

Capital Gold Corp

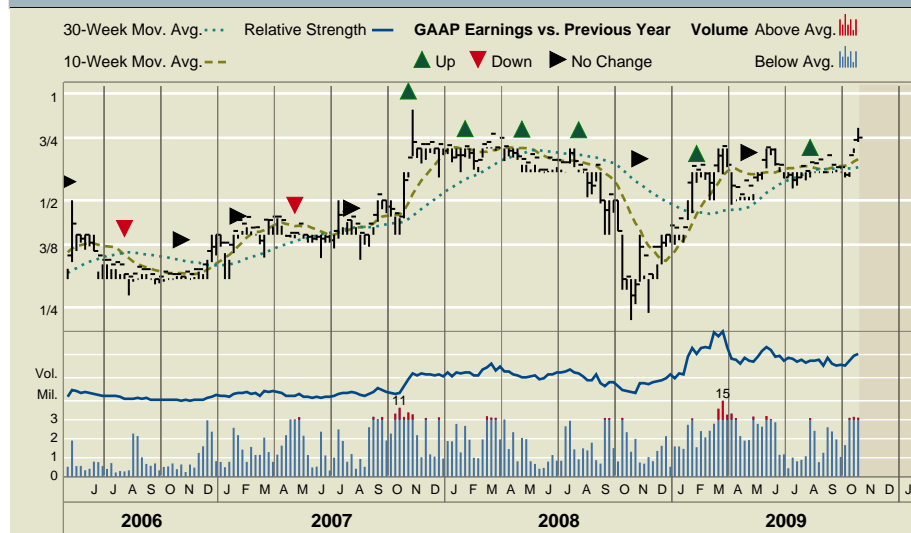
GICS Sector Materials
Sub-Industry Gold

Summary Capital Gold Corporation (OTC BB: CGLD, TSX: CGC) engages in the exploration, development, and production of gold minerals from its properties in Mexico. Through its Mexican subsidiaries and affiliates, it owns 100% of the El Chanate gold property in Sonora, Mexico.

Key Stock Statistics (Source S&P, company reports, Vickers)

Price as of Oct 28, 2009	\$0.72	Dividend Rate/Share	Nil	\$10K Invested 5 Yrs Ago	\$25,033	Total Shares Outstg. (M)	193.9
52-Wk Range	\$0.81-0.24	Trailing 12-Month P/E	14.3	Beta	0.18	Market Capitalization(B)	\$0.139
Trailing 12-Month EPS	\$0.05	Tangible Book Val/Share	\$0.19	Yield (%)	Nil	Institutional Ownership (%)	40

Price Performance



Quantitative Evaluations

S&P Quality Ranking NR

D	C	B-	B	B+	A-	A	A+
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S&P Fair Value Rank NR

1	2	3	4	5
LOWEST		HIGHEST		

Fair Value Calculation NA

Volatility NA

Technical Evaluation NA

Relative Strength Rank STRONG

90	
LOWEST = 1	HIGHEST = 99

S&P Financial Writer **Frank Barone**

Operational Review October 27, 2009

Income Statement Analysis & Financial Review

In the fourth quarter, gold sales were \$9.8 million vs. \$9.8 million in the prior year. Net income applicable to common shares was \$2.7 million (\$0.01 a share), vs. a loss of \$249,000 (Nil per share) in the fourth quarter of 2008.

Gold sales for the year ended July 31, 2009 were \$42.8 million vs. \$33.1 million in the prior year, advancing 29% year over year. Income from operations was \$18.8 million, vs. \$12.5 million for last year. Income before taxes was \$15.9 million vs. \$9.9 million, an increase of 62%. Income taxes were \$5.5 million, against \$3.5 million, and for the fiscal year net income applicable to common shares was \$10.4 million (\$0.05 a share), vs. \$6.4 million (\$0.03 a share) in 2008.

Key Operating Information

Capital Gold sold 48,418 ounces at an average realizable price per ounce of approximately \$883 in the current period, compared to 39,102 ounces at an average realizable price per ounce of \$847 during the same period last year.

In February 2009, Capital Gold announced that the company has settled with Standard Bank, Plc., the remaining 58,233 ounces of gold under the

original Gold Price Protection arrangements entered into in March 2006. This enabled Capital Gold to move forward as a completely unhedged producer.

