

Introducing the S&P Global Challengers

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- In the Darwinian sense, mid-size firms are truly positioned in an evolutionary sweet spot, having survived beyond their startup phases and offering stability as well as rapid growth opportunities in the future.
- The S&P Global Challengers List™ identifies 300 mid-size companies that show the highest growth characteristics along dimensions encompassing intrinsic and extrinsic growth. They are expected to emerge as challengers to the world's leading blue chip companies.
- This list can be used by service providers such as consultants and marketers analyzing global growth trends or seeking client engagement opportunities; by strategy formulators assessing future partners or competitors; and by product creators structuring investment vehicles offering exposure to fast growing mid size companies.
- A globally consistent set of intrinsic and extrinsic attributes are used to identify growth using a robust scoring technique. The attributes used are share price appreciation, sales growth, earnings growth and employee growth.
- S&P will publish this list annually, and track its performance through annual publications. The Class of 2006 has representation from 32 countries and 10 sectors.
- The S&P Global Challengers 40 index is a highly liquid and investable subset of the broader list.

Mid-size firms positioned in the market's sweet spot

In the Darwinian sense, mid-size firms are truly positioned in an evolutionary sweet spot, having survived beyond their startup phases and offering stability as well as rapid growth opportunities in the future. Mid-capitalization firms can be thought of as having overcome the “growing pains” of small firms and, as such, are much less risky than small-cap start-ups. Essentially, the mid-cap space represents those firms, which were successful enough to sustain their traction while getting bigger. Looking at it in another way, the class of mid-caps offers the best potential pool of companies, which could indeed be tomorrow's leaders. It is precisely these leaders we'd like to identify.

Popular financial literature is rife with “fastest growing company” lists as published by The Inc., Business 2.0, Forbes, Fortune, Kiplinger and the like. Each of these lists is limited in its approach – some are focused only on a particular sector such as technology, some include non-listed firms, some cover a specific country such as U.S., and so on. Besides, definitions of growth may not be robust – a narrow set of extrinsic variables may be used, variables may not be standardized and unreliable forecast variables may be used.

A need exists for a truly global list from three distinct quarters:

- Service providers such as consultants and marketers analyzing global growth trends and identifying client engagement opportunities.
- Strategy formulators identifying fast growing companies that may serve as future partners and competitors.
- Investment product creators needing a robust universe for structuring vehicles offering exposure to fast growing mid size companies.

The S&P Global Challengers™ will fulfill this need.

Introducing the S&P Global Challengers™

The S&P Global Challengers List identifies 300 mid-size companies that show the highest growth characteristics along dimensions encompassing intrinsic and extrinsic growth. This annual list is based on a robust methodology that applies consistent standards to multiple countries. We believe that this list could serve as the universe for developing more focused products like the S&P Global Challengers 40 Index.

Eligibility Criteria

Universe

The universe for the S&P Global Challengers List consists of publicly-listed common shares of companies from all countries in the world. The universe does not, however, consider ADRs/ GDRs and, in the case of multiple listings on different exchanges by the same company, considers only the listing in the company's home country. The universe also considers only the primary share class of a company.

Inclusion Factors

From the universe, the companies to be included must first meet the size criteria. All eligible companies must have at least USD 500 million and at most USD 5 billion in total market capitalization, among all share classes as of Dec 31 of the year prior to the index reconstitution date. Further, the companies must satisfy both extrinsic and intrinsic factors:

Extrinsic Factors

- Price appreciation. All eligible companies must have positive three-year price appreciation as of Dec 31 of the year prior to index reconstitution.
- Sales growth. All eligible companies must have positive three-year sales growth as of the latest fiscal year for each company.

Intrinsic Factors

- Earnings per share growth. All eligible companies must have positive three-year earnings per share growth as of the latest fiscal year for each company.
- Employee count growth. All eligible companies must have positive three-year employee count growth as of the latest fiscal year for each company.

Reconstitution

Data

The list is revised once a year in April. The cut-off date for the data is March 31.

Exclusion Criteria

From the universe, companies are excluded in the case of:

Data Unavailability

- They have not reported their annual fiscal numbers in the 13 months prior to the index reconstitution date (April of each year). The 13-month window allows for different fiscal year ends for the different companies.
- They do not report employee data in their annual reports. The employee data is needed to calculate employee count growth rates.

Incalculable Growth Rates

- Their EPS, Sales and employee count growth rates cannot be calculated. These are companies for which the EPS, Sales and employee counts are less than or equal to zero. This also excludes companies with shrinking losses.

