

AUDIT INTEGRITY TOP 100

2009
EXCLUSIVE
REPORT

RECOGNIZING EXCELLENCE IN CORPORATE INTEGRITY

Audit Integrity is pleased to announce the 2009 Top 100, which spotlights public corporations that have displayed the highest corporate integrity. This list is our annual salute to the nation's 100 most trustworthy publicly traded firms in recognition of their fair dealing with stakeholders.

To be included in the Top 100, a firm must have Audit Integrity's highest Accounting and Governance Risk (AGR) ratings, which evidence clear financial reporting and transparent corporate governance. Our risk scores are derived from statistical analysis which incorporates over 100 metrics that together provide a comprehensive view of management behavior and motivation. Our analysis looks at three broad categories of risk measures:

- **Accounting:** revenue recognition, expense recognition, and asset/liability valuation
- **Corporate Governance:** including, incentive compensation, amended filings, and litigation/regulatory cases
- **High Risk Events:** including, insider selling, share repurchases, and divestitures

The Top 100 companies are those that have a low incidence of these risk factors and thus have scored the best among their peers in these categories over the past year. These conservative companies have a much lower risk profile, and have proven to be much less likely to suffer from negative events such as regulatory actions, shareholder litigation and severe equity loss.

As clear evidence of the advantage of corporate integrity, this year's Top 100 companies outperformed the market in 2008 by 26.5 percentage points.

| Equity Returns comparison | 2008 Return |
|---------------------------|-------------|
| Audit Integrity Top 100* | -16.0% |
| Total Stock Market ** | -42.5% |

*equal weighted returns, for all of the Top 100 companies
**equal weighted returns rebalanced monthly, for all of the 7000+ securities that Audit Integrity rates with market capitalization of \$50+ million

The Top 100 companies stand in stark contrast with the companies fraught with scandal, fraud, and corporate excesses in today's headlines.



It should be no surprise that the incidence of fraud and other corporate shenanigans have been on the rise. Companies facing tough times and market volatility have to make difficult choices regarding ethics and responsibility.

As easy credit, capital, and revenues dry up, companies that are built on a weak foundation or questionable management behavior are the most vulnerable to masking their financial condition and obfuscating financial results, thus putting investors and other stakeholders at risk.

However, conservative management still exists and can position companies well to compete in such turbulent times. The list of Top 100 companies encompasses those that have chosen to adhere to this sound corporate stewardship.

Audit Integrity is pleased to commend these companies that demonstrate both sound financial footing and exemplary governance, and we salute them for providing clear evidence that integrity has tangible results with higher equity returns. Special recognition goes to those 25 companies that were cited on the Top 100 for the second consecutive year.

COMPANIES RETURNING FROM LAST YEAR'S TOP 100

- American National Insurance Company (ANAT)
- Badger Meter, Inc. (BMI)
- * Bemis Company, Inc. (BMS)
- BJ's Restaurants, Inc. (BJRI)
- * CDI Corp. (CDI)
- Chipotle Mexican Grill, Inc. (CMG)
- Cintas Corporation (CTAS)
- Consolidated Edison, Inc. (ED)
- * Fred's, Inc. (FRED)
- * Hearst-Argyle Television, Inc. (HTV)
- HRPT Properties Trust (HRP)
- * Independent Bank Corp. (MA) (INDB)
- Loews Corporation (L)
- Marten Transport, Ltd (MRTN)
- Mediacom Communications Corporation (MCCC)
- * Mercury General Corporation (MCY)
- Owens & Minor, Inc. (OMI)
- Patterson Companies, Inc. (PDCO)
- TAL International Group, Inc. (TAL)
- * United Fire & Casualty (UFCS)
- * United Natural Foods, Inc. (UNFI)
- * Universal Electronics Inc (UEIC)
- Weis Markets, Inc. (WMK)
- Weyco Group, Inc. (WEYS)
- * ZOLL Medical Corporation (ZOLL)

** indicates also included on 2007 Top 100*

TOP 100 SELECTION CRITERIA

Creating the Audit Integrity Top 100

The Audit Integrity Top 100 was selected from the more than 12,000 public corporations we track in our proprietary quantitative model. In order to narrow the field to 100 firms, the following criteria were used in the selection of the Top 100:



