		

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		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr % Annual Total Return	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Dividend Yield	Dividend Yield
Legg Mason	LM	\$3,469	0.0226%	20.00%	0.0045%	1.70%	0.0004%
Leggett & Platt	LEG	\$3,322	0.0217%	16.00%	0.0035%	3.20%	0.0007%
Lennar Corp.	LEN	\$6,134	0.0400%	5.00%	0.0020%	0.40%	0.0002%
Lennox Int'l	LII	\$2,399	0.0157%	8.00%	0.0013%	1.60%	0.0003%
Lexmark Int'l `A'	LXK	\$1,444	0.0094%	27.00%	0.0025%	3.30%	0.0003%
Liberty All-Star	USA		0.0000%	11.00%	0.0000%	5.50%	0.0000%
Liberty Global	LBTYA	\$15,159	0.0989%	1.00%	0.0010%		
Liberty Property	LRV		0.0000%	7.00%	0.0000%	7.00%	0.0000%
Life Technologies	LIFE	\$8,295	0.0541%	13.00%	0.0070%		
LifePoint Hospitals	LPNT	\$1,945	0.0127%	17.00%	0.0022%		
Lilly (Eli)	LLY	\$47,824	0.3120%	3.00%	0.0094%	5.00%	0.0156%
Limited Brands	LTD	\$14,267	0.0931%	6.00%	0.0056%	2.20%	0.0020%
Lincare Holdings	LNCR	\$3,436	0.0224%			1.90%	0.0004%
Lincoln Elec Hldgs.	LECO	\$3,523	0.0230%	14.00%	0.0032%	1.20%	0.0003%
Lincoln Nat'l Corp.	LNC	\$6,850	0.0447%	21.00%	0.0094%	2.90%	0.0013%
Lindsay Corp.	LNN	\$914	0.0060%	3.00%	0.0002%	0.70%	0.0000%
Linear Technology	LLTC	\$7,642	0.0499%	16.00%	0.0080%	2.10%	0.0010%
LinkedIn	LNKD	\$10,948	0.0714%	4.00%	0.0029%		
Linn Energy, LLC	LINE	\$7,863	0.0513%	18.00%	0.0092%	5.70%	0.0029%
Live Nation Entertain.	LYV	\$1,654	0.0108%	15.00%	0.0016%		
LKQ Corp.	LKQ	\$5,653	0.0369%	10.00%	0.0037%		
Lockheed Martin	LMT	\$29,870	0.1949%	8.00%	0.0156%	5.60%	0.0109%
LodgeNet Interactive	LNET	\$14	0.0001%	106.00%	0.0001%		
Loews Corp.	L	\$16,080	0.1049%	11.00%	0.0115%	0.60%	0.0006%
Logitech Int'l	LOGI	\$1,362	0.0089%	24.00%	0.0021%		
Lorillard Inc.	LO	\$16,899	0.1102%	19.00%	0.0209%	3.70%	0.0041%
Louisiana-Pacific	LPX	\$1,796	0.0117%	3.00%	0.0004%		
Lowe's Cos.	LOW	\$32,583	0.2126%	18.00%	0.0383%	2.10%	0.0045%
LSI Corp.	LSI	\$4,351	0.0284%	49.00%	0.0139%		
Lumber Liquidators	LL	\$1,239	0.0081%	-2.00%	-0.0002%		
M&T Bank Corp.	MTB	\$10,988	0.0717%	15.00%	0.0108%	2.00%	0.0014%
M.D.C. Holdings	MDC	\$1,619	0.0106%	9.00%	0.0010%	2.40%	0.0003%
Mack-Cali R'lty	CLI		0.0000%	16.00%	0.0000%	5.00%	0.0000%
Macquarie Infrastructure	MIC	\$1,959	0.0128%	10.00%	0.0013%	6.50%	0.0008%
Macy's Inc.	M	\$16,005	0.1044%	13.00%	0.0136%	2.60%	0.0027%
Madden (Steven) Ltd.	SHOO	\$1,842	0.0120%	10.00%	0.0012%		
Madison Square Garden	MSG	\$2,867	0.0187%	3.00%	0.0006%		
Magellan Midstream	MMP	\$9,412	0.0614%			5.90%	0.0036%
Maidenform Brands	MFB	\$496	0.0032%	17.00%	0.0005%		
Manhattan Assoc.	MANH	\$997	0.0065%	11.00%	0.0007%		
Manitowoc Co.	MTW	\$1,716	0.0112%	27.00%	0.0030%	0.30%	0.0000%
Manpower Inc.	MAN	\$2,973	0.0194%	30.00%	0.0058%	1.10%	0.0002%
ManTech Int'l 'A'	MANT	\$822	0.0054%	38.00%	0.0020%	1.10%	0.0001%
Marathon Oil Corp.	MRO	\$19,289	0.1258%	12.00%	0.0151%	2.90%	0.0036%
Marathon Petroleum	MPC	\$16,901	0.1103%	9.00%	0.0099%	2.90%	0.0032%
Marcus Corp.	MCS	\$391	0.0026%	14.00%	0.0004%	2.00%	0.0001%
MarineMax	HZO	\$171	0.0011%	28.00%	0.0003%		
Markel Corp.	MKL	\$4,210	0.0275%	12.00%	0.0033%		
Marriott Int'l	MAR	\$12,201	0.0796%	16.00%	0.0127%	0.70%	0.0006%
Marsh & McLennan	MMC	\$18,651	0.1217%	12.00%	0.0146%	2.20%	0.0027%
Martha Stewart	MSO	\$209	0.0014%	32.00%	0.0004%		
Martin Marietta	MLM	\$3,579	0.0233%	12.00%	0.0028%	1.60%	0.0004%
Masco Corp.	MAS	\$4,804	0.0313%	20.00%	0.0063%	2.00%	0.0006%

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		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr Dividend Yield	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Yield	Yield
Masimo Corp.	MASI	\$1,271	0.0083%	27.00%	0.0022%		
MasTec	MTZ	\$1,483	0.0097%	13.00%	0.0013%		
MasterCard Inc.	MA	\$53,521	0.3492%	11.00%	0.0384%	0.20%	0.0007%
Materion Corp.	MTRN	\$418	0.0027%	35.00%	0.0010%	0.60%	0.0000%
Matson, Inc.	MATX	\$1,096	0.0072%	21.00%	0.0015%	2.90%	0.0002%
Mattel, Inc.	MAT	\$12,160	0.0793%	6.00%	0.0048%	3.60%	0.0029%
Matthews Int'l	MATW	\$844	0.0055%	24.00%	0.0013%	0.80%	0.0000%
Maxim Integrated	MXIM	\$8,415	0.0549%	12.00%	0.0066%	3.30%	0.0018%
MAXIMUS Inc.	MMS	\$1,801	0.0117%	10.00%	0.0012%	1.20%	0.0001%
McClatchy Co.	MNI	\$147	0.0010%	35.00%	0.0003%		
McCormick & Co.	MKC	\$7,937	0.0518%	11.00%	0.0057%	2.10%	0.0011%
McDermott Int'l	MDR	\$2,753	0.0180%	30.00%	0.0054%		
McDonald's Corp.	MCD	\$88,197	0.5754%	11.00%	0.0633%	3.10%	0.0178%
McGraw-Hill	MHP	\$13,763	0.0898%	-55.00%	-0.0494%		
McKesson Corp.	MCK	\$20,927	0.1365%	11.00%	0.0150%	1.00%	0.0014%
MDU Resources	MDU	\$4,217	0.0275%	8.00%	0.0022%	2.60%	0.0007%
Mead Johnson Nutrition	MJN	\$14,894	0.0972%	6.00%	0.0058%	2.70%	0.0026%
MeadWestvaco	MWV	\$4,985	0.0325%	23.00%	0.0075%	2.50%	0.0008%
MedAssets	MDAS	\$934	0.0061%	7.00%	0.0004%		
Media General 'A'	MEG	\$117	0.0008%				
Medical Action Inds.	MDCI	\$62	0.0004%	32.00%	0.0001%		
Medicines Company	MDCO	\$1,342	0.0088%	7.00%	0.0006%		
Medicis Pharmac.	MRX	\$1,886	0.0123%	32.00%	0.0039%	0.70%	0.0001%
MEDNAX, Inc.	MD	\$3,372	0.0220%	11.00%	0.0024%		
Medtronic, Inc.	MDT	\$41,975	0.2738%	15.00%	0.0411%	2.00%	0.0055%
MEMC Elec. Mat'ls	WFR	\$621	0.0041%	36.00%	0.0015%		
Men's Wearhouse	MW	\$1,514	0.0099%	20.00%	0.0020%	1.90%	0.0002%
Mentor Graphics	MENT	\$1,754	0.0114%	16.00%	0.0018%		
Merck & Co.	MRK	\$133,530	0.8711%	6.00%	0.0523%	3.80%	0.0331%
Mercury Computer Sys.	MRCY	\$288	0.0019%	28.00%	0.0005%		
Mercury General	MCY	\$2,056	0.0134%	14.00%	0.0019%	5.00%	0.0007%
Meredith Corp.	MDP	\$1,489	0.0097%	16.00%	0.0016%	3.40%	0.0003%
Meridian Bioscience	VIVO	\$750	0.0049%	12.00%	0.0006%	4.10%	0.0002%
Meritor, Inc.	MTOR	\$464	0.0030%	33.00%	0.0010%		
MetLife Inc.	MET	\$36,685	0.2393%	20.00%	0.0479%	1.40%	0.0034%
Metro PCS Communic.	PCS	\$3,459	0.0226%	13.00%	0.0029%		
Mettler-Toledo Int'l	MTD	\$5,189	0.0339%	9.00%	0.0030%		
Mexico Fund	MXF		0.0000%	6.00%	0.0000%	1.50%	0.0000%
MFS Multimarket	MMT		0.0000%	2.00%	0.0000%	7.50%	0.0000%
MGE Energy	MGEE	\$1,164	0.0076%	2.00%	0.0002%	3.90%	0.0003%
MGIC Investment	MTG	\$240	0.0016%	-7.00%	-0.0001%		
MGM Resorts Int'l	MGM	\$5,070	0.0331%	18.00%	0.0060%		
Micrel Inc.	MCRL	\$597	0.0039%	13.00%	0.0005%	1.40%	0.0001%
Microchip Technology	MCHP	\$6,897	0.0450%	20.00%	0.0090%	3.00%	0.0013%
Micron Technology	MU	\$6,574	0.0429%	20.00%	0.0086%		
MICROS Systems	MCRS	\$3,850	0.0251%	14.00%	0.0035%		
Microsoft Corp.	MSFT	\$257,967	1.6829%	19.00%	0.3198%	2.50%	0.0421%
Middleby Corp. (The)	MIDD	\$2,181	0.0142%	4.00%	0.0006%		
Middlesex Water	MSEX	\$302	0.0020%	7.00%	0.0001%	4.30%	0.0001%
Miller (Herman)	MLHR	\$1,149	0.0075%	20.00%	0.0015%	1.00%	0.0001%
Mine Safety Appliance	MSA	\$1,319	0.0086%	18.00%	0.0015%	2.20%	0.0002%
Minerals Techn.	MTX	\$1,222	0.0080%	9.00%	0.0007%	0.20%	0.0000%
MKS Instruments	MKSI	\$1,458	0.0095%	14.00%	0.0013%	1.40%	0.0001%

