



Stock Selection Guide[®]

The most widely used aid to good investment judgment

Company FACTSET RESEARCH SYSTEMS Date 06/29/07

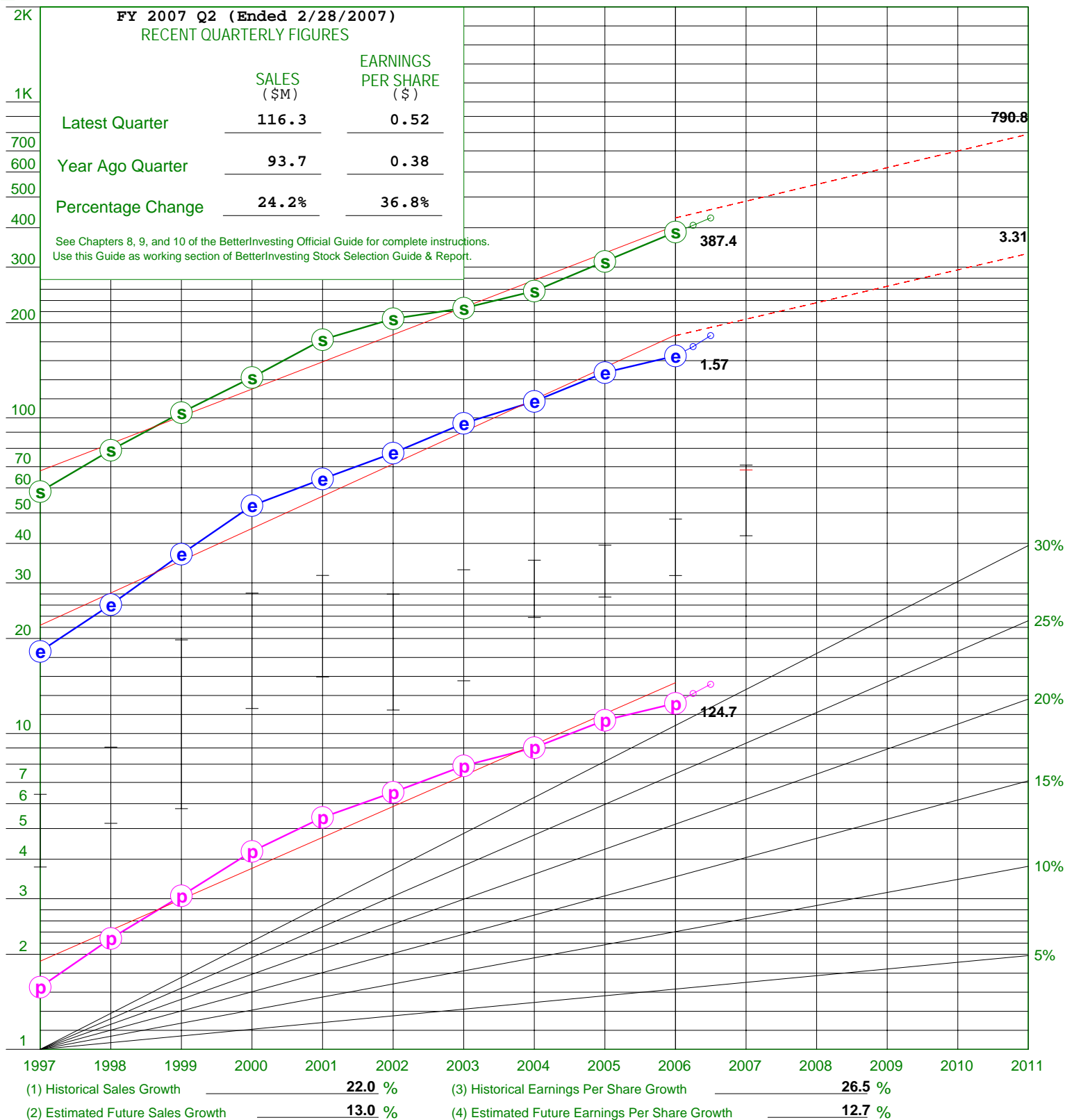
Prepared by MG Data taken from NAIC Data

Where traded NYSE Major product/service Application

CAPITALIZATION --- Outstanding Amounts			Reference		
Preferred (\$M)		0.0	% Insiders		% Institution
Common (M Shares)		48.8	47.9		61.4
Debt (\$M)	0.0	% to Tot.Cap.	0.0	% Potential Dil.	None

1 VISUAL ANALYSIS of Sales, Earnings and Price

FDS



2 EVALUATING MANAGEMENT

Company

FACTSET RESEARCH SYSTEMS

(FDS)

06/29/07

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	LAST 5 YEAR AVG.	TREND	
												UP	DOWN
A % Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	27.0	28.4	29.5	31.5	30.7	31.6	35.5	35.8	35.2	32.2	34.1		DOWN
B % Earned on Equity (E/S ÷ Book Value)	20.8	21.8	22.5	25.2	23.2	22.1	22.8	32.0	25.1	21.4	24.7		DOWN

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is a building block for translating earnings into future stock prices.