- U.S. exchange listed companies only
- Market capitalization of \$200 million or more (as of February 2009)
- AGR rating of Conservative or Average each of the last four quarters
- AGR Equity Factor of 4 or 5 (our highest rankings)
- Audit Integrity Financial Condition rating of Strong or Average
- No SEC or shareholder class action litigation over the last four quarters
- No amended filings or material restatements over the last four quarters
- No substantial insider trading in comparison to peers over the last four quarters
- No flagged executive incentive compensation metrics within the AGR analysis over the last four quarters



Large Cap (\$5 Billion and Above)

| Company Name | Ticker | Industry | 4 Qtr. Avg AGR | AGR Score | AGR Percentile | EQM Score |
|------------------------|--------|--------------------------------|----------------|-----------|----------------|-----------|
| Accenture | ACN | Business Services | 74 | 77 | 75 | 4 |
| Consolidated Edison | ED | Electric Utilities | 79 | 78 | 78 | 4 |
| George Weston | WN | Food Processing | 85 | 86 | 96 | 5 |
| Hess | HES | Oil & Gas - Integrated | 84 | 86 | 96 | 5 |
| Kohls | KSS | Retail (Department & Discount) | 69 | 79 | 81 | 4 |
| Linear Technology | LLTC | Semiconductors | 76 | 77 | 75 | 4 |
| Loews | L | Insurance (Prop. & Casualty) | 73 | 83 | 91 | 4 |
| Medco Health Solutions | MHS | Retail (Drugs) | 72 | 76 | 72 | 4 |
| Shaw Communications | SJR | Broadcasting & Cable TV | 73 | 79 | 80 | 4 |
| Suncor Energy | SU | Oil & Gas - Integrated | 79 | 83 | 91 | 5 |

Mid Cap (\$1 Billion—\$5 Billion)

| Company Name | Ticker | Industry | 4 Qtr. Avg AGR | AGR Score | AGR Percentile | EQM Score |
|--------------------------------|--------|--------------------------------|----------------|-----------|----------------|-----------|
| Alliance Resource Partners | ARLP | Coal | 83 | 77 | 75 | 4 |
| Amdocs | DOX | Software & Programming | 76 | 77 | 75 | 4 |
| American National Insurance | ANAT | Insurance (Life) | 86 | 88 | 99 | 5 |
| Bemis | BMS | Containers & Packaging | 70 | 85 | 95 | 5 |
| Capitol Federal Financial | CFFN | S&Ls/Savings Banks | 73 | 88 | 99 | 5 |
| Caseys General Stores | CASY | Retail (Grocery) | 80 | 88 | 99 | 5 |
| CenterPoint Energy | CNP | Electric Utilities | 81 | 88 | 99 | 5 |
| Chipotle Mexican Grill | CMG | Restaurants | 70 | 76 | 72 | 4 |
| Cintas | CTAS | Personal Services | 87 | 86 | 96 | 5 |
| Clean Harbors | CLHB | Waste Management Services | 79 | 79 | 81 | 4 |
| Compass Minerals International | CMP | Non-Metallic Mining | 82 | 84 | 93 | 5 |
| Continental Resources | CLR | Oil & Gas Operations | 75 | 83 | 91 | 5 |
| Dollar Tree | DLTR | Retail (Department & Discount) | 75 | 85 | 95 | 5 |
| DPL | DPL | Electric Utilities | 75 | 74 | 67 | 4 |
| Enbridge Energy Partners | EEP | Oil Well Services & Equipment | 74 | 76 | 72 | 4 |
| Enterprise GP | EPE | Oil & Gas Operations | 86 | 86 | 96 | 5 |
| First Citizens BancShares | FCNCA | Regional Banks | 68 | 84 | 93 | 5 |
| Green Mountain Coffee Roasters | GMCR | Food Processing | 77 | 86 | 96 | 4 |
| Hancock Holding | HBHC | Regional Banks | 71 | 76 | 72 | 4 |
| Idacorp | IDA | Electric Utilities | 83 | 83 | 91 | 5 |
| Lincoln Electric | LECO | Misc. Capital Goods | 72 | 77 | 75 | 4 |
| Mack-Cali Realty | CLI | Real Estate Operations | 78 | 88 | 99 | 4 |
| Magellan Midstream Partners | MMP | Oil Well Services & Equipment | 74 | 80 | 84 | 5 |
| Magna International | MGA | Auto & Truck Parts | 74 | 78 | 78 | 4 |
| Mercury General | MCY | Insurance (Prop. & Casualty) | 82 | 88 | 99 | 5 |
| National Instruments | NATI | Software & Programming | 74 | 79 | 81 | 5 |
| NewAlliance Bancshares | NAL | Regional Banks | 79 | 78 | 78 | 4 |
| Nstar | NST | Electric Utilities | 78 | 77 | 75 | 4 |
| Owens & Minor | OMI | Medical Equipment & Supplies | 70 | 82 | 89 | 4 |
| Patterson Companies | PDCO | Medical Equipment & Supplies | 77 | 78 | 77 | 4 |
| Realty Income | O | Real Estate Operations | 79 | 82 | 89 | 5 |
| Sealed Air | SEE | Containers & Packaging | 70 | 76 | 72 | 4 |
| Suburban Propane Partners | SPH | Retail (Specialty) | 71 | 80 | 84 | 4 |
| Telephone & Data Systems | TDS | Communications Services | 73 | 75 | 69 | 4 |
| Pepsi Bottling Group | PBG | Beverages (Non-Alcoholic) | 72 | 76 | 72 | 4 |
| Timken | TKR | Misc. Fabricated Products | 81 | 85 | 95 | 5 |
| Washington Post | WPO | Printing & Publishing | 74 | 78 | 77 | 4 |
| Valhi | VHI | Chemical Manufacturing | 78 | 79 | 81 | 5 |