VALUE LINE UNIVERSE

		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return		Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Dividend Yield	Dividend Yield
Modine Mfg.	MOD	\$329	0.0021%	26.00%	0.0006%		
Mohawk Inds.	MHK	\$5,118	0.0334%	8.00%	0.0027%		
Mohex Inc.	MOLX	\$4,790	0.0312%	13.00%	0.0041%	2.80%	0.0009%
Monsanto Co.	MON	\$47,012	0.3067%	15.00%	0.0460%	0.60%	0.0018%
Monster Beverage	MNST	\$10,631	0.0694%	10.00%	0.0069%	1.20%	0.0008%
Monster Worldwide	MWW	\$794	0.0052%	38.00%	0.0020%		
Moody's Corp.	MCO	\$8,719	0.0569%	13.00%	0.0074%	1.50%	0.0009%
Moog Inc. 'A'	MOG/A	\$1,737	0.0113%	14.00%	0.0016%		
Morgan Stanley	MS	\$28,850	0.1882%	30.00%	0.0565%	1.30%	0.0024%
Mosaic Company	MOS	\$25,373	0.1655%	18.00%	0.0298%	0.80%	0.0013%
Motorola Solutions	MSI	\$13,791	0.0900%	14.00%	0.0126%	1.40%	0.0013%
Movado Group	MOV	\$695	0.0045%	6.00%	0.0003%	1.20%	0.0001%
MSC Industrial Direct	MSM	\$4,369	0.0285%	22.00%	0.0063%	1.00%	0.0003%
MTS Systems	MTSC	\$807	0.0053%	14.00%	0.0007%	1.70%	0.0001%
Mueller Inds.	MLI	\$1,714	0.0112%	7.00%	0.0008%	1.00%	0.0001%
Mueller Water Prod.	MWA	\$625	0.0041%	11.00%	0.0004%	1.30%	0.0001%
Murphy Oil Corp.	MUR	\$10,641	0.0694%	24.00%	0.0167%	1.00%	0.0007%
Myers Inds.	MYE	\$512	0.0033%	10.00%	0.0003%	2.00%	0.0001%
Mylan Inc.	MYL	\$9,635	0.0629%	6.00%	0.0038%		
Myriad Genetics	MYGN	\$2,046	0.0133%	10.00%	0.0013%		
Nasdaq OMX Group	NDAQ	\$3,915	0.0255%	28.00%	0.0072%	1.00%	0.0003%
Nash Finch Co.	NAFC	\$234	0.0015%	30.00%	0.0005%	2.30%	0.0000%
Nat'l Fin'l Partners	NFP	\$614	0.0040%	21.00%	0.0008%		
National CineMedia	NCFI	\$778	0.0051%	16.00%	0.0008%	5.70%	0.0003%
National Fuel Gas	NFG	\$4,228	0.0276%	17.00%	0.0047%	2.10%	0.0006%
National Instruments	NATI	\$3,212	0.0210%	16.00%	0.0034%	1.30%	0.0003%
National Oilwell Varco	NOV	\$33,332	0.2175%	18.00%	0.0391%	0.90%	0.0020%
National Presto Ind.	NPK	\$513	0.0033%	4.00%	0.0001%	8.20%	0.0003%
Natural Resource	NRP	\$2,256	0.0147%	21.00%	0.0031%	6.40%	0.0009%
Natus Medical	BABY	\$360	0.0023%	20.00%	0.0005%		
Nautilus Inc.	NLS	\$78	0.0005%	22.00%	0.0001%		
Navigant Consulting	NCI	\$585	0.0038%	21.00%	0.0008%		
Navistar Int'l	NAV	\$1,741	0.0114%	16.00%	0.0018%		
NCI Bldg. Sys.	NCS	\$227	0.0015%	26.00%	0.0004%		
NCR Corp.	NCR	\$3,615	0.0236%	19.00%	0.0045%		
Neenah Paper	NP	\$442	0.0029%	16.00%	0.0005%	1.20%	0.0000%
Nektar Therapeutics	NKTR	\$934	0.0061%	25.00%	0.0015%		
NetApp, Inc.	NTAP	\$12,021	0.0784%	19.00%	0.0149%		
Netflix, Inc.	NFLX	\$3,571	0.0233%	25.00%	0.0058%		
NETGEAR	NTGR	\$1,467	0.0096%	17.00%	0.0016%		
NeuStar Inc.	NSR	\$2,479	0.0162%	15.00%	0.0024%		
Neutral Tandem	IQNT	\$372	0.0024%	20.00%	0.0005%		
New Germany Fund	GF		0.0000%	13.00%	0.0000%	1.30%	0.0000%
New Jersey Resources	NJR	\$1,904	0.0124%	6.00%	0.0007%	3.50%	0.0004%
New York & Co.	NWY	\$233	0.0015%	18.00%	0.0003%		
New York Community	NYB	\$5,792	0.0378%	17.00%	0.0064%	4.90%	0.0019%
New York Times	NYT	\$1,390	0.0091%	13.00%	0.0012%		
Newell Rubbermaid	NWL	\$4,970	0.0324%	24.00%	0.0078%	1.30%	0.0004%
Newfield Exploration	NFX	\$4,360	0.0284%	21.00%	0.0060%		
NewMarket Corp.	NEU	\$3,304	0.0216%	6.00%	0.0013%	1.80%	0.0004%
Newmont Mining	NEM	\$23,583	0.1539%	8.00%	0.0123%	1.80%	0.0028%
Newport Corp.	NEWP	\$479	0.0031%	25.00%	0.0008%		
News Corp.	NWS	\$57,850	0.3774%	9.00%	0.0340%	1.10%	0.0042%

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		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr Dividend Yield	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Yield	Yield
NextEra Energy	NEE	\$29,415	0.1919%	6.00%	0.0115%	4.10%	0.0079%
NII Holdings	NIHD	\$1,104	0.0072%	55.00%	0.0040%		
NIKE, Inc. 'B'	NKE	\$43,444	0.2834%	9.00%	0.0255%	1.70%	0.0048%
NiSource Inc.	NI	\$7,068	0.0461%	4.00%	0.0018%	3.50%	0.0016%
NN Inc.	NNBR	\$155	0.0010%	30.00%	0.0003%		
Noble Corp.	NE	\$9,722	0.0634%	19.00%	0.0121%		
Noble Energy	NBL	\$16,145	0.1053%	12.00%	0.0126%	0.80%	0.0008%
Nordson Corp.	NDSN	\$3,540	0.0231%	6.00%	0.0014%	1.10%	0.0003%
Nordstrom, Inc.	JWN	\$11,798	0.0770%	13.00%	0.0100%	1.80%	0.0014%
Norfolk Southern	NSC	\$23,865	0.1557%	17.00%	0.0265%	2.30%	0.0036%
Northeast Utilities	NU	\$12,165	0.0794%	6.00%	0.0048%	4.00%	0.0032%
Northern Trust Corp.	NTRS	\$11,348	0.0740%	17.00%	0.0126%	1.50%	0.0011%
Northrop Grumman	NOC	\$17,063	0.1113%	9.00%	0.0100%	3.20%	0.0036%
Northwest Bancshares	NWBI	\$1,155	0.0075%	13.00%	0.0010%	3.30%	0.0002%
Northwest Nat. Gas	NWN	\$1,332	0.0087%	7.00%	0.0006%	3.30%	0.0003%
NorthWestern Corp.	NWE	\$1,340	0.0087%	5.00%	0.0004%	4.70%	0.0004%
NPS Pharmac.	NPSP	\$667	0.0044%	22.00%	0.0010%		
NRG Energy	NRG	\$4,781	0.0312%	6.00%	0.0019%	2.60%	0.0008%
NTELOS Hldgs.	NTLS	\$357	0.0023%	21.00%	0.0005%	6.00%	0.0001%
Nu Skin Enterprises	NUS	\$2,457	0.0160%	16.00%	0.0026%	1.60%	0.0003%
Nuance Communic.	NUAN	\$7,343	0.0479%	8.00%	0.0038%		
Nucor Corp.	NUE	\$12,695	0.0828%	22.00%	0.0182%	2.50%	0.0021%
NutriSystem Inc.	NTRI	\$295	0.0019%	28.00%	0.0005%	2.80%	0.0001%
NuVasive, Inc.	NUVA	\$912	0.0059%	20.00%	0.0012%		
Nuveen Muni Value Fund	NUV		0.0000%	2.00%	0.0000%	5.00%	0.0000%
NV Energy Inc.	NVE	\$4,302	0.0281%	8.00%	0.0022%	4.50%	0.0013%
NVIDIA Corp.	NVDA	\$9,146	0.0597%	20.00%	0.0119%		
NVR, Inc.	NVR	\$4,311	0.0281%	7.00%	0.0020%		
NYSE Euronext	NYX	\$6,359	0.0415%	21.00%	0.0087%	2.30%	0.0010%
O'Reilly Automotive	ORLY	\$10,641	0.0694%	10.00%	0.0069%		
Occidental Petroleum	OXY	\$72,296	0.4716%	7.00%	0.0330%	2.40%	0.0113%
Oceaneering Int'l	OII	\$6,020	0.0393%	9.00%	0.0035%	1.10%	0.0004%
Office Depot	ODP	\$459	0.0030%	17.00%	0.0005%		
OfficeMax	OMX	\$461	0.0030%	27.00%	0.0008%		
OGE Energy	OGE	\$5,384	0.0351%	3.00%	0.0011%	3.50%	0.0012%
Oil States Int'l	OIS	\$4,169	0.0272%	18.00%	0.0049%		
Old Dominion Freight	ODFL	\$2,638	0.0172%	13.00%	0.0022%		
Old Nat'l Bancorp	ONB	\$1,224	0.0080%	14.00%	0.0011%	2.10%	0.0002%
Old Republic	ORI	\$2,286	0.0149%	23.00%	0.0034%	4.30%	0.0006%
Olin Corp.	OLN	\$1,686	0.0110%	13.00%	0.0014%	2.70%	0.0003%
OM Group	OMG	\$581	0.0038%	33.00%	0.0013%	1.00%	0.0000%
Omnicare, Inc.	OCR	\$3,534	0.0231%	24.00%	0.0055%	0.40%	0.0001%
Omnicell, Inc.	OMCL	\$481	0.0031%	18.00%	0.0006%		
Omnicom Group	OMC	\$13,711	0.0895%	16.00%	0.0143%	1.70%	0.0015%
OmniVision Techn.	OVTI	\$776	0.0051%	14.00%	0.0007%		
On Assignment	ASGN	\$869	0.0057%	21.00%	0.0012%		
ON Semiconductor	ONNN	\$3,017	0.0197%	33.00%	0.0065%		
ONEOK Inc.	OKE	\$9,130	0.0596%	2.00%	0.0012%	4.10%	0.0024%
Onyx Pharmac.	ONXX	\$4,444	0.0290%	-7.00%	-0.0020%		
Oracle Corp.	ORCL	\$157,107	1.0249%	13.00%	0.1332%	0.80%	0.0082%
Orbital Sciences	ORB	\$804	0.0052%	25.00%	0.0013%		
Orbitz Worldwide	OWW	\$316	0.0021%	25.00%	0.0005%		
Ormat Technologies	ORA	\$905	0.0059%	24.00%	0.0014%	0.60%	0.0000%