Recent Developments

On October 13, 2009, Capital Gold announced an updated reserve statement and mine plan which shows increased reserves for its 100% owned El Chanate open pit gold mine in Sonora, Mexico. Net of depletion, proven and probable reserves were increased from 913,000 ounces to 1,504,000 ounces - a 64.7% increase. At the projected 2010 production rate of 70,000 ounces per year, recoverable ounces now provide for over a 12 year mine life.

As of October 2009, Capital Gold expects fiscal 2010 gold sales of approximately 60,000 ounces and 90,000 ounces of silver and cash costs per ounce sold for fiscal 2010 are expected to be approximately \$330 per ounce.

In 2008, Capital Gold restructured its loan with Standard Bank PLC. As of October 20, the loan balance is \$7,100,000 and they anticipate paying it off by December 2011.

Revenue/Earnings Data

Revenue (Million \$)

	1Q	2Q	3Q	4Q	Year
2009	9.20	11.40	12.40	9.82	42.76
2008	6.50	8.00	8.70	9.80	33.10
2007	Nil	Nil	Nil	Nil	Nil
2006	Nil	Nil	Nil	Nil	Nil
2005	Nil	Nil	Nil	Nil	Nil
2004	--	0.01	--	-0.01	Nil

Earnings Per Share (\$)

2009	0.01	0.02	0.01	0.01	0.05
2008	0.01	0.01	0.01	Nil	0.03
2007	-0.01	-0.01	-0.02	-0.01	-0.05
2006	-0.01	-0.01	-0.01	-0.01	-0.04
2005	-0.01	-0.01	-0.01	Nil	-0.03
2004	-0.01	-0.01	-0.02	-0.02	-0.06

Fiscal year ended Jul. 31. Next earnings report expected: Mid November

Dividend Data

No Dividend Data Available

All of the views expressed in this research report accurately reflect our quantitative research models regarding any and all of the subject securities or issuers. No part of our compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report. This report is for information purposes and should not be considered a solicitation to buy or sell any security. Neither S&P nor any other party guarantees its accuracy or makes warranties regarding results from its usage. Redistribution is prohibited without written permission.

Capital Gold Corp**Business Summary** October 27, 2009

Capital Gold Corporation (OTC BB: CGLD, TSX: CGC), is a gold production and exploration company. Through its Mexican subsidiaries and affiliates, it owns 100% of 16 mining concessions located in the Municipality of Altar, State of Sonora, Republic of Mexico totaling approximately 3,544 hectares (8,756 acres or 13.7 square miles). The El Chanate concessions are located 37 kilometers northeast of the town of Caborca, Sonora and nine kilometers from a paved road. It is accessible by an all-weather dirt road. Driving time from Caborca is approximately 30 minutes.

The company's primary focus is on the operation and development of the El Chanate Project. Capital Gold also has an exploration property approximately 60 miles from El Chanate.

In September 2009, Capital Gold announced the appointment of John Brownlie to the position of President. Mr. Brownlie who previously acted as COO oversaw the development of the El Chanate mine and was instrumental in the plant upgrades that have increased production while maintaining a low operating cost.

In October 2009, Capital Gold announced an updated reserve statement and mine plan showing increased reserves for its 100% owned El Chanate open pit gold mine in Sonora, Mexico. Net of depletion, proven and probable reserves were increased to 1,504,000 ounces of gold as of October 1, 2009. At the projected 2010 production rate of 70,000 ounces per year, recoverable ounces now provide for over a 12-year mine life.

The company sold 48,418 ounces of gold in FY 09 as compared to 39,102 ounces sold in FY 08. As of September 30, 2009, the mine had produced approximately 100,000 ounces of gold.

During FY 09 (July), Capital Gold began exploration of 4,100 hectares of owned and leased concessions near the town of Saric, northeast of El Chanate. The Saric Project is accessible by paved roads and has nearby electrical power. The company has completed a Phase I exploration program consisting of geological mapping, systematic geochemical sampling of rock and soils, geophysical surveys, trenching and 32 reverse circulation drill holes totaling 2,560 meters. The results of this exploration have justified an expanded exploration campaign which began October 2009. The Phase II program will include 23 reverse circulation drill holes varying in depth from 100 to 150 meters and totaling 2,100 meters. The goal is to potentially identify a near surface heap leach target in the northern part of the concession group.