List Construction

The final list is constructed taking the following steps:

1. **Foreign Exchange:** Local currency is used to represent all currency-related data items. This ensures that foreign exchange fluctuations do not bias the construction of the list.
2. **Factor Standardization:** Three-year growth rates are calculated for share price, EPS, Sales and employee count, and these represent the factors relevant to list construction. These factors are standardized across the composite by using the following formula:

$$F = \frac{x - \mu}{\sigma}$$

Where:

F – Standardized growth rate factor

x – Growth rate for that company

μ – Average of the growth rate for the composite

σ – Standard Deviation of the growth rate for the composite

3. **Data Cleaning:** The data is further cleaned by removing the effect of outliers for all growth rates. This ensures that no one growth-rate biases a company to be a part of the list. This is achieved by capping the standardized factors calculated above to 2.5. Effectively, the growth rates are capped up to 2.5 times the standard deviation from mean.
4. **Factor Scoring:** The standardized growth rate factors are then summed to determine the composite score of each company.
5. **Final List Construction:** The final list consists of the 300 companies with the highest composite scores as well as all four growth-rates positive.

The S&P Global Challengers List Characteristics

Using the selection criteria stated above, we reconstruct what each "graduating class" of the S&P Global Challengers would have looked like dating back to 2001, and determine different characteristics of our list.

Performance – Risk and Returns

Using the constituents of each graduating class in our list, we construct a portfolio and compare its performance to appropriate benchmarks. For performance purposes, the portfolio is constructed as an equally-weighted portfolio.

Exhibit 1: S&P Global Challengers List vs. Other Benchmarks

Total Returns	S&P Global Challengers List	S&P/Citigroup BMI World Index	S&P/Citigroup BMI World Growth Index	MSCI All Country World Index	MSCI All Country World Growth Index
3 Year	27.25%	19.87%	16.66%	19.03%	16.08%
5 Year	13.50%	7.20%	3.92%	6.26%	4.70%

Sharpe Ratio	S&P Global Challengers List	S&P/Citigroup BMI World Index	S&P/Citigroup BMI World Growth Index	MSCI All Country World Index	MSCI All Country World Growth Index
3 Year	2.14	1.94	1.59	1.83	1.42
5 Year	0.61	0.30	0.06	0.23	0.13

(Annualized figures. Time periods ending May 31, 2006. Risk-free rate used for Sharpe = 3%)

Source: Standard & Poor's, www.msci.com, FactSet, Worldscope

Sector and Geographic Coverage

A sector and geographic analysis of the S&P Global Challengers List™ shows that growth resides in a broad range of sectors and geographies.

Exhibit 2: S&P Global Challengers List Sector Coverage

Sector	# Companies					
	2001	2002	2003	2004	2005	2006
Energy	6 (2.00%)	9 (3.00%)	20 (6.67%)	7 (2.33%)	26 (8.67%)	37 (12.33%)
Materials	11 (3.67%)	16 (5.33%)	10 (3.33%)	20 (6.67%)	25 (8.33%)	32 (10.67%)
Industrials	63 (21.00%)	55 (18.33%)	49 (16.33%)	38 (12.67%)	51 (17.00%)	51 (17.00%)
Consumer Discretionary	68 (22.67%)	89 (29.67%)	72 (24.00%)	83 (27.67%)	76 (25.33%)	53 (17.67%)
Consumer Staples	10 (3.33%)	8 (2.67%)	17 (5.67%)	25 (8.33%)	16 (5.33%)	8 (2.67%)
Health Care	23 (7.67%)	25 (8.33%)	35 (11.67%)	28 (9.33%)	17 (5.67%)	26 (8.67%)
Financials	46 (15.33%)	47 (15.67%)	76 (25.33%)	67 (22.33%)	61 (20.33%)	53 (17.67%)
Information Technology	70 (23.33%)	40 (13.33%)	8 (2.67%)	25 (8.33%)	19 (6.33%)	33 (11.00%)
Telecommunication Services	1 (0.33%)	1 (0.33%)	1 (0.33%)	1 (0.33%)	3 (1.00%)	3 (1.00%)
Utilities	2 (0.67%)	10 (3.33%)	12 (4.00%)	6 (2.00%)	6 (2.00%)	4 (1.33%)
Total:	300	300	300	300	300	300

Source: Standard & Poor's

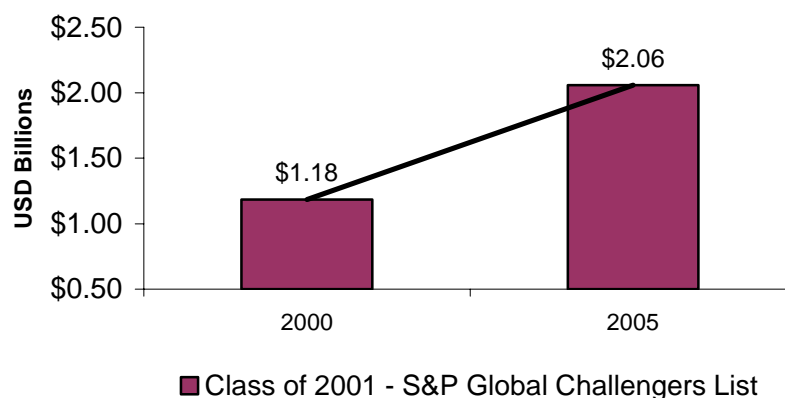
Exhibit 3: S&P Global Challengers List Geographic Coverage