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		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return		Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Dividend Yield	Dividend Yield
Oshkosh Corp.	OSK	\$2,316	0.0151%	14.00%	0.0021%		
OSI Systems	OSIS	\$1,466	0.0096%	3.00%	0.0003%		
Otter Tail Corp.	OTTR	\$834	0.0054%	9.00%	0.0005%	4.70%	0.0003%
Overseas Shipholding	OSG	\$218	0.0014%	61.00%	0.0009%	3.80%	0.0001%
Overstock.com	OSTK	\$200	0.0013%	12.00%	0.0002%		
Owens & Minor	OMI	\$1,801	0.0117%	15.00%	0.0018%	2.80%	0.0003%
Owens Corning	OC	\$3,681	0.0240%	26.00%	0.0062%		
Owens-Illinois	OI	\$3,095	0.0202%	29.00%	0.0059%		
Oxford Inds.	OXM	\$811	0.0053%	15.00%	0.0008%	1.80%	0.0001%
PACCAR Inc.	PCAR	\$14,882	0.0971%	19.00%	0.0184%	2.20%	0.0021%
Pacific Sunwear	PSUN	\$138	0.0009%	22.00%	0.0002%		
Packaging Corp.	PKG	\$3,087	0.0201%	16.00%	0.0032%	2.30%	0.0005%
Pall Corp.	PLL	\$6,391	0.0417%	12.00%	0.0050%	1.40%	0.0006%
Palomar Med. Techn.	PMTI	\$168	0.0011%	16.00%	0.0002%		
Pandora Media	P	\$1,616	0.0105%	31.00%	0.0033%		
Panera Bread Co.	PNRA	\$4,558	0.0297%	7.00%	0.0021%		
Pantry (The), Inc.	PTRY	\$340	0.0022%	13.00%	0.0003%		
Papa John's Int'l	PZZA	\$1,212	0.0079%	2.00%	0.0002%		
Par Pharmaceutical	PRX	\$1,824	0.0119%	9.00%	0.0011%		
Parametric Technology	PMTC	\$2,624	0.0171%	20.00%	0.0034%		
PAREXEL Int'l	PRXL	\$1,655	0.0108%	19.00%	0.0021%		
Park Electrochemical	PKE	\$561	0.0037%	15.00%	0.0005%	1.30%	0.0000%
Park National	PRK	\$1,075	0.0070%	19.00%	0.0013%	3.60%	0.0003%
Park-Ohio	PKOH	\$268	0.0017%	21.00%	0.0004%		
Parker-Hannifin	PH	\$12,558	0.0819%	17.00%	0.0139%	1.70%	0.0014%
Patterson Cos.	PDCO	\$3,959	0.0258%	14.00%	0.0036%	1.40%	0.0004%
Paychex, Inc.	PAYX	\$12,065	0.0787%	17.00%	0.0134%	2.90%	0.0023%
PC Connection	PCCC	\$324	0.0021%	14.00%	0.0003%		
PDL BioPharma	PDLI	\$1,021	0.0067%	17.00%	0.0011%	7.60%	0.0005%
Peabody Energy	BTU	\$6,002	0.0392%	42.00%	0.0164%	0.50%	0.0002%
Peet's Coffee & Tea	PEET	\$979	0.0064%	13.00%	0.0008%		
Penford Corp.	PENX	\$96	0.0006%	14.00%	0.0001%		
Pengrowth Energy	PGH	\$2,587	0.0169%	41.00%	0.0069%	5.30%	0.0009%
Penn Nat'l Gaming	PENN	\$2,948	0.0192%	16.00%	0.0031%		
Penn Virginia Res.	PVR	\$1,941	0.0127%	15.00%	0.0019%	7.80%	0.0010%
Penn. R.E.I.T.	PEI		0.0000%	20.00%	0.0000%	5.00%	0.0000%
Penney (J.C.)	JCP	\$5,309	0.0346%	2.00%	0.0007%	1.80%	0.0006%
Penske Auto	PAG	\$2,310	0.0151%	19.00%	0.0029%	1.00%	0.0002%
Pentair, Inc.	PNR	\$4,276	0.0279%	14.00%	0.0039%	1.50%	0.0004%
People's United Fin'l	PBCT	\$4,185	0.0273%	24.00%	0.0066%	3.00%	0.0008%
Pep Boys	PBY	\$515	0.0034%	15.00%	0.0005%	0.90%	0.0000%
Pepco Holdings	POM	\$4,430	0.0289%	10.00%	0.0029%	4.90%	0.0014%
PepsiCo, Inc.	PEP	\$115,300	0.7522%	16.00%	0.1204%	2.00%	0.0150%
PerkinElmer Inc.	PKI	\$3,114	0.0203%	12.00%	0.0024%	0.70%	0.0001%
Perrigo Co.	PRGO	\$10,175	0.0664%	3.00%	0.0020%	0.30%	0.0002%
Perry Ellis Int'l	PERY	\$275	0.0018%	20.00%	0.0004%		
PetSmart, Inc.	PETM	\$7,645	0.0499%	5.00%	0.0025%	1.20%	0.0006%
Pfizer, Inc.	PFE	\$179,865	1.1734%	7.00%	0.0821%	4.50%	0.0528%
PG&E Corp.	PCG	\$18,739	0.1223%	4.00%	0.0049%	4.50%	0.0055%
PharMerica Corp.	PMC	\$376	0.0025%	24.00%	0.0006%		
Philip Morris Int'l	PM	\$157,901	1.0301%	8.00%	0.0824%	4.10%	0.0422%
Phillips 66	PSX	\$25,817	0.1684%	5.00%	0.0084%	2.20%	0.0037%
Phoenix (The) Cos.	PNX	\$184	0.0012%	41.00%	0.0005%		

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		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr % Annual Total Return	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Dividend Yield	Dividend Yield
Photronics Inc.	PLAB	\$380	0.0025%	26.00%	0.0006%		
Piedmont Natural Gas	PNY	\$2,305	0.0150%	6.00%	0.0009%	3.90%	0.0006%
Pier 1 Imports	PIR	\$1,941	0.0127%	10.00%	0.0013%	1.00%	0.0001%
Pinnacle Entertain.	PNK	\$698	0.0046%	22.00%	0.0010%		
Pinnacle West Capital	PNW	\$5,843	0.0381%	4.00%	0.0015%	4.80%	0.0018%
Pioneer Natural Res.	PXD	\$12,312	0.0803%	14.00%	0.0112%	0.10%	0.0001%
Piper Jaffray Cos.	PJC	\$355	0.0023%	28.00%	0.0006%		
Pitney Bowes	PBI	\$2,693	0.0176%	14.00%	0.0025%	8.80%	0.0015%
Plains All Amer. Pipe.	PAA	\$14,054	0.0917%	9.00%	0.0083%	5.60%	0.0051%
Plantronics Inc.	PLT	\$1,550	0.0101%	16.00%	0.0016%	0.90%	0.0001%
Plexus Corp.	PLXS	\$1,069	0.0070%	17.00%	0.0012%		
Plum Creek Timber	PCL	\$6,525	0.0426%	5.00%	0.0021%	4.10%	0.0017%
PMC-Sierra	PMCS	\$1,252	0.0082%	31.00%	0.0025%		
PNC Financial Serv.	PNC	\$32,498	0.2120%	17.00%	0.0360%	1.80%	0.0038%
PNM Resources	PNM	\$1,654	0.0108%	4.00%	0.0004%	4.50%	0.0005%
Polaris Inds.	PII	\$5,142	0.0335%	7.00%	0.0023%	2.30%	0.0008%
Polycom, Inc.	PLCM	\$1,779	0.0116%	31.00%	0.0036%		
Pool Corp.	POOL	\$1,750	0.0114%	9.00%	0.0010%	1.80%	0.0002%
Popular Inc.	BPOP	\$1,616	0.0105%	53.00%	0.0056%		
Portland General	POR	\$2,066	0.0135%	4.00%	0.0005%	4.60%	0.0006%
Post Holdings	POST	\$1,035	0.0068%	14.00%	0.0009%		
Potlatch Corp.	PCH	\$1,433	0.0093%	6.00%	0.0006%	4.10%	0.0004%
Power-One	PWER	\$722	0.0047%	14.00%	0.0007%		
Powerwave Techn.	PWAV	\$15	0.0001%				
PPG Inds.	PPG	\$16,802	0.1096%	7.00%	0.0077%	2.40%	0.0026%
PPL Corp.	PPL	\$17,116	0.1117%	10.00%	0.0112%	4.70%	0.0052%
Praxair Inc.	PX	\$32,411	0.2114%	14.00%	0.0296%	2.10%	0.0044%
Precision Castparts	PCP	\$23,533	0.1535%	7.00%	0.0107%	0.10%	0.0002%
Price (T. Rowe) Group	TROW	\$15,895	0.1037%	7.00%	0.0073%	2.60%	0.0027%
priceline.com	PCLN	\$29,237	0.1907%	23.00%	0.0439%		
PriceSmart	PSMT	\$2,184	0.0142%	11.00%	0.0016%	1.10%	0.0002%
Principal Fin'l Group	PFG	\$8,037	0.0524%	22.00%	0.0115%	1.50%	0.0008%
PrivateBancorp	PVTB	\$1,167	0.0076%	11.00%	0.0008%	0.80%	0.0001%
Procter & Gamble	PG	\$183,587	1.1977%	13.00%	0.1557%	3.00%	0.0359%
Progressive (Ohio)	PGR	\$12,102	0.0790%	13.00%	0.0103%	1.80%	0.0014%
Prologis	PLD		0.0000%	10.00%	0.0000%	4.50%	0.0000%
Protective Life	PL	\$2,304	0.0150%	13.00%	0.0020%	2.30%	0.0003%
Provident Fin'l Svcs.	PFS	\$877	0.0057%	11.00%	0.0006%	3.00%	0.0002%
Prudential Fin'l	PRU	\$25,526	0.1665%	21.00%	0.0350%	2.30%	0.0038%
PSS World Medical	PSSI	\$1,050	0.0068%	14.00%	0.0010%		
Public Serv. Enterprise	PEG	\$16,422	0.1071%	9.00%	0.0096%	4.00%	0.0043%
Public Storage	PSA		0.0000%	3.00%	0.0000%	3.50%	0.0000%
Pulse Electronics	PULS	\$56	0.0004%	30.00%	0.0001%		
PulteGroup, Inc.	PHM	\$5,219	0.0340%	12.00%	0.0041%		
PVH Corp.	PVH	\$6,161	0.0402%	10.00%	0.0040%	0.10%	0.0000%
QEP Resources	QEP	\$4,737	0.0309%	19.00%	0.0059%	0.40%	0.0001%
QLogic Corp.	QLGC	\$1,174	0.0077%	34.00%	0.0026%		
Quaker Chemical	KWR	\$585	0.0038%	14.00%	0.0005%	1.70%	0.0001%
Qualcomm Inc.	QCOM	\$107,120	0.6988%	14.00%	0.0978%	1.30%	0.0091%
Quality Systems	QSII	\$1,101	0.0072%	47.00%	0.0034%	1.10%	0.0001%
Quanex Bldg. Prod.	NX	\$672	0.0044%	9.00%	0.0004%	1.60%	0.0001%
Quanta Services	PWR	\$5,345	0.0349%	11.00%	0.0038%		
Quantum Corporation	QTM	\$403	0.0026%	17.00%	0.0004%		