Small Cap (\$200 Million—\$1 Billion)

| Company Name | Ticker | Industry | 4 Qtr. Avg AGR | AGR Score | AGR Percentile | EQM Score |
|-------------------------------|--------|-------------------------------|----------------|-----------|----------------|-----------|
| 1st Source | SRCE | Regional Banks | 77 | 86 | 96 | 4 |
| Astec Industries | ASTE | Misc. Capital Goods | 77 | 86 | 96 | 5 |
| Athenahealth | ATHN | Business Services | 74 | 79 | 81 | 4 |
| Badger Meter | BMI | Scientific & Technical Instr. | 70 | 73 | 64 | 4 |
| BJs Restaurants | BJRI | Restaurants | 70 | 73 | 64 | 4 |
| Callaway Golf | ELY | Recreational Products | 77 | 85 | 95 | 5 |
| CDI | CDI | Business Services | 80 | 86 | 96 | 5 |
| Computer Programs & Systems | CPSI | Business Services | 83 | 85 | 95 | 5 |
| Dorchester Minerals | DMLP | Oil & Gas Operations | 77 | 85 | 95 | 5 |
| Duke Realty | DRE | Real Estate Operations | 79 | 82 | 89 | 4 |
| Durect | DRRX | Biotechnology & Drugs | 80 | 86 | 96 | 4 |
| Electro Rent | ELRC | Rental & Leasing | 81 | 84 | 93 | 5 |
| Enbridge Energy Management | EEQ | Oil & Gas Operations | 84 | 88 | 99 | 5 |
| Exide Technologies | XIDE | Electronic Instr. & Controls | 74 | 83 | 91 | 5 |
| First Financial Bankshares | FFIN | Regional Banks | 76 | 79 | 81 | 4 |
| Freds | FRED | Retail (Specialty) | 70 | 76 | 72 | 4 |
| Given Imaging | GIVN | Medical Equipment & Supplies | 80 | 84 | 93 | 5 |
| Healthcare Services Group | HCSG | Business Services | 83 | 84 | 93 | 5 |
| Hearst-Argyle Television | HTV | Broadcasting & Cable TV | 70 | 76 | 72 | 4 |
| HRPT Properties Trust | HRP | Real Estate Operations | 70 | 76 | 72 | 4 |
| Independent Bank | INDB | Regional Banks | 70 | 75 | 69 | 4 |
| Knightsbridge Tankers Limited | VLCCF | Water Transportation | 74 | 88 | 99 | 4 |
| Littelfuse | LFUS | Electronic Instr. & Controls | 83 | 84 | 93 | 4 |
| Marten Transport | MRTN | Trucking | 70 | 75 | 69 | 4 |
| Mediacom Communications | MCCC | Broadcasting & Cable TV | 70 | 81 | 86 | 4 |
| MGE Energy | MGEE | Electric Utilities | 75 | 83 | 91 | 5 |
| Northwest Bancorp | NWSB | S&Ls/Savings Banks | 77 | 83 | 91 | 5 |
| Northwest Pipe | NWPX | Constr. - Supplies & Fixtures | 75 | 84 | 93 | 5 |
| PSS World Medical | PSSI | Medical Equipment & Supplies | 70 | 75 | 69 | 4 |
| Renaissance Learning | RLRN | Software & Programming | 75 | 85 | 95 | 5 |
| Resources Connection | RECN | Business Services | 79 | 86 | 96 | 4 |
| Safety Insurance Group | SAFT | Insurance (Prop. & Casualty) | 81 | 83 | 91 | 5 |
| SCBT Financial | SCBT | Regional Banks | 81 | 85 | 95 | 5 |
| Sun Hydraulics | SNHY | Misc. Fabricated Products | 82 | 85 | 95 | 5 |
| TAL International Group | TAL | Rental & Leasing | 77 | 84 | 93 | 5 |
| Texas Pacific Land Trust | TPL | Rental & Leasing | 81 | 83 | 91 | 5 |
| Empire District Electric | EDE | Electric Utilities | 79 | 84 | 93 | 5 |
| Gorman-Rupp Company | GRC | Misc. Capital Goods | 83 | 85 | 95 | 5 |
| TrustCo Bank | TRST | Regional Banks | 78 | 88 | 99 | 4 |
| Union Bankshares | UBSH | Regional Banks | 84 | 88 | 99 | 5 |
| United Fire & Casualty | UFCS | Insurance (Prop. & Casualty) | 70 | 80 | 84 | 4 |
| United Natural Foods | UNFI | Food Processing | 70 | 75 | 70 | 4 |
| Universal Electronics | UEIC | Audio & Video Equipment | 70 | 75 | 69 | 4 |
| Universal Truckload Services | UACL | Trucking | 82 | 88 | 99 | 5 |
| Vnus Medical Technologies | VNUS | Medical Equipment & Supplies | 75 | 88 | 99 | 5 |
| Watsco | WSO | Misc. Capital Goods | 84 | 88 | 99 | 5 |
| Weingarten Realty Investors | WRI | Real Estate Operations | 78 | 75 | 69 | 4 |
| Weyco Group | WEYS | Footwear | 70 | 78 | 78 | 4 |
| XenoPort | XNPT | Biotechnology & Drugs | 70 | 83 | 91 | 4 |
| Zenith National Insurance | ZNT | Insurance (Prop. & Casualty) | 86 | 88 | 99 | 5 |
| Zoll Medical | ZOLL | Medical Equipment & Supplies | 70 | 76 | 72 | 4 |
| Zumiez | ZUMZ | Retail (Apparel) | 82 | 85 | 95 | 5 |

