Chapter 1
Getting Started

Standard & Poor's Research Insight℠ puts a wealth of financial data and insightful company reports, performance graphs and textual documents at your fingertips—giving you the perspective you need to determine a company's true value and to identify buy/sell opportunities well before your competition.

Research Insight also offers you the flexibility to link to Microsoft® Excel, and its powerful graphical interface allows you to build, modify, generate and print multiple documents simultaneously so that all of your work is immediately available.

With Research Insight you can easily

- target companies that meet your investment criteria
- perform credit analyses to evaluate credit risk, lending situations, cash management and industry trends
- evaluate a company's vulnerability to merger or acquisition and develop contingency plans to deal with potential buyers for operations, divisions or businesses
- generate a competitive analysis to compare profitability, financial risk and growth among companies, industry sectors and indexes
- evaluate the performance of strategic business units based on contribution to the corporate performance, relative strength and industry attractiveness

This chapter

- highlights the available COMPUSTAT® databases
- shows you how to select your default database
- shows you how to choose or change your default research styles
- describes additional resources for working with the COMPUSTAT databases

Built on the Solid Foundation of COMPUSTAT® Data

Knowing your financial analyses will only be as strong as the data they are based on, we built Research Insight on the unparalleled foundation of Standard & Poor's COMPUSTAT data.

Since 1962 COMPUSTAT has been setting the industry standard for worldwide financial data collection. Extensively trained financial researchers extract financial information from companies' annual and quarterly shareholder's reports, Securities and Exchange Commission (SEC) 10-K and 10-Q reports, daily news services and direct company contact. We constantly monitor the rulings of the Financial Accounting Standards Board and the SEC to ensure that we collect and present financial data as consistently as possible.

Since presentations of financial data and reporting methods vary among companies and industries, COMPUSTAT uses standardized data definitions and collection procedures to assure a consistent presentation of data. Computerized validation and balancing models are designed to guarantee the most comparable and consistently accurate data available. This consistency gives you accurate comparisons of information across companies and over time.

For example, comparing sales figures published in annual reports is often misleading because some companies report sales figures which include excise taxes while others exclude them. In the COMPUSTAT (North America) and COMPUSTAT (Global) databases, the standard definition of sales always excludes excise taxes. As a result, sales figures are not distorted by different reporting methods.

COMPUSTAT Databases

We are committed to providing you with the most comprehensive and current databases of fundamental financial and market information available today. When using Research Insight, you will access either the COMPUSTAT (North America) database or the COMPUSTAT (Global) database, depending on your subscription. Each database is described below.

COMPUSTAT (North America)

The (North America) database contains up to 20 years of annual data, up to 48 quarters of history, seven years of business and geographic segment, and 240 months of stock prices and dividend data. Fundamental financial and market data for over 11,100 U.S. and Canadian companies provides a broad base for analysis of the North American market. The database also contains data for over 10,900 inactive companies that no longer file with the Securities and Exchange Commission due to a merger, liquidation or bankruptcy, etc.

COMPUSTAT (Global)

Our international database features detailed information on companies, indexes and currencies from around the globe. With more than 15,300 industrial and financial services companies representing over 80 countries, market data including over 90 local market indexes, and over 110 currencies, the Global database represents over 80% of the world's market capitalization.

COMPUSTAT (Classic)

COMPUSTAT (Classic) is an as-reported historical database that provides non-restated, quarterly COMPUSTAT data as it was originally collected by Standard & Poor's. This database allows you to look at data, as it was originally reported, at any point in time.

COMPUSTAT (BackData)

COMPUSTAT (BackData) provides historical annual and quarterly restated COMPUSTAT (North America) data for testing models and validating theories. Annual data is available from 1950 forward; quarterly data from 1962 forward.

Daily Prices

The Daily Prices database enables you to retrieve the previous day's stock price and other market data. Daily Prices data is integrated with Research Insight so your financial analyses and investment decision-making can be accomplished in a single application. Daily Prices is available with a separate subscription.

Insider Trading

Insider Trading Data in Research Insight is provided by Washington Services Association (WSA). The Insider Trading data features Top Ten Buys and Top Ten Sells, Summary data, Open market transactions of 100 or more shares, 13 months of History, Issue-level data, Data in Actual Numbers, Amended data, and adjustment for stock splits. Insider Trading Data is available through the Internet download of the Value- Added database using the Research Insight Task Scheduler.

Institutional Ownership

Institutional Ownership Data in Research Insight is provided by Computershare Analytics, N.A., Inc., which collects and adds value to a vast amount of proprietary financial data and distributes that data through subscriptions and partnerships with Internet financial networks and leading data providers. The Institutional data features Top Ten Buys, Top Ten Sells, Top Ten Changes, Top Ten Holders, Aggregate data, 4 quarters of data stored as monthly items, and Issue-level data. Institutional Ownership share-related items have been adjusted for stock splits and dividends. Institutional Ownership data can be accessed through an Internet download of the Value- Added database using the Research Insight Task Scheduler.

Thomson I/B/E/S

The Institutional Brokers Estimate System (I/B/E/S), provided by Thomson Financial, is a database of earnings expectations data obtained from more than 2,500 security analysts. The consensus earnings estimates for more than 3,000 companies are available with a separate subscription agreement.

THOMSON FIRST CALL

The FIRST CALL database, provided by FIRST CALL/Thomson Financial, contains daily consensus earnings & cash flow estimates, analysts' recommendations and related investment information from hundreds of contributing firms. This database is available with a separate subscription agreement.