VALUE LINE UNIVERSE

		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr Dividend Yield	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Yield	Yield
Quest Diagnostics	DGX	\$9,498	0.0620%	15.00%	0.0093%	1.20%	0.0007%
Quest Software	QSFT	\$2,350	0.0153%	8.00%	0.0012%		
Questar Corp.	STR	\$3,560	0.0232%	11.00%	0.0026%	3.00%	0.0007%
Questcor Pharmac.	QCOR	\$2,395	0.0156%	23.00%	0.0036%		
Quicksilver Res.	KWK	\$714	0.0047%	32.00%	0.0015%		
Quiksilver Inc.	ZQK	\$475	0.0031%	32.00%	0.0010%		
Rackspace Hosting	RAX	\$7,453	0.0486%	9.00%	0.0044%		
RadioShack Corp.	RSH	\$301	0.0020%	24.00%	0.0005%		
RailAmerica	RA	\$1,382	0.0090%	8.00%	0.0007%		
Ralcorp Holdings	RAH	\$3,702	0.0242%	6.00%	0.0014%		
Ralph Lauren	RL	\$13,884	0.0906%	6.00%	0.0054%	0.90%	0.0008%
Rambus Inc.	RMBS	\$536	0.0035%	23.00%	0.0008%		
Range Resources Corp.	RRC	\$10,936	0.0713%	6.00%	0.0043%	0.20%	0.0001%
Raymond James Fin'l	RJF	\$4,859	0.0317%	14.00%	0.0044%	1.20%	0.0004%
Rayonier Inc.	RYN	\$5,848	0.0382%	15.00%	0.0057%	2.80%	0.0011%
Raytheon Co.	RTN	\$18,737	0.1222%	12.00%	0.0147%	3.40%	0.0042%
RBC Bearings	ROLL	\$1,021	0.0067%	7.00%	0.0005%		
RealD Inc.	RLD	\$595	0.0039%	36.00%	0.0014%		
RealNetworks, Inc.	RNWK	\$279	0.0018%				
Realty Income Corp.	O		0.0000%	5.00%	0.0000%	5.00%	0.0000%
Red Hat, Inc.	RHT	\$11,234	0.0733%	12.00%	0.0088%		
Red Robin Gourmet	RRGB	\$453	0.0030%	11.00%	0.0003%		
Regal Beloit	RBC	\$2,891	0.0189%	9.00%	0.0017%	1.20%	0.0002%
Regal Entertainment	RGC	\$2,172	0.0142%	22.00%	0.0031%	4.40%	0.0006%
Regeneron Pharmac.	REGN	\$13,004	0.0848%	8.00%	0.0068%		
Regions Financial	RF	\$10,089	0.0658%	18.00%	0.0118%	1.50%	0.0010%
Regis Corp.	RGS	\$983	0.0064%	18.00%	0.0012%	0.70%	0.0000%
Reinsurance Group	RGA	\$4,230	0.0276%	5.00%	0.0014%	1.50%	0.0004%
Reliance Steel	RS	\$3,978	0.0260%	12.00%	0.0031%	0.90%	0.0002%
Rent-A-Center	RCII	\$2,159	0.0141%	10.00%	0.0014%	1.80%	0.0003%
Republic Services	RSG	\$10,557	0.0689%	17.00%	0.0117%	2.50%	0.0017%
ResMed Inc.	RMD	\$5,238	0.0342%	14.00%	0.0048%		
Resources Connection	RECN	\$502	0.0033%	27.00%	0.0009%	0.50%	0.0000%
Reynolds American	RAI	\$26,395	0.1722%	8.00%	0.0138%	5.40%	0.0093%
RF Micro Devices	RFMD	\$1,042	0.0068%	34.00%	0.0023%		
Rhino Resource Partners LP	RNO	\$404	0.0026%	27.00%	0.0007%	7.00%	0.0002%
Rite Aid Corp.	RAD	\$1,083	0.0071%	27.00%	0.0019%		
RLI Corp.	RLI	\$1,348	0.0088%	6.00%	0.0005%	2.00%	0.0002%
Robbins & Myers	RBN	\$2,557	0.0167%	10.00%	0.0017%	0.40%	0.0001%
Robert Half Int'l	RHI	\$4,019	0.0262%	22.00%	0.0058%	1.30%	0.0003%
Rock-Tenn 'A'	RKT	\$4,640	0.0303%	17.00%	0.0051%	1.20%	0.0004%
Rockwell Automation	ROK	\$10,284	0.0671%	15.00%	0.0101%	2.20%	0.0015%
Rockwell Collins	COL	\$7,108	0.0464%	20.00%	0.0093%	1.20%	0.0006%
Rofin-Sinar Techn.	RSTI	\$607	0.0040%	20.00%	0.0008%		
Rogers Corp.	ROG	\$658	0.0043%	16.00%	0.0007%		
Rollins, Inc.	ROL	\$3,463	0.0226%	8.00%	0.0018%	1.70%	0.0004%
Roper Inds.	ROP	\$10,348	0.0675%	8.00%	0.0054%	0.60%	0.0004%
Ross Stores	ROST	\$15,443	0.1007%	6.00%	0.0060%	1.40%	0.0014%
Rovi Corp.	ROVI	\$1,604	0.0105%	42.00%	0.0044%		
Rowan Cos. plc	RDC	\$4,453	0.0291%	5.00%	0.0015%		
Royal Caribbean Cruises	RCL	\$5,641	0.0368%	22.00%	0.0081%	1.10%	0.0004%
Royal Dutch Shell 'A'	RDS/A	\$220,471	1.4383%	13.00%	0.1870%	4.40%	0.0633%
Royce Value Trust	RVT		0.0000%	14.00%	0.0000%		

VALUE LINE UNIVERSE

		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr Dividend Yield	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Yield	Yield
RPC Inc.	RES	\$2,739	0.0179%	28.00%	0.0050%	1.80%	0.0003%
RPM Int'l	RPM	\$3,541	0.0231%	8.00%	0.0018%	3.30%	0.0008%
Ruby Tuesday	RT	\$437	0.0028%	33.00%	0.0009%	3.40%	0.0001%
rue21, inc.	RUE	\$671	0.0044%	25.00%	0.0011%		
Ryder System	R	\$2,133	0.0139%	24.00%	0.0033%	1.50%	0.0002%
Ryland Group	RYL	\$1,165	0.0076%			0.50%	0.0000%
Safeway Inc.	SWY	\$3,846	0.0251%	28.00%	0.0070%	2.60%	0.0007%
SAIC, Inc.	SAI	\$4,094	0.0267%	33.00%	0.0088%		
Saks Inc.	SKS	\$1,824	0.0119%	9.00%	0.0011%		
salesforce.com	CRM	\$20,280	0.1323%	9.00%	0.0119%		
Sally Beauty	SBH	\$4,894	0.0319%	7.00%	0.0022%		
Sanderson Farms	SAFM	\$915	0.0060%	15.00%	0.0009%	1.50%	0.0001%
SanDisk Corp.	SNDK	\$10,314	0.0673%	13.00%	0.0087%		
Sanmina-SCI Corp.	SANM	\$733	0.0048%	32.00%	0.0015%		
Sapient Corp.	SAPE	\$1,389	0.0091%	19.00%	0.0017%		
Sauer-Danfoss	SHS	\$1,864	0.0122%	26.00%	0.0032%	2.10%	0.0003%
SBA Communications	SBAC	\$7,354	0.0480%	4.00%	0.0019%		
SCANA Corp.	SCG	\$6,367	0.0415%	3.00%	0.0012%	4.50%	0.0019%
ScanSource	SCSC	\$821	0.0054%	18.00%	0.0010%		
Schein (Henry)	HSIC	\$6,892	0.0450%	5.00%	0.0022%		
Schlumberger Ltd.	SLB	\$99,501	0.6491%	22.00%	0.1428%	1.00%	0.0065%
Schnitzer Steel	SCHN	\$834	0.0054%	27.00%	0.0015%	0.10%	0.0000%
Scholastic Corp.	SCHL	\$969	0.0063%	20.00%	0.0013%	1.00%	0.0001%
Schulman (A.)	SHLM	\$693	0.0045%	13.00%	0.0006%	2.20%	0.0001%
Schwab (Charles)	SCHW	\$16,958	0.1106%	19.00%	0.0210%	1.40%	0.0015%
Schweitzer-Mauduit Int'l	SWM	\$1,023	0.0067%	22.00%	0.0015%	0.50%	0.0000%
Scientific Games	SGMS	\$620	0.0040%	36.00%	0.0015%		
Scotts Miracle-Gro	SMG	\$2,636	0.0172%	15.00%	0.0026%	2.70%	0.0005%
Scripps (E.W.) 'A'	SSP	\$559	0.0036%	12.00%	0.0004%		
Scripps Networks	SNI	\$8,921	0.0582%	15.00%	0.0087%	0.60%	0.0003%
SeaChange Int'l	SEAC	\$251	0.0016%	24.00%	0.0004%		
Sealed Air	SEE	\$2,687	0.0175%	35.00%	0.0061%	1.60%	0.0003%
Sealy Corp.	ZZ	\$177	0.0012%	28.00%	0.0003%		
Sears Holdings	SHLD	\$6,391	0.0417%	-2.00%	-0.0008%		
SEI Investments	SEIC	\$3,783	0.0247%	23.00%	0.0057%	0.90%	0.0002%
Select Med. Hldgs.	SEM	\$1,469	0.0096%	13.00%	0.0012%		
Selective Ins. Group	SIGI	\$954	0.0062%	17.00%	0.0011%	2.00%	0.0001%
Sempra Energy	SRE	\$16,619	0.1084%	5.00%	0.0054%	3.80%	0.0041%
Semtech Corp.	SMTC	\$1,657	0.0108%	16.00%	0.0017%		
Senomyx, Inc.	SNMX	\$76	0.0005%	42.00%	0.0002%		
Sensient Techn.	SXT	\$1,838	0.0120%	14.00%	0.0017%	2.10%	0.0003%
Service Corp. Int'l	SCI	\$2,771	0.0181%	9.00%	0.0016%	1.60%	0.0003%
Shaw Group	SHAW	\$2,759	0.0180%	5.00%	0.0009%		
Shenandoah Telecom.	SHEN	\$387	0.0025%	13.00%	0.0003%	1.50%	0.0000%
Sherwin-Williams	SHW	\$14,114	0.0921%	-1.00%	-0.0009%	1.80%	0.0017%
Shuffle Master	SHFL	\$799	0.0052%	14.00%	0.0007%		
Sigma Designs	SIGM	\$224	0.0015%	9.00%	0.0001%		
Sigma-Aldrich	SIAL	\$8,731	0.0570%	10.00%	0.0057%	1.00%	0.0006%
Silgan Holdings	SLGN	\$2,863	0.0187%	11.00%	0.0021%	1.10%	0.0002%
Silicon Image	SIMG	\$433	0.0028%	23.00%	0.0006%		
Silicon Labs.	SLAB	\$1,671	0.0109%	13.00%	0.0014%		
Simon Property Group	SPG		0.0000%	5.00%	0.0000%	3.30%	0.0000%
Simpson Manufacturing	SSD	\$1,274	0.0083%	12.00%	0.0010%	1.60%	0.0001%