		PRESENT PRICE		68.350	HIGH THIS YEAR		70.860	LOW THIS YEAR		42.300
Year		PRICE		C Earnings Per Share	E Price Earnings Ratio		F Dividend Per Share	G % Payout F ÷ C X 100	H % High Yield F ÷ B X 100	
		HIGH	LOW		HIGH A ÷ C	LOW B ÷ C				
1	2002	27.6	11.9	0.77	35.7	15.4	0.120	15.5	1.0	
2	2003	33.0	14.7	0.96	34.4	15.3	0.147	15.3	1.0	
3	2004	35.4	23.3	1.13	31.4	20.7	0.173	15.4	0.7	
4	2005	39.5	27.1	1.39	28.4	19.5	0.197	14.2	0.7	
5	2006	47.8	31.6	1.57	30.4	20.1	0.220	14.0	0.7	
6	TOTAL		108.6		160.3	91.0		74.4		
7	AVERAGE		21.7		32.1	18.2		14.9		
8	AVERAGE PRICE EARNINGS RATIO			25.1	9	CURRENT PRICE EARNINGS RATIO			37.6	

4 Proj. P/E [33.31] Based on Next 4 qtr. EPS [2.05] Current P/E Based on Last 4 qtr. EPS [1.82] EVALUATING RISK and REWARD over the next 5 years PEG=262

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE -- NEXT 5 YEARS

Avg. High P/E 32.1 X Estimate High Earnings/Share 3.31 = Forecast High Price \$ 106.3
(3D7 as adj.) (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E 18.2 X Estimated Low Earnings/Share 1.57 = \$ 33.1
(3E7 as adj.)
(b) Avg. Low Price of Last 5 Years = 21.7
(3B7)
(c) Recent Severe Market Low Price = 27.1
(d) Price Dividend Will Support Present Divd. = 0.240 = 23.8
High Yield (H) 0.010
Selected Estimate Low Price = \$ 33.1
(4B1)

C ZONING

106.3 High Forecast Price Minus 33.1 Low Forecast Price Equals 73.2 Range. 1/3 of Range = 18.3
(4A1) (4B1) (C) (4CD)
(4C2) Lower 1/3 = 33.1 to 51.4 (Buy) Note: Ranges changed to 25%/50%/25%
(4C3) Middle 1/3 = 51.4 to 88.0 (Maybe)
(4C4) Upper 1/3 = 88.0 to 106.3 (4A1) (Sell)
Present Market Price of 68.350 is in the Hold Range
(4C5)

D UP-SIDE DOWN-SIDE RATIO (Potential Gain vs. Risk of Loss)

High Price (4A1) 106.3 Minus Present Price 68.350
Present Price 68.350 Minus Low Price (4B1) 33.1 = 38.0 = 1.1 To 1
35.3 (4D)

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

High Price (4A1) 106.3
Present Market Price 68.350 = (1.555) X 100 = (155.5) - 100 = 55.5 % Appreciation
(4E)

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

Note: Results are expressed as a simple rate; use the table below to convert to a compound rate.

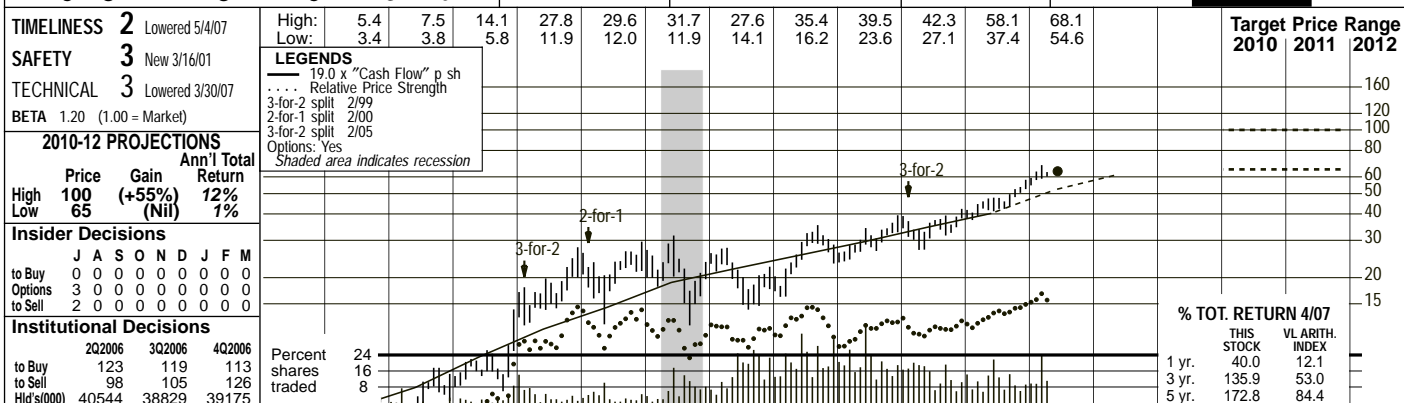
A Present Full Year's Dividend \$ 0.240
Present Price of Stock \$ 68.350 = 0.004 X 100 = 0.4 Present Yield or % Returned on Purchase Price
(5A)