Also in FY 08 and FY 09, Capital Gold conducted exploration activities in the El Chanate pit area including core drilling at depth to determine the potential of increasing its reserves. The company completed 39 core and reverse circulation drill holes which were targeted to fill in gaps in the ore body and test the outer limits of the currently known ore zones. The new mineral reserves are based on an updated resource block model and an updated mine plan and mine production schedule both developed by an independent consulting firm. The updated pit design for the revised plan is based on a plant recovery of gold that varies by rock type, but has a weighted average recovery of 58.25%. A gold price of US\$800 per ounce was used to estimate the reserves.

The measured and indicated mineral resources contained at El Chanate, net of the proven and probable mineral reserves, were estimated at approximately 4.6 million tonnes, grading 0.466 grams per tonne (g/t), as of October 1, 2009. Inferred mineral resources are an additional 6.1 million tonnes at 0.795 g/t gold. This estimate is based on a pit optimization study using a gold price of US\$1,000 per ounce and a 0.12 g/t gold cutoff grade.

During FY 10, Capital Gold plans to conduct additional drilling within the deposit to attempt to identify additional resources outlined by the company's new block model and study the options for further production increases while maintaining the longer mine life.

Corporate Information**Investor Contact**

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G.A. Dieterle

CFO & Chief Acctg Officer

C.M. Chipman

Pres

J. Brownlie

General Counsel

B. Grossman

SVP & Secy

R.N. Roningen

Board Members

J. Brownlie

S. M. Cooper

J. W. Cutler

G. A. Dieterle

R. A. Newell

R. N. Roningen

L. J. Sojka

Domicile

Delaware

Auditor

WOLINETZ, LAFAZAN & COMPANY, P.C.

Founded

1982

Employees

182

Stockholders

2,336

Capital Gold Corp

Key Stock Statistics

Price as of Oct 28, 2009	\$0.72	Dividend Rate/Share	Nil	\$10K Invested 5 Yrs Ago	\$25,033	Total Shares Outstg. (M)	193.9
52-Wk Range	\$0.81-0.24	Trailing 12-Month P/E	14.3	Beta	0.18	Market Capitalization(B)	\$0.139
Trailing 12-Month EPS	\$0.05	Tangible Book Val/Share	\$0.19	Yield (%)	Nil	Institutional Ownership (%)	40

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	29.31	NM	NM	NM
Net Income	62.50	NM	NM	NM
Ratio Analysis (Annual Avg.)				
Net Margin (%)	24.30	NA	NA	NA
% LT Debt to Capitalization	10.40	28.12	16.87	9.37
Return on Equity (%)	31.40	NM	NM	NM

Expanded Ratio Analysis

	2009	2008	2007	2006
Price/Sales	3.34	2.24	NM	NM
Price/EBITDA	7.61	5.94	NM	NM
Price/Pretax Income	9.00	7.50	NM	NM
P/E Ratio	13.76	11.61	NM	NM
Avg. Diluted Shares Outstg (M)	199.5	195.5	149.8	112.2

Figures based on calendar year-end price

Company Financials Fiscal Year Ended Jul. 31

Per Share Data (\$)	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Tangible Book Value	0.19	0.15	0.07	0.07	0.05	Nil	0.01	0.04	0.04	0.06
Cash Flow	0.07	0.05	-0.04	-0.04	-0.03	-0.06	-0.05	-0.01	-0.31	-0.07
Earnings	0.05	0.03	-0.05	-0.04	-0.03	-0.06	-0.05	-0.01	-0.31	-0.07
Dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Payout Ratio	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Prices:High	0.81	0.79	0.47	0.50	0.42	0.69	0.51	0.39	1.03	NA
Prices:Low	0.58	0.23	0.28	0.24	0.16	0.19	0.16	0.10	0.11	NA
P/E Ratio:High	16	26	NM	NM	NM	NM	NM	NM	NM	NA
P/E Ratio:Low	12	8	NM	NM	NM	NM	NM	NM	NM	NA

Income Statement Analysis (Million \$)

Revenue	42.8	33.1	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Operating Income	18.8	12.5	-5.60	-4.20	-2.10	-2.00	-2.00	-2.60	-9.40	-1.50
Depreciation	3.00	3.40	0.89	0.04	Nil	Nil	Nil	Nil	Nil	0.01
Interest Expense	0.60	1.20	0.79	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Pretax Income	15.9	9.90	-7.50	-4.80	-2.00	-2.90	-1.90	-0.49	-9.40	-1.53
Effective Tax Rate	34.7%	35.6%	NM	NM	NM	NM	NM	NM	NM	NM
Net Income	10.4	6.40	-7.50	-4.80	-2.00	-2.90	-0.49	-0.49	-9.40	-1.53