Audit Integrity

Top 100



The Audit Integrity Accounting & Governance Risk (AGR®) Model

The proprietary Accounting & Governance Risk (AGR) rating is a measure of corporate integrity based on forensic accounting and corporate governance metrics, and is an indicator of aggressive corporate behavior which can put stakeholders at risk. The AGR Score is based on a quantitative model which weights specific accounting and governance metrics derived from corporate reporting. The score ranges from 0 to 100, with lower scores indicating higher risk.

The AGR Equity Factor (EQF) is based solely on the AGR score, plus additional variables related to AGR persistence and volatility, to provide a better measure of equity risk than the AGR on a stand-alone basis. Extensive research has shown a clear relationship between Audit Integrity's primary risk measure, the AGR rating, and equity returns. Consistently, the lowest-rated companies underperform the market and highest-rated companies outperform. The results are consistent with prior research showing that corporate integrity, as measured by the AGR rating, is a significant factor in equity returns, with low correlation to other factors.

To validate the AGR Equity Factor, the model was back-tested over the time period of 1998-2007. Key findings include large and persistent equity returns spread between the highest and lowest-rated companies, with a 17.5% spread between the best and worst decile over the prior 10 years. From a quantitative modeling standpoint, the Equity Factor provides risk-adjusted, well behaved returns, as validated through key statistical measures.

Audit Integrity

Audit Integrity is the leading provider of accounting and governance risk analysis on public companies. Through the forensic study of the factors behind fraud, Audit Integrity proprietary modeling effectively detects and measures fraud and transparency-related risks in more than 12,000 publicly traded corporations. The methodology of our Accounting and Governance Risk (AGR) ratings was developed through the study of cases of proven fraud and misrepresentation.

Audit Integrity was founded in 2002 and serves the financial and investment communities from offices in New York and Los Angeles. Our data is available to qualified users via web portal, direct data feeds, and on Bloomberg, FactSet, and Capital IQ. For further information on Audit Integrity methodology, research reports, and corporate alert services, please visit our website at www.auditintegrity.com.



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