B AVERAGE YIELD OVER NEXT 5 YEARS

Avg. Earnings Per Share Next 5 Years 2.61 X Avg. % Payout (3G7) 14.9 = 38.9 = 0.6 %
(5B)

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

5 Year Appreciation Potential (4E) 55.5 P.A.R. Tot. Ret.
5 11.1 % Average Yield 0.6 % 0.5 %
Average Yield (5B) 0.6 % Annual Appreciation 4.0 % 9.2 %
Average Total Annual Return Over the Next 5 Years (5C) 11.7 % % Compd Ann Rate of Ret 4.6 % 9.7 %



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	© VALUE LINE PUB., INC.	10-12
Revenues per sh ^{A F}	1.35	1.82	2.19	2.73	3.53	4.06	4.40	5.39	6.47	7.92	9.80	11.45		16.65
"Cash Flow" per sh	.32	.44	.60	.76	1.00	1.16	1.34	1.55	1.82	2.12	2.75	3.25		4.70
Earnings per sh ^B	.18	.26	.37	.50	.64	.77	.96	1.15	1.39	1.57	2.05	2.40		3.45
Div'ds Decl'd per sh ^C	--	--	.07	.08	.09	.11	.15	.17	.19	.21	.30	.48		.60
Cap'l Spending per sh	.13	.28	.35	.23	.60	.20	.17	.81	.45	.48	.75	.80		.85
Book Value per sh ^E	.87	1.18	1.64	2.09	2.76	3.49	4.20	3.52	5.55	7.34	9.00	10.55		17.60
Common Shs Outst'g ^D	43.09	43.24	47.31	49.23	50.03	50.68	50.49	46.75	48.34	48.89	48.50	48.00		46.50
Avg Ann'l P/E Ratio	26.5	27.0	35.2	40.7	36.1	26.7	22.8	24.6	24.0	26.0				24.0
Relative P/E Ratio	1.53	1.40	2.01	2.65	1.85	1.46	1.30	1.30	1.28	1.39				1.60
Avg Ann'l Div'd Yield	--	--	.5%	.4%	.4%	.5%	.7%	.6%	.6%	.5%				.7%

CAPITAL STRUCTURE as of 2/28/07	58.4	78.9	103.8	134.2	176.7	205.9	222.3	251.9	312.6	387.4	475	550		775
Total Debt None	37.2%	38.7%	37.0%	38.0%	38.2%	39.0%	42.4%	40.6%	40.1%	36.1%	38.7%	38.7%		39.0%

Leases, Uncapitalized: Annual rentals \$8.7 mill.	4.7	6.6	9.8	11.9	16.5	18.3	17.5	14.7	18.3	24.3	28.0	31.0		44.0
No Defined Benefit Pension Plan	8.9	12.6	18.6	25.6	33.4	40.5	50.1	58.0	69.8	79.5	105	125		175

Common Stock 48,846,550 shs. (Options Exercisable: 8.9%)	43.2%	43.8%	39.4%	39.5%	38.4%	37.0%	36.5%	35.1%	35.5%	33.9%	35.0%	35.0%		35.5%
MARKET CAP: \$3.1 billion (Mid Cap)	15.3%	16.0%	17.9%	19.1%	18.9%	19.7%	22.6%	23.0%	22.3%	20.5%	22.1%	22.7%		22.6%