Balance Sheet & Other Financial Data (Million \$)

Cash	6.40	11.0	2.20	2.70	4.30	0.21	0.25	0.15	0.06	0.05
Current Assets	31.3	26.4	8.20	7.70	4.50	0.39	0.36	1.70	0.12	0.07
Total Assets	54.6	48.8	27.6	9.50	5.60	0.49	0.76	2.10	1.60	1.46
Current Liabilities	10.6	10.6	1.80	0.62	0.28	0.20	0.25	0.47	0.13	0.06
Long Term Debt	4.40	8.40	12.5	Nil	Nil	Nil	Nil	Nil	Nil	0.01
Common Equity	37.9	28.2	12.0	8.90	5.30	0.28	1.60	1.62	1.40	1.39
Total Capital	42.3	36.6	24.5	8.90	5.30	0.28	0.65	1.60	1.40	1.40
Capital Expenditures	5.00	5.40	17.9	0.81	0.66	Nil	Nil	Nil	Nil	Nil
Cash Flow	13.4	9.80	-6.60	-4.80	-2.00	-2.90	-1.90	-0.49	-9.40	-1.53
Current Ratio	2.9	2.5	4.6	12.4	16.1	2.0	1.4	3.6	0.9	1.2
% Long Term Debt of Capitalization	10.4	22.9	51.0	Nil	Nil	Nil	Nil	Nil	Nil	0.4
% Net Income of Revenue	24.3	19.3	NM	NM	NM	NM	NM	NM	NM	NM
% Return on Assets	20.0	16.7	NM	NM	NM	NM	NM	NM	NM	NM
% Return on Equity	31.4	31.8	NM	NM	NM	NM	NM	NM	NM	NM

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

Capital Gold Corp

Sub-Industry Outlook

Our fundamental outlook for the gold sub-industry for the next 12 months is positive. Based on our expectation for increased production and a further rise in the gold price in 2010, we look for another increase in sales and earnings for this group.

While the price of gold has been rising steadily since 2001 and appears to be on target to reach its highest average level ever in 2009, we believe that the price will rise again in 2010, for several reasons.

First, we believe short-term interest rates will remain low. Notwithstanding an anticipated economic recovery and a forecasted rise in the Consumer Price Index, we believe it is unlikely that the Federal Reserve will raise short-term interest rates given our expectation that the unemployment rate will increase to 10.3% in 2010 from 9.3% estimated for 2009. Low short-term interest rates reduce the opportunity cost of holding gold as an investment.

Second, despite the higher gold price, global mine production has been declining for the past 10 years. The low level of gold prices in the late 1990s led to a drop in exploration and large new discoveries. According to data compiled by Gold Fields Minerals Service, a U.K.-based metals consulting firm and publisher, global mine output decreased at a 0.8% compound annual rate from 1999 through 2008. We believe that production will remain stagnant for the next several years, as old mines are becoming depleted and are not being replaced to the extent needed to lift output. This, combined with rising investment demand, should cause the chronic gap between production and consumption of gold to widen further, in our view, helping lift the gold price. Partly offsetting this is an expected increase in the supply of gold scrap.

Third, we expect that greater volatility of the major world currencies will boost demand for gold as a monetary reserve asset. Also, we believe that China and other countries that hold a large portion of their foreign exchange reserves in U.S. dollars will ultimately diversify out of the dollar and into other currencies and gold. Finally, we think that gold will rise in all currencies due to the implementation of quantitative easing by governments throughout the world.

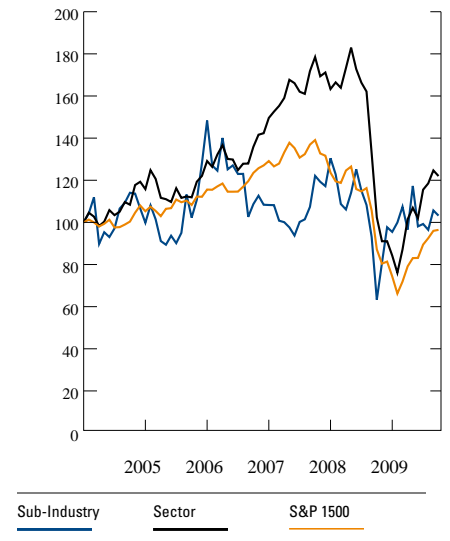
Year to date to October 16, the S&P Gold Index rose 14.6%, versus a 21.3% rise in the S&P 1500 Composite Index, a 41.9% rise in the S&P 500 Materials Index, and a 25.7% increase in spot gold. In 2008, the sub-industry index fell 16.6%, versus a 38.2% decline for the S&P 1500, a 46.8% decrease in the S&P 500 Materials Index, and a 5.8% rise in spot gold.