VALUE LINE UNIVERSE

		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return		Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Dividend Yield	Dividend Yield
Sinclair Broadcast	SBGI	\$914	0.0060%	14.00%	0.0008%	5.20%	0.0003%
Sirona Dental	SIRO	\$2,879	0.0188%	12.00%	0.0023%		
Six Flags Entertainment	SIX	\$2,996	0.0195%	9.00%	0.0018%	4.40%	0.0009%
SJW Corp.	SJW	\$437	0.0029%	15.00%	0.0004%	2.30%	0.0001%
Skechers U.S.A.	SKX	\$959	0.0063%	18.00%	0.0011%		
Skullcandy, Inc.	SKUL	\$439	0.0029%	24.00%	0.0007%		
SkyWest	SKYW	\$425	0.0028%	33.00%	0.0009%	0.80%	0.0000%
Skyworks Solutions	SWKS	\$5,641	0.0368%	17.00%	0.0063%		
SL Green Realty	SLG		0.0000%	11.00%	0.0000%	2.50%	0.0000%
SLM Corporation	SLM	\$8,185	0.0534%	13.00%	0.0069%	2.70%	0.0014%
Smart Balance	SMBL	\$691	0.0045%	-2.00%	-0.0001%		
Smith (A.O.)	AOS	\$2,464	0.0161%	4.00%	0.0006%	1.40%	0.0002%
Smith Micro Software	SMSI	\$59	0.0004%	26.00%	0.0001%		
Smithfield Foods	SFD	\$3,054	0.0199%	12.00%	0.0024%		
Smucker (J.M.)	SJM	\$8,709	0.0568%	11.00%	0.0062%	2.20%	0.0012%
Snap-on Inc.	SNA	\$4,063	0.0265%	10.00%	0.0027%	1.70%	0.0005%
Snyder's-Lance	LNCE	\$1,561	0.0102%	10.00%	0.0010%	2.70%	0.0003%
Solera Hldgs.	SLH	\$3,040	0.0198%	24.00%	0.0048%	0.70%	0.0001%
Sonic Automotive	SAH	\$956	0.0062%	15.00%	0.0009%	0.60%	0.0000%
Sonic Corp.	SONC	\$529	0.0034%	22.00%	0.0008%		
Sonoco Products	SON	\$3,105	0.0203%	19.00%	0.0038%	2.80%	0.0006%
Sotheby's	BID	\$2,246	0.0147%	16.00%	0.0023%	0.70%	0.0001%
South Jersey Inds.	SJI	\$1,569	0.0102%	8.00%	0.0008%	3.60%	0.0004%
Southern Co.	SO	\$40,302	0.2629%	4.00%	0.0105%	5.00%	0.0131%
Southwest Airlines	LUV	\$6,740	0.0440%	35.00%	0.0154%	0.10%	0.0000%
Southwest Gas	SWX	\$2,016	0.0132%	10.00%	0.0013%	2.80%	0.0004%
Southwestern Energy	SWN	\$11,357	0.0741%	15.00%	0.0111%		
Spartan Stores	SPTN	\$329	0.0021%	20.00%	0.0004%	0.90%	0.0000%
Spectra Energy	SE	\$19,151	0.1249%	13.00%	0.0162%	3.60%	0.0045%
Spectrum Brands	SPB	\$1,922	0.0125%	10.00%	0.0013%		
Speedway Motorsports	TRK	\$628	0.0041%	16.00%	0.0007%	2.50%	0.0001%
Spirit AeroSystems	SPR	\$3,656	0.0239%	19.00%	0.0045%		
Spirit Airlines	SAVE	\$1,469	0.0096%	25.00%	0.0024%		
Sprint Nextel Corp.	S	\$15,445	0.1008%	2.00%	0.0020%		
SPX Corp.	SPW	\$3,326	0.0217%	18.00%	0.0039%	0.80%	0.0002%
St. Joe Corp.	JOE	\$1,756	0.0115%	12.00%	0.0014%		
St. Jude Medical	STJ	\$11,570	0.0755%	24.00%	0.0181%	1.60%	0.0012%
Stage Stores	SSI	\$631	0.0041%	14.00%	0.0006%	1.90%	0.0001%
Standard Motor Prod.	SMP	\$413	0.0027%	23.00%	0.0006%	1.70%	0.0000%
Standard Pacific Corp.	SPF	\$1,294	0.0084%	5.00%	0.0004%		
Standard Register	SR	\$25	0.0002%	44.00%	0.0001%		
Standex Int'l	SXI	\$551	0.0036%	12.00%	0.0004%	1.10%	0.0000%
Stanley Black & Decker	SWK	\$11,396	0.0743%	13.00%	0.0097%	1.90%	0.0014%
Staples, Inc.	SPLS	\$7,854	0.0512%	33.00%	0.0169%	1.60%	0.0008%
Starbucks Corp.	SBUX	\$36,774	0.2399%	16.00%	0.0384%	1.30%	0.0031%
StarTek, Inc.	SRT	\$44	0.0003%	20.00%	0.0001%		
Starwood Hotels	HOT	\$10,899	0.0711%	16.00%	0.0114%	0.60%	0.0004%
State Street Corp.	STT	\$20,356	0.1328%	18.00%	0.0239%	1.70%	0.0023%
Steel Dynamics	STLD	\$2,869	0.0187%	28.00%	0.0052%	1.90%	0.0004%
Steelcase, Inc. 'A'	SCS	\$1,176	0.0077%	26.00%	0.0020%	1.60%	0.0001%
Stein Mart	SMRT	\$347	0.0023%	14.00%	0.0003%		
Stericycle Inc.	SRCL	\$7,822	0.0510%	8.00%	0.0041%		
STERIS Corp.	STE	\$1,963	0.0128%	15.00%	0.0019%	1.60%	0.0002%

VALUE LINE UNIVERSE

		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return		Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Dividend Yield	Dividend Yield
Stewart Enterpr. 'A'	STEI	\$627	0.0041%	11.00%	0.0004%	1.60%	0.0001%
Stifel Financial Corp.	SF	\$1,668	0.0109%	26.00%	0.0028%		
Stillwater Mining	SWC	\$1,128	0.0074%	22.00%	0.0016%		
StoneMor Partners L.P.	STON	\$448	0.0029%	11.00%	0.0003%	7.60%	0.0002%
Strayer Education	STRA	\$793	0.0052%	29.00%	0.0015%	2.60%	0.0001%
Stryker Corp.	SYK	\$20,734	0.1353%	11.00%	0.0149%	0.80%	0.0011%
Sturm, Ruger & Co.	RGR	\$859	0.0056%	17.00%	0.0010%	2.20%	0.0001%
Suburban Propane	SPH	\$1,340	0.0087%	17.00%	0.0015%	7.30%	0.0006%
Sunoco, Inc.	SUN	\$4,983	0.0325%	3.00%	0.0010%	2.20%	0.0007%
SunPower Corp.	SPWR	\$532	0.0035%	29.00%	0.0010%		
Sunrise Senior Living	SRZ	\$496	0.0032%	2.00%	0.0001%		
SunTrust Banks	STI	\$13,488	0.0880%	18.00%	0.0158%	2.20%	0.0019%
Superior Inds. Int'l	SUP	\$492	0.0032%	19.00%	0.0006%	2.00%	0.0001%
SUPERVALU INC.	SVU	\$518	0.0034%	50.00%	0.0017%		
SurModics, Inc.	SRDX	\$320	0.0021%	9.00%	0.0002%		
Susquehanna Bancshs.	SUSQ	\$1,995	0.0130%	21.00%	0.0027%	2.60%	0.0003%
Swiss Helvetia Fund	SWZ		0.0000%	4.00%	0.0000%	2.40%	0.0000%
Sycamore Networks	SCMR	\$414	0.0027%	15.00%	0.0004%		
Symantec Corp.	SYMC	\$12,646	0.0825%	15.00%	0.0124%		
Synaptics	SYNA	\$1,012	0.0066%	14.00%	0.0009%		
Synchronoss Techn.	SNCR	\$869	0.0057%	32.00%	0.0018%		
Synopsys, Inc.	SNPS	\$4,585	0.0299%	7.00%	0.0021%		
Synovus Financial	SNV	\$1,573	0.0103%	33.00%	0.0034%	6.30%	0.0006%
Synutra Int'l	SYUT	\$299	0.0020%	47.00%	0.0009%		
Sysco Corp.	SYU	\$17,793	0.1161%	18.00%	0.0209%	2.30%	0.0027%
Taiwan Fund	TWN		0.0000%	18.00%	0.0000%	0.60%	0.0000%
Take-Two Interactive	TTWO	\$899	0.0059%	30.00%	0.0018%		
Target Corp.	TGT	\$42,245	0.2756%	13.00%	0.0358%	2.40%	0.0066%
TASER Int'l	TASR	\$293	0.0019%	13.00%	0.0002%		
TCF Financial	TCB	\$1,673	0.0109%	27.00%	0.0029%	3.30%	0.0004%
TD Ameritrade Holding	AMTD	\$9,294	0.0606%	22.00%	0.0133%	1.30%	0.0008%
Team Health Hldgs.	TMH	\$1,873	0.0122%	2.00%	0.0002%		
Tech Data	TECD	\$2,067	0.0135%	14.00%	0.0019%		
Teche Corp.	TECH	\$2,469	0.0161%	8.00%	0.0013%	1.10%	0.0002%
TECO Energy	TE	\$3,862	0.0252%	9.00%	0.0023%	4.80%	0.0012%
Tecumseh Products 'A'	TECUA	\$96	0.0006%	55.00%	0.0003%		
Teledyne Technologies	TDY	\$2,384	0.0156%	6.00%	0.0009%		
Teleflex Inc.	TFX	\$2,564	0.0167%	15.00%	0.0025%	1.60%	0.0003%
Telephone & Data	TDS	\$2,651	0.0173%	29.00%	0.0050%	0.80%	0.0001%
TeleTech Holdings	TTEC	\$937	0.0061%	31.00%	0.0019%		
Tellabs, Inc.	TLAB	\$1,208	0.0079%	25.00%	0.0020%	1.50%	0.0001%
Templeton Emerg'g	EMF		0.0000%	16.00%	0.0000%	1.50%	0.0000%
Tempur-Pedic	TPX	\$1,951	0.0127%	24.00%	0.0031%		
Tenet Healthcare	THC	\$2,203	0.0144%	29.00%	0.0042%		
Tennant Co.	TNC	\$804	0.0052%	9.00%	0.0005%	1.70%	0.0001%
Tenneco Inc.	TEN	\$1,865	0.0122%	27.00%	0.0033%		
Teradata Corp.	TDC	\$12,750	0.0832%	4.00%	0.0033%		
Teradyne Inc.	TER	\$2,962	0.0193%	8.00%	0.0015%		
Terex Corp.	TEX	\$2,375	0.0155%	25.00%	0.0039%		
Tesla Motors	TSLA	\$3,191	0.0208%	16.00%	0.0033%		
Tesoro Corp.	TSO	\$5,403	0.0352%	2.00%	0.0007%		
Tessera Technologies	TSRA	\$753	0.0049%	24.00%	0.0012%	1.20%	0.0001%
Tetra Tech	TTEK	\$1,707	0.0111%	23.00%	0.0026%		