Common Stock 48,846,550 shs. (Options Exercisable: 8.9%) MARKET CAP: \$3.1 billion (Mid Cap)	37.6	51.0	77.6	103.0	138.3	177.0	212.2	164.5	268.1	358.7	435	505	Shr. Equity (\$mill)	820			
	23.7%	24.7%	23.9%	24.9%	24.2%	22.9%	23.6%	35.3%	26.0%	22.2%	24.5%	24.5%	Return on Total Cap'l	21.5%			
	23.7%	24.7%	23.9%	24.9%	24.2%	22.9%	23.6%	35.3%	26.0%	22.2%	24.5%	24.5%	Return on Shr. Equity	21.5%			
CURRENT POSITION	2005	2006	2/28/07	23.7%	24.7%	22.1%	21.7%	21.3%	19.8%	20.5%	30.6%	22.7%	19.4%	20.5%	19.5%	Retained to Com Eq	17.5%
(SMILL.)				--	--	8%	13%	12%	13%	13%	13%	13%	13%	15%	20%	All Div'ds to Net Prof	17%
Cash Assets	76.0	143.2	156.0														
Receivables	54.0	59.2	69.8														
Inventory	--	--	--														
Other	9.1	4.6	5.9														
Current Assets	139.1	207.0	231.7														
Accts Payable	20.4	18.1	19.0														
Debt Due	--	--	--														
Other	43.3	61.2	51.0														
Current Liab.	63.7	79.3	70.0														

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '10-'12												
Revenues	20.5%	18.5%	16.5%												
"Cash Flow"	23.5%	18.5%	17.0%												
Earnings	26.0%	22.0%	16.5%												
Dividends	--	19.5%	21.0%												
Book Value	23.5%	20.5%	21.5%												

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Earnings	26.0%	22.0%	16.5%
Dividends	--	19.5%	21.0%
Book Value	23.5%	20.5%	21.5%

The good times continue for FactSet Research Systems. The latest positive news was an impressive fiscal second quarter showing. (Fiscal years end August 31st.) Share earnings, which included a \$0.03 gain related to the reenactment of the U.S. Federal R&D tax credit, rose 37%.

users, and an increase in new clients. Given the positive outlook, we are also raising our fiscal 2008 share-earnings estimate by a nickel, to \$2.40. **FactSet is generating a significant amount of cash.** This provides FDS with excellent financial flexibility. The company

Fiscal Year Ends	QUARTERLY REVENUES (\$mill.) A F				Full Fiscal Year
	Nov.30	Feb.28	May.31	Aug.31	
2004	59.3	61.4	63.6	67.6	251.9
2005	74.1	76.5	79.3	82.7	312.6
2006	89.7	93.7	98.8	105.2	387.4
2007	108.9	116.3	122	127.8	475
2008	129	134	140	147	550

Fiscal Year Ends	EARNINGS PER SHARE ^{A B}				Full Fiscal Year
	Nov.30	Feb.28	May.31	Aug.31	
2004	.26	.29	.30	.30	1.15
2005	.33	.34	.35	.37	1.39
2006	.36	.38	.41	.42	1.57
2007	.47	.52	.52	.54	2.05
2008	.56	.58	.61	.65	2.40

The good times continue for FactSet Research Systems. The latest positive news was an impressive fiscal second quarter showing. (Fiscal years end August 31st.) Share earnings, which included a \$0.03 gain related to the reenactment of the U.S. Federal R&D tax credit, rose 37%, year over year, to \$0.52. The primary catalyst was strong top-line growth both home and abroad. FactSet benefited from rising global equity markets, record merger and acquisition activity, and the ongoing proliferation of alternative investment managers. Given the strong first-half performance, we have raised our fiscal 2007 earnings estimate by \$0.05 a share, to \$2.05.

The company has shown no signs of slowing down. Fundamentals remain very strong. Specifically, annual subscriptions, which represent forward-looking revenues for the next 12 months, rose a robust 21.7%, year over year, in the February period. The vibrant subscription growth suggests continued business momentum. Other noteworthy figures include a client retention rate of above 95% for the 16th straight year, a rising number of

users, and an increase in new clients. Given the positive outlook, we are also raising our fiscal 2008 share-earnings estimate by a nickel, to \$2.40.

FactSet is generating a significant amount of cash. This provides FDS with excellent financial flexibility. The company recently lifted its share-repurchase authorization by \$100 million, to \$115 million, and increased its quarterly dividend by 100%, to \$0.12 a share (\$0.48 annually). These decisions should enhance shareholder value going forward.

The company remains focused on growing its infrastructure. FactSet has increased capital spending in recent years to accommodate growth. Management believes that several untapped international markets represent a huge opportunity for the company.

These shares are ranked 2 (Above Average) in our momentum-based Timeliness Ranking System. That said, the recent run-up discounts a great deal of the growth we envision to 2010-2012. The strong business prospects appear to be reflected in the stock's premium valuation.

William G. Ferguson June 8, 2007