--Leo Larkin

Stock Performance

GICS Sector: Materials
Sub-Industry: Gold

Based on S&P 1500 Indexes
Month-end Price Performance as of 10/30/09



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Sub-Industry : Gold Peer Group*: Based on market capitalizations within GICS Sub-Industry

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Capital Gold	CGLD	142	0.73	0.81/0.24	0.18	Nil	15	NA	NR	50	24.3	10.4
American Sierra Gold	AMNP	77	0.94	1.47/0.55	NA	Nil	NM	NA	NR	NA	NA	NA
Banro Corp	BAA	126	2.40	3.20/0.65	1.99	Nil	NM	NA	NR	38	NM	NA
Gold One Intl ADR	GLDZY	202	2.95	3.40/0.90	0.96	Nil	NM	NA	NR	NA	NM	68.5
Golden Queen Mining	GQM.C	84	0.98	1.05/0.05	NA	Nil	NM	NA	C	NA	NI	NA
Keegan Resources	KGN	129	4.52	5.14/0.37	NA	Nil	NM	NA	NR	50	NA	NA
NGEx Resources	NGQ.C	79	0.59	0.82/0.17	NA	Nil	NM	NA	NR	NA	NM	NA
Orvana Minerals	ORV.C	98	0.85	0.98/0.36	NA	Nil	6	NA	NR	NA	37.2	2.6
Rainy River Resources	RR.C	115	2.01	2.97/0.62	NA	Nil	NM	NA	NR	NA	NM	Nil
Rare Element Resources	RES.C	74	3.08	4.69/0.27	NA	Nil	NM	NA	NR	NA	NM	NA
Rusoro Mining Ltd	RML.C	209	0.54	0.94/0.24	NA	Nil	NM	NA	NR	NA	NM	NA
St Andrew Goldfields Ltd	SAS.C	156	0.48	0.65/0.10	NA	Nil	NM	NA	NR	NA	NM	NA
Victoria Gold	VIT.C	132	0.69	0.84/0.13	NA	Nil	NM	NA	NR	NA	NA	NA
Virginia Mines	VGQ.C	150	5.13	5.37/2.25	NA	Nil	NM	NA	NR	NA	NM	NA
Vista Gold	VGZ	90	2.61	3.22/0.80	0.57	Nil	NM	NA	C	20	NM	31.4

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

Capital Gold Corp**S&P Analyst Research Notes and other Company News****October 29, 2009**

Capital Gold Corp. announced certain changes to its Board of Directors. The company announced the appointment of Stephen M. Cooper as an independent director of the company. Dr. Cooper has over 20 years experience in the mining and petroleum industries. He brings strong technology experience to Capital Gold having previously held the CIO position at a energy information organization.

October 16, 2009

Capital Gold Corp. announced earnings results for the year ended July 31, 2009. For the period, the company reported net income of \$10,407,000 or \$0.05 per diluted share on revenue of \$42,757,000 compared to net income of \$6,364,000 or \$0.03 per diluted share on revenue of \$33,104,000 for the same period a year ago.

September 24, 2009

On September 17, 2009, Capital Gold Corp. terminated Jeffrey W. Pritchard as executive vice president and secretary of the company without cause pursuant to its restructuring of its corporate investor relations functions. The termination was effective September 15, 2009. Mr. Pritchard also will be resigning as a director of the company effective September 29, 2009. As part of the settlement, Mr. Pritchard will be entitled to change in control benefits should the company enter into a transaction on or before December 31, 2009 with certain entities that would result in a 'Change in Control' as defined in his Change In Control Agreement with the company. In addition, on September 17, 2009, the company appointed Robert Roningen, secretary of the company. Mr. Roningen previously was secretary of the company from 2000 to February, 2007.

September 21, 2009

Capital Gold Corp. announced the appointment of John Brownlie to the position of President of the Company. Since February 2007, Mr. Brownlie has served on the Company's Board of Directors and as the Company's Chief Operating Officer. Former President, Gifford Dieterle, will continue as the Company's Chief Executive Officer, Chairman of the Board and Treasurer.