Estimates are provided for two quarters and two fiscal years of consensus estimate data, expected report dates, consensus recommendations, future growth rates, surprise data, operating actual earnings and cash flow data, and P/E, as well as Price to Cash Flow ratios. The FIRST CALL database also contains estimate consensus trends and estimate revision momentum data to help you compare recent performance to expected performance.

If you are a FIRST CALL subscriber, you can download daily FIRST CALL data from the Internet through the Task Scheduler.

Stern Stewart's EVAntage ™

Stern Stewart's EVAntage is a comprehensive financial analysis of 1,300 publicly traded, U.S. - based, non-financial companies, encompassing both performance and valuation. Stern Stewart's EVAntage is available with a separate subscription.

Textual Databases

The Library is another integral component of Research Insight that enables you to retrieve information from the different COMPUSTAT textual databases. Each database is described below.

Business Descriptions

The Business Descriptions database contains descriptions for over 12,000 companies. The database information is compiled by Standard and Poor's analysts and is updated continually.

Trends and Projections

Trends & Projections is a monthly publication written by David M. Blitzer, Managing Director and Chief Investment Strategist of Standard & Poor's. This document, provided by DRI•WEFA, covers current economic issues.

Country Overviews

The Country Overviews database from DRI•WEFA contains economic information and forecasts for over 65 countries.

Selecting the Default Database

Research Insight gives you access to the Standard and Poor's database(s) to which you have subscribed. If you subscribe to a single database (e.g. COMPUSTAT (North America)), your default database is selected automatically. If you subscribe to multiple databases, here are the steps you should follow when you want to switch the default database.

Begin from the Research Insight desktop.

1. From the **Databases** menu, select **Default Database**.

2. Select **COMPUSTAT**.
3. Click **OK.**

The COMPUSTAT (North America) database is now your default database. Any applications you run during this session will use data from this database.

Choosing Default Styles

Research Insight can be customized to suit your particular research needs. During initial installation of Research Insight, you may choose from five different styles: Money Management, Credit, Corporate Finance, Transfer Pricing or EVAntage (requires a separate subscription). Each style places a different group of financial and market indicators and data items in the Research Assistant, which is used to screen the COMPUSTAT (North America) database. You can also change the default style at any time, as well as add or change specific indicators and items on the Research Assistant.

The Money Management setting defaults to the indicator groups (i.e. Valuation, Fundamentals, Market, etc.) and indicator items (i.e. Issue Market Value, Sales, Price-Monthly, etc.) most commonly used by Money Managers.

The Credit setting defaults to the indicator groups (i.e. Fundamentals, Debt Coverage Ratios, Activity Ratios, etc.) and indicator items (i.e. Revenues-Total, LTD to Total Cap, Total Asset Turnover, etc.) most commonly used by Credit Managers.

The Corporate Finance setting defaults to the indicator groups (i.e. Company Specifics, EBITDA, Growth, etc.) and indicator items (i.e. Economic Sector Code, EBIT Margin, Sales 5Yr CAGR, etc.) most commonly used by Corporate Finance clients.

The Transfer Pricing setting defaults to the indicator groups (i.e. Fundamentals, Relative Ratios, N-Tiles, Fractiles Ratios, etc.) and indicator items (i.e. Revenue-Total, Relative Gross Profit Margin, Inter-Decile Sales, etc.) most commonly used by Transfer Pricing clients.

Likewise, the EVAntage setting defaults to the indicator groups (i.e. EVA, Ranks, Capital Intensity, etc.) and indicator items (NOPAT, EVA Margin, Widening Spread) most commonly used by EVAntage customers.

To change your default setting after you have installed Research Insight, begin by closing the Welcome to Research Insight window. From the **Tools** menu, select **Options**.

You will see the Options dialog box. Click the **Styles** tab, highlight the default option you prefer and click **Set Active Style**. You can also change a style name, create a copy of a style, create a new style, delete a style or restore the styles to the default settings.

Where to Go When You Have Questions

This training guide is a hands-on learning tool. It is designed to take you through some of the many uses and applications of Research Insight. Since it's impossible to show you all of the ways that you can use Research Insight, we've selected some commonly used applications that you can immediately apply to your own work.

You will also find on-line help in Research Insight to be a valuable resource for step-by-step instructions for software functionality, detailed data definitions, reference tables, frequently asked questions and more. To access on-line help, select **Help** from the Research Insight menu bar.

On-Screen Help

On-screen help is available in windows where the Help button appears.

Window Tips offer a brief explanation on the functions of menu commands, toolbar buttons, parts of dialog boxes and the windows in the Research Insight Assistants. Display **Window Tips** by clicking the button on the Research Insight desktop or the ? button in a dialog box. When the cursor changes to a question mark, simply click an item for more information.

Tool Tips give you a description of tool buttons in the toolbar when you position the mouse pointer over the tool.

Web site

Visit Standard & Poor's web site at **http://www.compustat.com** for information on Standard & Poor's products.

Customer Support

Assistance is also available from the Standard & Poor's Customer Support Department.

U.S. and Canadian clients can call toll free **800.523.4534** between 8:00 a.m. and 8:00 p.m. ET, Monday through Friday.

Clients in Mexico can call **01.800.288.2872**, and after the prompt, dial **800.523.4534**. International clients can call **44.20.7826.8580** between 9:00 a.m. and 5:30 p.m. GMT.

Please visit the Customer Support web site at **http://support.compustat.com.**