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		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr Dividend Yield	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Yield	Yield
TETRA Technologies	TTI	\$521	0.0034%	33.00%	0.0011%		
Texas Inds.	TXI	\$1,182	0.0077%	-2.00%	-0.0002%		
Texas Instruments	TXN	\$34,440	0.2247%	18.00%	0.0404%	1.50%	0.0034%
Texas Roadhouse	TXRH	\$1,209	0.0079%	19.00%	0.0015%	1.70%	0.0001%
Textron, Inc.	TXT	\$7,582	0.0495%	14.00%	0.0069%	0.70%	0.0003%
Thai Fund	TTF		0.0000%	9.00%	0.0000%	1.70%	0.0000%
Thermo Fisher Sci.	TMO	\$20,672	0.1349%	13.00%	0.0175%		
Thor Inds.	THO	\$1,742	0.0114%	13.00%	0.0015%	0.90%	0.0001%
Thoratec Corp.	THOR	\$1,870	0.0122%	21.00%	0.0026%		
TIBCO Software	TIBX	\$4,587	0.0299%	4.00%	0.0012%		
Tidewater Inc.	TDW	\$2,477	0.0162%	13.00%	0.0021%	1.90%	0.0003%
Tiffany & Co.	TIF	\$7,557	0.0493%	16.00%	0.0079%	1.60%	0.0008%
Time Warner	TWX	\$40,394	0.2635%	17.00%	0.0448%	1.70%	0.0045%
Time Warner Cable	TWC	\$27,599	0.1801%	13.00%	0.0234%	2.00%	0.0036%
Timken Co.	TKR	\$4,062	0.0265%	27.00%	0.0072%	1.40%	0.0004%
Titan Int'l	TWI	\$903	0.0059%	28.00%	0.0016%	0.10%	0.0000%
Titanium Metals	TIE	\$2,228	0.0145%	28.00%	0.0041%	1.10%	0.0002%
TJX Companies	TJX	\$33,484	0.2184%	6.00%	0.0131%	1.10%	0.0024%
Toll Brothers	TOL	\$5,381	0.0351%	2.00%	0.0007%		
Tootsie Roll Ind.	TR	\$1,462	0.0095%	9.00%	0.0009%	1.10%	0.0001%
Torchmark Corp.	TMK	\$5,057	0.0330%	5.00%	0.0016%	1.40%	0.0005%
Toro Co.	TTC	\$2,254	0.0147%	9.00%	0.0013%	1.20%	0.0002%
Total System Svcs.	TSS	\$4,488	0.0293%	12.00%	0.0035%	1.10%	0.0003%
Towers Watson & Co.	TW	\$3,888	0.0254%	20.00%	0.0051%	0.40%	0.0001%
Tractor Supply	TSCO	\$6,558	0.0428%	10.00%	0.0043%	1.00%	0.0004%
TransDigm Group	TDG	\$6,805	0.0444%	15.00%	0.0067%		
Transocean Ltd.	RIG	\$18,004	0.1175%	21.00%	0.0247%	3.60%	0.0042%
Travelers Cos.	TRV	\$24,959	0.1628%	11.00%	0.0179%	2.40%	0.0039%
Tredegar Corp.	TG	\$462	0.0030%	23.00%	0.0007%	1.10%	0.0000%
TreeHouse Foods	THS	\$1,805	0.0118%	13.00%	0.0015%		
Trex Co.	TREX	\$458	0.0030%	21.00%	0.0006%		
Tri-Continental	TY		0.0000%	17.00%	0.0000%	1.70%	0.0000%
Trimble Nav. Ltd.	TRMB	\$5,987	0.0391%	13.00%	0.0051%		
Trinity Inds.	TRN	\$2,284	0.0149%	17.00%	0.0025%	1.00%	0.0001%
TriQuint Semic.	TQNT	\$960	0.0063%	21.00%	0.0013%		
Triumph Group Inc.	TGI	\$3,117	0.0203%	11.00%	0.0022%	0.40%	0.0001%
True Religion Apparel	TRLG	\$581	0.0038%	21.00%	0.0008%	1.90%	0.0001%
TRW Automotive	TRW	\$5,311	0.0346%	26.00%	0.0090%		
Tumi Holdings	TUMI	\$1,451	0.0095%	4.00%	0.0004%		
Tupperware Brands	TUP	\$2,994	0.0195%	23.00%	0.0045%	1.90%	0.0004%
tw telecom	TWTC	\$3,664	0.0239%	10.00%	0.0024%		
Tyson Foods 'A'	TSN	\$5,523	0.0360%	16.00%	0.0058%	0.90%	0.0003%
U.S. Bancorp	USB	\$63,132	0.4119%	10.00%	0.0412%	2.60%	0.0107%
U.S. Cellular	USM	\$3,273	0.0214%	16.00%	0.0034%		
U.S. Steel Corp.	X	\$3,279	0.0214%	36.00%	0.0077%	1.30%	0.0003%
UDR, Inc.	UDR		0.0000%	12.00%	0.0000%	3.00%	0.0000%
UGI Corp.	UGI	\$3,497	0.0228%	6.00%	0.0014%	3.60%	0.0008%
UIL Holdings	UIL	\$1,831	0.0119%	7.00%	0.0008%	4.40%	0.0005%
Ultra Salon	ULTA	\$5,676	0.0370%	16.00%	0.0059%		
Ultra Petroleum	UPL	\$3,466	0.0226%	30.00%	0.0068%		
Ultratech, Inc.	UTEK	\$896	0.0058%				
Under Armour	UA	\$5,899	0.0385%	7.00%	0.0027%		
Unifi, Inc.	UFI	\$221	0.0014%	21.00%	0.0003%		

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		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr % Annual Total Return	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Dividend Yield	Dividend Yield
UniFirst Corp.	UNF	\$1,340	0.0087%	5.00%	0.0004%	0.30%	0.0000%
Union Pacific	UNP	\$59,158	0.3859%	10.00%	0.0386%	2.30%	0.0089%
Unisys Corp.	UIS	\$917	0.0060%	22.00%	0.0013%		
United Cont'l Hldgs.	UAL	\$6,079	0.0397%	31.00%	0.0123%		
United Natural Foods	UNFI	\$2,681	0.0175%	2.00%	0.0003%		
United Online	UNTD	\$458	0.0030%	28.00%	0.0008%	3.20%	0.0001%
United Parcel Serv.	UPS	\$73,315	0.4783%	17.00%	0.0813%	2.30%	0.0110%
United Rentals	URI	\$3,153	0.0206%	14.00%	0.0029%		
United Stationers	USTR	\$1,033	0.0067%	20.00%	0.0013%	1.20%	0.0001%
United Technologies	UTX	\$71,821	0.4686%	15.00%	0.0703%	2.30%	0.0108%
United Therapeutics	UTHR	\$2,910	0.0190%	26.00%	0.0049%		
UnitedHealth Group	UNH	\$55,152	0.3598%	21.00%	0.0756%	0.80%	0.0029%
Universal Corp.	UVV	\$1,115	0.0073%	8.00%	0.0006%	4.00%	0.0003%
Universal Electronics	UEIC	\$232	0.0015%	30.00%	0.0005%		
Universal Forest	UFPI	\$671	0.0044%	12.00%	0.0005%	1.00%	0.0000%
Universal Health Sv. 'B'	UHS	\$3,904	0.0255%	24.00%	0.0061%	0.50%	0.0001%
UNS Energy	UNS	\$1,658	0.0108%	11.00%	0.0012%	4.30%	0.0005%
Unum Group	UNM	\$5,613	0.0366%	20.00%	0.0073%	1.00%	0.0004%
Urban Outfitters	URBN	\$4,486	0.0293%	16.00%	0.0047%		
URS Corp.	URS	\$2,979	0.0194%	20.00%	0.0039%	1.50%	0.0003%
US Airways Group	LCC	\$1,609	0.0105%	23.00%	0.0024%		
US Ecology	ECOL	\$363	0.0024%	14.00%	0.0003%	2.90%	0.0001%
USG Corp.	USG	\$2,000	0.0130%	11.00%	0.0014%		
UTStarcom Holdings	UTSI	\$160	0.0010%	45.00%	0.0005%		
V.F. Corp.	VFC	\$16,508	0.1077%	11.00%	0.0118%	2.30%	0.0025%
Vail Resorts	MTN	\$1,799	0.0117%	8.00%	0.0009%	1.30%	0.0002%
Valassis Communic.	VCI	\$972	0.0063%	10.00%	0.0006%	1.10%	0.0001%
Valero Energy	VLO	\$16,001	0.1044%	17.00%	0.0177%	1.60%	0.0017%
Valmont Inds.	VMI	\$3,455	0.0225%	7.00%	0.0016%	0.60%	0.0001%
Valspar Corp.	VAL	\$4,742	0.0309%	9.00%	0.0028%	1.50%	0.0005%
ValueClick Inc.	VCLK	\$1,166	0.0076%	25.00%	0.0019%		
ValueVision Media	VVTV	\$91	0.0006%	23.00%	0.0001%		
Varian Medical Sys.	VAR	\$6,565	0.0428%	18.00%	0.0077%		
VCA Antech	WOOF	\$1,659	0.0108%	15.00%	0.0016%		
Vectren Corp.	VVC	\$2,385	0.0156%	11.00%	0.0017%	4.30%	0.0007%
Veeco Instruments	VECO	\$1,421	0.0093%	21.00%	0.0019%		
Ventas, Inc.	VTR		0.0000%	6.00%	0.0000%	5.00%	0.0000%
Verifone Systems	PAY	\$3,668	0.0239%	16.00%	0.0038%		
VeriSign Inc.	VRSN	\$7,482	0.0488%	13.00%	0.0063%		
Verisk Analytics	VRSK	\$8,072	0.0527%	5.00%	0.0026%		
Verizon Communic.	VZ	\$125,692	0.8200%	12.00%	0.0984%	3.50%	0.0287%
Vertex Pharmac.	VRTX	\$11,488	0.0749%	9.00%	0.0067%		
Viacom Inc. 'B'	VIAB	\$25,819	0.1684%	22.00%	0.0371%	0.80%	0.0013%
Viad Corp.	VVI	\$380	0.0025%	11.00%	0.0003%	0.70%	0.0000%
ViaSat, Inc.	VSAT	\$1,677	0.0109%	16.00%	0.0018%		
Village Super Market	VLGEA	\$507	0.0033%	8.00%	0.0003%	2.70%	0.0001%
Visa Inc.	V	\$105,041	0.6853%	12.00%	0.0822%	0.80%	0.0055%
Vishay Intertechnology	VSH	\$1,438	0.0094%	26.00%	0.0024%		
Visteon Corp.	VC	\$2,146	0.0140%	21.00%	0.0029%		
Vitamin Shoppe	VSI	\$1,615	0.0105%	-1.00%	-0.0001%		
VMware, Inc.	VMW	\$41,893	0.2733%	9.00%	0.0246%		
Volcano Corp.	VOLC	\$1,499	0.0098%	16.00%	0.0016%		
Vonage Holdings	VG	\$489	0.0032%	9.00%	0.0003%		