September 8, 2009

Capital Gold Corp. announced certain changes to its Board of Directors. President and CEO Gifford Dieterle, on behalf of the Board of Directors, announced the appointments, subject to regulatory approval, of John W. Cutler and Leonard J. Sojka as directors of the company. Mr. Cutler was appointed chairman of the Compensation Committee, and Mr. Sojka was appointed chairman of the Audit Committee. Mr. Cutler has over 35 years of experience in the investment management and securities industries. Mr. Sojka has applied fundamental, technical and arbitrage investment analysis experience in a wide variety of companies and industries. Ian A. Shaw, John T. Postle and Mark T. Nesbitt have resigned from their positions as members of the Board of Directors.

June 11, 2009

Capital Gold Corp. reported earnings results for the third quarter and nine months ended April 30, 2009. For the quarter, the company reported net income of \$2,554,000 or basic and diluted earnings per share of \$0.01 on revenues of \$12,395,000 compared to net income of \$2,740,000 or basic and diluted share earnings per share of \$0.01 on revenues of \$8,730,000 for the same period last year. For the nine months, the company reported net income of \$7,687,000, or \$0.04 per basic and diluted share on revenues of \$32,934,000 compared to net income of \$6,613,000, or \$0.03 per basic and diluted share on revenues of \$28,210,000 for the same period last year.

June 11, 2009

Capital Gold Corp. reported unaudited consolidated earnings results for the third quarter and nine months ended April 30, 2009. For the quarter, the company reported income from operations of \$6,196,000 and income before income taxes of \$4,669,000 compared to income from operations of \$4,108,000 and income before income taxes of \$3,381,000 for the same period a year ago. For the nine months, the company reported income from operations of \$15,251,000 and income before income taxes of \$12,511,000 compared to income from operations of \$9,368,000 and income before income taxes of \$7,419,000 for the same period a year ago. Net cash provided by operating activities of \$7,311,000 and purchase of mining, milling and other property and equipment of \$4,590,000 compared to net cash provided by operating activities of \$4,818,000 and purchase of mining, milling and other property and equipment of \$4,601,000 for the same period a year ago.

March 16, 2009

Capital Gold Corp. reported earnings results for the second quarter and six months ended January 31, 2009. For the quarter, the company reported net income of \$3,196,000, or \$0.02 per basic and diluted share on revenues of \$11,369,000 compared to net income of \$2,126,000, or \$0.01 per basic and diluted share on revenues of \$8,043,000 for the same period last year. Net income before tax increased 117% for the quarter of fiscal 2009. For the six months, the company reported net income of \$5,133,000, or \$0.03 per basic and diluted share on revenues of \$20,544,000 compared to net income of \$3,873,000, or \$0.02 per basic and diluted share on revenues of \$14,569,000 for the same period last year.

Capital Gold Corp**Analysts' Recommendations**

Of the total 3 companies following CGLD, 0 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy		9		
Buy/Hold		9		
Hold		55		
Weak Hold		27		
Sell		0		
No Opinion	0	0		
Total	0	100		

Wall Street Consensus Estimates

Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
	0.00	0.00	0.00		NM
	0.00	0.00	0.00		NM
2010 vs. 2009	NA	NA	NA	NA	NM

Wall Street Consensus Opinion**Companies Offering Coverage**

Dahlman Rose & Co.
Global Hunter Securities, LLC
Jennings Capital Inc.

Wall Street Consensus vs. Performance

For fiscal year , analysts estimate that CGLD will earn \$0.00. For fiscal year , analysts estimate that CGLD's earnings per share will earn \$0.00.

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

Capital Gold Corp

Glossary

Quantitative Evaluations

In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

S&P Quality Ranking

Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to encapsulate the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

S&P Fair Value Rank

Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following:

- 5-Stock is significantly undervalued
- 4-Stock is moderately undervalued
- 3-Stock is fairly valued
- 2-Stock is modestly overvalued
- 1-Stock is significantly overvalued

S&P Fair Value Calculation

The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

Insider Activity

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

Funds From Operations (FFO)

FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

Volatility

Rates the volatility of the stock's price over the past year.

Technical Evaluation

In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS)

An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 67 Industries, and 147 Sub-Industries.

Exchange Type

ASE - American Stock Exchange; NNM - Nasdaq National Market; NSC - Nasdaq SmallCap; NYSE - New York Stock Exchange; BB - OTC Bulletin Board; OT - Over-the-Counter; TO - Toronto Stock Exchange.

Dividends on American Depositary Receipts (ADRs) and American Depositary Shares (ADSs) are net of taxes (paid in the country of origin).