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		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj 3-5 Yr % Annual Total Return	Proj 3-5 Yr Dividend Yield	Market-Cap Weighted Proj 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Yield	Yield
Vornado R'lty Trust	VNO	\$15,161	0.0989%	8.00%	0.0079%	3.50%	0.0035%
Vulcan Materials	VMC	\$5,152	0.0336%	-8.00%	-0.0027%	2.50%	0.0008%
W.P. Carey & Co. LLC	WPC	\$1,854	0.0121%	4.00%	0.0005%	5.30%	0.0006%
Wabash National	WNC	\$465	0.0030%	33.00%	0.0010%		
WABCO Hldgs.	WBC	\$3,684	0.0240%	21.00%	0.0050%	0.70%	0.0002%
Wabtec Corp.	WAB	\$3,878	0.0253%	5.00%	0.0013%	0.10%	0.0000%
Wal-Mart Stores	WMT	\$244,949	1.5980%	11.00%	0.1758%	2.10%	0.0336%
Walgreen Co.	WAG	\$30,493	0.1989%	17.00%	0.0338%	2.40%	0.0048%
Walter Energy	WLT	\$2,312	0.0151%	33.00%	0.0050%	0.50%	0.0001%
Warnaco Group	WRC	\$2,027	0.0132%	10.00%	0.0013%		
Washington Federal	WAFD	\$1,724	0.0112%	14.00%	0.0016%	1.80%	0.0002%
Washington Post	WPO	\$2,591	0.0169%	24.00%	0.0041%	1.30%	0.0002%
Washington R.E.I.T.	WRE		0.0000%	13.00%	0.0000%	4.70%	0.0000%
Waste Connections	WCN	\$3,747	0.0244%	12.00%	0.0029%	1.30%	0.0003%
Waste Management	WM	\$16,520	0.1078%	11.00%	0.0119%	3.40%	0.0037%
Waters Corp.	WAT	\$6,677	0.0436%	14.00%	0.0061%		
Watsco, Inc.	WSO	\$2,279	0.0149%	11.00%	0.0016%	3.30%	0.0005%
Watson Pharmac.	WPI	\$10,171	0.0664%	10.00%	0.0066%		
Watts Water Techn.	WTS	\$1,340	0.0087%	12.00%	0.0010%	1.20%	0.0001%
Wausau Paper	WPP	\$430	0.0028%	17.00%	0.0005%	1.10%	0.0000%
WD-40 Co.	WDFC	\$782	0.0051%	4.00%	0.0002%	2.50%	0.0001%
Weatherford Int'l	WFT	\$9,388	0.0612%	32.00%	0.0196%		
WebMD Health	WBMD	\$858	0.0056%	29.00%	0.0016%		
Websense Inc.	WBSN	\$560	0.0037%	29.00%	0.0011%		
Webster Fin'l	WBS	\$1,909	0.0125%	5.00%	0.0006%	1.50%	0.0002%
Weight Watchers	WTW	\$2,789	0.0182%	29.00%	0.0053%	0.80%	0.0001%
Weingarten Realty	WRI		0.0000%	4.00%	0.0000%	6.00%	0.0000%
Weis Markets	WMK	\$1,179	0.0077%	9.00%	0.0007%	2.50%	0.0002%
WellPoint, Inc.	WLP	\$19,192	0.1252%	20.00%	0.0250%	1.30%	0.0016%
Wells Fargo	WFC	\$180,061	1.1747%	18.00%	0.2114%	3.00%	0.0352%
Wendy's Company	WEN	\$1,713	0.0112%	21.00%	0.0023%	1.90%	0.0002%
Werner Enterprises	WERN	\$1,696	0.0111%	16.00%	0.0018%	0.80%	0.0001%
WESCO Int'l	WCC	\$2,624	0.0171%	10.00%	0.0017%	0.60%	0.0001%
West Marine	WMAR	\$238	0.0016%	15.00%	0.0002%	1.20%	0.0000%
West Pharmac. Svcs.	WST	\$1,626	0.0106%	14.00%	0.0015%	1.80%	0.0002%
Westar Energy	WR	\$3,735	0.0244%	4.00%	0.0010%	4.90%	0.0012%
Western Digital	WDC	\$11,852	0.0773%	20.00%	0.0155%		
Western Union	WU	\$10,718	0.0699%	28.00%	0.0196%	1.80%	0.0013%
Westlake Chemical	WLK	\$4,551	0.0297%	7.00%	0.0021%	0.50%	0.0001%
Wet Seal `A'	WTSLA	\$280	0.0018%	10.00%	0.0002%		
Weyerhaeuser Co.	WY	\$13,153	0.0858%	11.00%	0.0094%	4.10%	0.0035%
WGL Holdings Inc.	WGL	\$2,096	0.0137%	5.00%	0.0007%	4.10%	0.0006%
Whirlpool Corp.	WHR	\$5,684	0.0371%	17.00%	0.0063%	1.10%	0.0004%
Whole Foods Market	WFM	\$17,704	0.1155%	8.00%	0.0092%	0.80%	0.0009%
Wiley (John) & Sons	JW/A	\$2,860	0.0187%	20.00%	0.0037%	1.50%	0.0003%
Williams Cos.	WMB	\$20,460	0.1335%	7.00%	0.0093%	6.00%	0.0080%
Williams Partners L.P.	WPZ	\$17,688	0.1154%	14.00%	0.0162%	5.80%	0.0067%
Williams-Sonoma	WSM	\$3,729	0.0243%	20.00%	0.0049%	1.80%	0.0004%
Windstream Corp.	WIN	\$5,654	0.0369%	17.00%	0.0063%	7.10%	0.0026%
Winnebago	WGO	\$323	0.0021%	9.00%	0.0002%	3.20%	0.0001%
Wintrust Financial	WTFC	\$1,341	0.0088%	4.00%	0.0004%	0.90%	0.0001%
Wisconsin Energy	WEC	\$8,881	0.0579%	4.00%	0.0023%	4.50%	0.0026%
WMS Industries	WMS	\$852	0.0056%	41.00%	0.0023%		

VALUE LINE UNIVERSE

		[6]	[7]	[8]	[9]	[10]	[11]
					Market-Cap Weighted Proj. 3-5 Yr % Annual Total Return	Proj. 3-5 Yr Dividend Yield	Market-Cap Weighted Proj. 3-5 Yr Dividend Yield
Company	Ticker	Market Cap (\$M)	Market Cap Weight	Total Return	Total Return	Yield	Yield
Wolverine World Wide	WWW	\$2,215	0.0145%	8.00%	0.0012%	1.40%	0.0002%
Woodward, Inc.	WWD	\$2,557	0.0167%	18.00%	0.0030%	0.50%	0.0001%
World Wrestling Ent.	WWE	\$630	0.0041%	17.00%	0.0007%	4.10%	0.0002%
Worthington Inds.	WOR	\$1,578	0.0103%	10.00%	0.0010%	2.50%	0.0003%
Wright Express	WXS	\$2,573	0.0168%	12.00%	0.0020%		
Wright Medical	WMGI	\$810	0.0053%	16.00%	0.0008%		
Wyndham Worldwide	WYN	\$7,437	0.0485%	6.00%	0.0029%	1.90%	0.0009%
Wynn Resorts	WYNN	\$11,748	0.0766%	25.00%	0.0192%	1.30%	0.0010%
Xcel Energy Inc.	XEL	\$13,922	0.0908%	5.00%	0.0045%	4.70%	0.0043%
XenoPort, Inc.	XNPT	\$317	0.0021%	23.00%	0.0005%		
Xerox Corp.	XRX	\$9,595	0.0626%	25.00%	0.0156%	1.80%	0.0011%
Xilinx Inc.	XLNX	\$8,910	0.0581%	17.00%	0.0099%	2.20%	0.0013%
XO Group	XOXO	\$201	0.0013%	19.00%	0.0002%		
Yahoo! Inc.	YHOO	\$17,900	0.1168%	19.00%	0.0222%		
Yum! Brands	YUM	\$30,288	0.1976%	8.00%	0.0158%	2.30%	0.0045%
Zale Corp.	ZLC	\$117	0.0008%	38.00%	0.0003%		
Zebra Techn. 'A'	ZBRA	\$1,913	0.0125%	18.00%	0.0022%		
Zimmer Holdings	ZMH	\$10,801	0.0705%	14.00%	0.0099%	0.80%	0.0006%
Zions Bancorp.	ZION	\$3,543	0.0231%	8.00%	0.0018%	0.80%	0.0002%
Zipcar, Inc.	ZIP	\$323	0.0021%	28.00%	0.0006%		
Zoltek Cos.	ZOLT	\$299	0.0019%	31.00%	0.0006%		
Zumiez Inc.	ZUMZ	\$1,101	0.0072%	7.00%	0.0005%		
Zygo Corp.	ZIGO	\$335	0.0022%	30.00%	0.0007%		
Zynga Inc.	ZNGA	\$2,276	0.0148%	53.00%	0.0079%		
		\$15,328,327			13.5726%		1.9677%

Notes:

[1] Equals sum of column [11]

[2] Equals [3] - [1]

[3] Equals sum of column [9]

[4] Schedule RBH-EXXX

[5] Equals [3] - [4]

[6] Value Line

[7] Weight in Value Line universe based on market capitalization

[8] Value Line

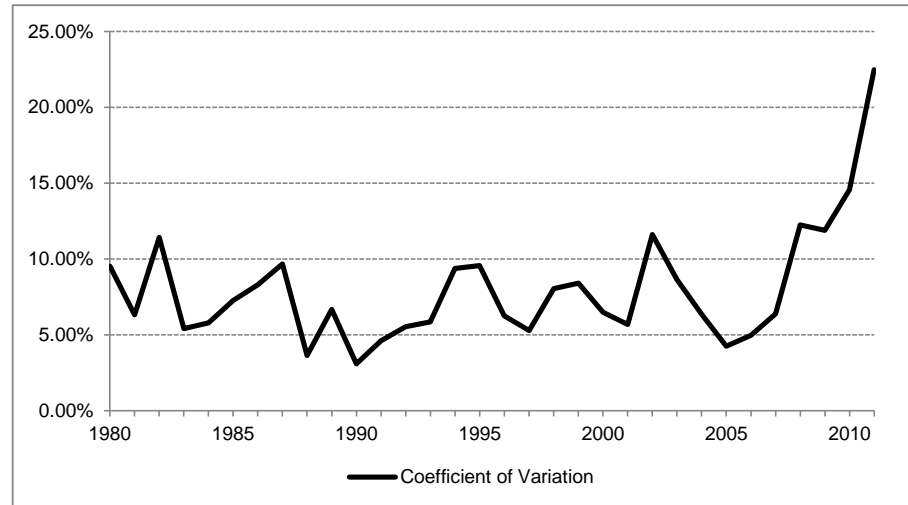
[9] Equals [8] x [7]

[10] Value Line

[11] Equals [10] x [7]

10-YEAR U.S. TREASURY BONDS
COEFFICIENT OF VARIATION

Year	[1] Mean	[2] Standard Deviation	[3] Coefficient of Variation
1980	11.43	1.09	9.52%
1981	13.92	0.88	6.31%
1982	13.01	1.49	11.42%
1983	11.10	0.60	5.41%
1984	12.46	0.72	5.80%
1985	10.62	0.77	7.28%
1986	7.67	0.64	8.31%
1987	8.39	0.81	9.68%
1988	8.85	0.32	3.64%
1989	8.49	0.57	6.67%
1990	8.55	0.26	3.10%
1991	7.86	0.36	4.62%
1992	7.01	0.39	5.53%
1993	5.87	0.34	5.85%
1994	7.09	0.66	9.38%
1995	6.57	0.63	9.57%
1996	6.44	0.40	6.25%
1997	6.35	0.34	5.30%
1998	5.26	0.42	8.06%
1999	5.65	0.47	8.41%
2000	6.03	0.39	6.49%
2001	5.02	0.29	5.68%
2002	4.61	0.54	11.61%
2003	4.01	0.35	8.65%
2004	4.27	0.27	6.37%
2005	4.29	0.18	4.26%
2006	4.80	0.24	4.97%
2007	4.63	0.30	6.38%
2008	3.66	0.45	12.25%
2009	3.26	0.39	11.88%
2010	3.22	0.47	14.57%
2011	2.78	0.63	22.48%



Notes:

- [1] Source: Bloomberg Professional; equals daily average
- [2] Source: Bloomberg Professional; equals daily standard deviation
- [3] Equals [2] / [1]

MURRAY DIRECT PROXY GROUP DSM COST RECOVERY

	State	DSM/EE Cost Recovery Mechanism(s)
Alliant Energy		
Interstate Power and Light Company	IA	Energy Efficiency Cost Recovery Rider
	MN	Conservation Improvement Program Cost Recovery Adjustment
Wisconsin Power and Light Company	WI	Energy Efficiency Cost Recovery Mechanism
American Electric Power Company, Inc.		
AEP Texas Central Company	TX	Energy Efficiency Cost Recovery Factors
AEP Texas North Company	TX	Energy Efficiency Cost Recovery Factors
Appalachian Power Company	VA	None
	WV	Energy Efficiency / Demand Response Cost Recovery Rider
Indiana Michigan Power Company	IN	Demand-Side Management / Energy Efficiency Program Cost Rider
	MI	Energy Optimization Surcharge
Kentucky Power Company	KY	Demand-Side Management Adjustment Clause
Kingsport Power Company	TN	None
Ohio Power Company	OH	Energy Efficiency and Peak Demand Reduction Cost Recovery Rider
Public Service Company of Oklahoma	OK	Demand Side Management Cost Recovery Rider
Southwestern Electric Power Company	AR	Energy Efficiency Cost Rate Rider
	LA	None
	TX	Energy Efficiency Cost Recovery Rider
Wheeling Power Company	WV	Energy Efficiency / Demand Response Cost Recovery Rider
Cleco Corporation		
Cleco Power LLC	LA	None
Great Plains Energy Inc.		
Kansas City Power & Light Company	KS	Energy Efficiency Rider
	MO	Energy Efficiency / Demand Response Costs deferred into regulatory asset account and considered for recovery in the next rate case
KCP&L Greater Missouri Operations Company	MO	Demand-Side Programs Investment Mechanism (<i>pending</i>)
IDACORP, Inc.		
Idaho Power Co.	ID	Energy Efficiency Rider
	OR	Energy Efficiency Rider
Pinnacle West Capital Corporation		
Arizona Public Service Company	AZ	Demand Side Management Adjustment Charge
Portland General Electric Company		
	OR	Energy Efficiency Customer Service Rider, Energy Efficiency Funding Adjustment, Demand Response Cost Recovery Mechanism
Southern Company		
Alabama Power Company	AL	None
Georgia Power Company	GA	Demand Side Management Riders (Residential and Commercial)
Gulf Power Company	FL	Energy Conservation Cost Recovery Rate Clause
Mississippi Power Company	MS	None
Westar Energy, Inc.		
Kansas Gas and Electric Company	KS	Energy Efficiency Rider
Westar Energy (KPL)	KS	Energy Efficiency Rider
Wisconsin Energy		
Wisconsin Electric Power Company	WI	None
	MI	Energy Optimization Surcharge
Xcel Energy		
Northern States Power Company	MN	Conservation Improvement Program Adjustment Clause
	ND	None
	SD	Demand Side Management Cost Adjustment Rider
Northern States Power Company-Wisconsin	WI	None
	MI	Energy Optimization Surcharge
Public Service Company of Colorado	CO	Demand-Side Management Cost Adjustment Clause
Southwestern Public Service Company	TX	Energy Efficiency Cost Recovery Rider
	NM	Energy Efficiency Rider

Operating Companies with DSM/EE Cost Recovery: 32
Total: 41

HEVERT REVISED PROXY GROUP FUEL COST RECOVERY

	State	Fuel Cost Recovery
American Electric Power Company, Inc.		
AEP Texas Central Company	TX	Not applicable
AEP Texas North Company	TX	Not applicable
Appalachian Power Company	VA	Fuel Factor Rider (100%)
	WV	Expanded Net Energy Costs (100%)
Indiana Michigan Power Company	IN	Fuel Cost Adjustment Rider (100%)
	MI	Power Supply Cost Recovery (100%)
Kentucky Power Company	KY	Fuel Adjustment Clause (100%)
Kingsport Power Company	TN	Fuel Clause Rider (100%)
Ohio Power Company	OH	Fuel Adjustment Clause Rider (100%)
Public Service Company of Oklahoma	OK	Fuel Cost Adjustment Rider (100%)
Southwestern Electric Power Company	AR	Energy Cost Recovery Rider (100%)
	LA	Fuel Adjustment Rider (100%)
	TX	Fixed Fuel Factor (100%)
Wheeling Power Company	WV	Expanded Net Energy Costs (100%)
Cleco Corporation		
Cleco Power LLC	LA	Fuel Cost Adjustment (100%)
Edison International		
Southern California Edison Co.	CA	Energy Resource Recovery Account (100%)
Empire District Electric Company		
	AR	Energy Cost Recovery Rider (100%)
	KS	Energy Cost Adjustment Clause (100%)
	MO	Fuel Adjustment Clause (95%)
	OK	Fuel Adjustment Rider (100%)
Great Plains Energy Inc.		
Kansas City Power & Light Company	KS	Energy Cost Adjustment (100%)
	MO	<i>None (base rates only per settlement until 2015)</i>
KCP&L Greater Missouri Operations Company	MO	Fuel Adjustment Clause (95%)
IDACORP, Inc.		
Idaho Power Co.	ID	Power Cost Adjustment (95%) Annual Power Cost Update & Power Cost Adjustment Mechanism (subject to deadband and 90% / 10% sharing of costs and benefits between customers and shareholders for deviations outside of deadband, contingent on earnings test)
	OR	
Integrus Energy Group, Inc.		
Upper Peninsula Power Company	MI	Power Supply Cost Recovery (100%)
Wisconsin Public Service Corporation	MI	Power Supply Cost Recovery (100%)
	WI	Adjustment for Cost of Fuel (subject to +/- 2% deadband)
Otter Tail Corporation		
Otter Tail Power Company	MN	Energy Adjustment Rider (100%)
	ND	Energy Adjustment Rider (100%)
	SD	Fuel Adjustment Clause Rider (100%)
Pinnacle West Capital Corporation		
Arizona Public Service Company	AZ	Power Supply Adjustment (100%)
Portland General Electric Company		
	OR	Annual Power Update Cost & Annual Power Cost Variance Mechanism (subject to deadband and 90% / 10% sharing of costs and benefits between customers and shareholders for deviations outside of deadband, contingent on earnings test)
Southern Company		
Alabama Power Company	AL	Energy Cost Recovery Rate (100%)
Georgia Power Company	GA	Fuel Cost Recovery Rider (N.B. not automatic)
	FL	Cost Recovery Clause - Fossil Fuel and Purchased Power & Purchased Power Capacity Cost Recovery Clause (100%)
Gulf Power Company	FL	
Mississippi Power Company	MS	Fuel Cost Recovery Clause (100%)
Westar Energy, Inc.		
Kansas Gas and Electric Company	KS	Fuel Charge / Retail Energy Cost Adjustment (100%)
Westar Energy (KPL)	KS	Fuel Charge / Retail Energy Cost Adjustment (100%)

Operating Companies with 100% Fuel Cost Recovery: 29
 Total (excludes AEP TCC and AEP TNC): 37