Geographic Region	# Companies					
	2001	2002	2003	2004	2005	2006
Americas	131 (43.67%)	157 (52.33%)	202 (67.33%)	184 (61.33%)	160 (53.33%)	117 (39.00%)
Asia/Pacific	75 (25.00%)	69 (23.00%)	46 (15.33%)	71 (23.67%)	90 (30.00%)	124 (41.33%)
Europe	91 (30.33%)	72 (24.00%)	51 (17.00%)	40 (13.33%)	45 (15.00%)	52 (17.33%)
Middle East/Africa	3 (1.00%)	2 (0.67%)	1 (0.33%)	5 (1.67%)	5 (1.67%)	7 (2.33%)
Total:	300	300	300	300	300	300

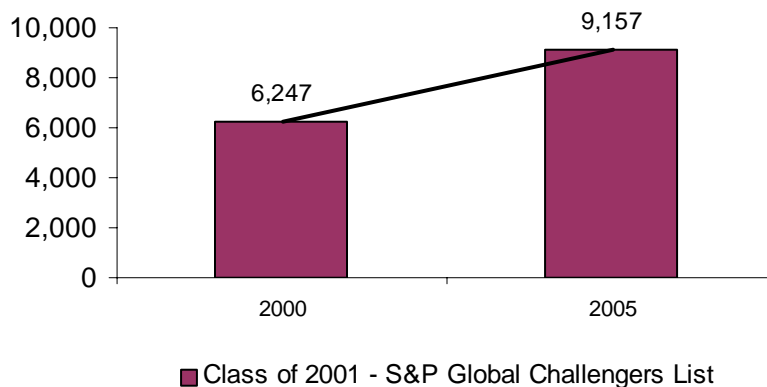
Source: FactSet, Worldscope

The Class of 2001 – did the mousetrap work?

One way to validate the S&P Global Challengers List would be to revisit our list from 2001 (Class of 2001) and check where the constituents stand today. Out of the 300 in the initial list, 295 survived, with the composite showing significant growth trends in terms of average sales, and number of employees as seen in exhibits 4 and 5. The composite also shows higher growth trends than blue chip companies as seen in exhibit 6. We use the S&P Global 1200, as a proxy for blue-chip firms from around the world. For the S&P Global 1200, these averages are calculated using data of approximately 1000 firms, as is available in databases.

Exhibit 4: S&P Global Challengers List Class of 2001 – Average Sales

Source: FactSet, Worldscope

Exhibit 5: S&P Global Challengers List Class of 2001 – Average Employees

Source: FactSet, Worldscope

**Exhibit 6: S&P Global Challengers List vs. Blue Chips
5-Year Growth Rates**

	S&P Global Challengers List Class of 2001	Blue Chips Class of 2001
Avg. Sales	73.67%	26.89%
Avg. Employees	45.58%	3.40%

Is the mousetrap perfect?

As we can see from the characteristics of the Class of 2001, this approach has indeed been successful in identifying companies with future leadership potential. That said, given the S&P Global Challengers' reliance on company-reported data, the integrity of the list depends on the integrity of the underlying company reports. Examples include Livedoor (Japan) and iSoft (United Kingdom), both of which are constituents of the S&P Global Challengers List in the Class of 2006. Both of these companies are under investigation by regulatory authorities for misleading financial reporting.

How does one invest in the S&P Global Challengers?

The S&P Global Challengers List by itself forms a universe that lends itself to analysis of emerging growth companies as well as formation of investment vehicles providing exposure to these companies. For an investable vehicle, desirable characteristics include:

- Accessibility to the underlying stocks
- Liquidity
- Geographic diversification

Along these lines, we developed the S&P Global Challengers 40 Index, a liquid investable equal-weighted portfolio of the 40 fastest growing stocks with representation from around the world, and the S&P Global Challengers List as the universe. The S&P Global Challengers 40 Index is just one manifestation of an investment vehicle – there could potentially be several other investment vehicles that could be developed like the S&P Global Challengers Asia Index, S&P Global Challengers Europe Index and so on.

The S&P Global Challengers 40 Index

Eligibility Criteria

Universe

The universe for the S&P Global Challengers 40 Index is the S&P Global Challengers List.

Inclusion Factors

From the S&P Global Challengers List, the companies to be included in the S&P Global Challengers 40 Index must satisfy the following:

- **Liquidity.** All eligible companies must have average daily trading volume of at least USD 3 million over the 6 months before the list reconstitution date.
- **Price.** All eligible companies must have a 3-month average daily price greater than USD 5, as of Dec 31 of the year prior to list reconstitution.
- **Exchange Listing.** All eligible companies must be listed on exchanges in North America, Europe, Japan, Taiwan, Hong Kong, South Korea or Australia, either directly or through ADRs/ GDRs.

Reconstitution

Data

The list is revised once a year in April. The cut-off date for the data is March 31.

List Construction

The final list is constructed taking the following steps:

- 1. Composite score:** Eligible companies are sorted based on their composite growth scores. We select the companies with the highest composite scores.
- 2. Geographic representation:** From the list sorted by composite scores, we select 40 companies, such that no more than 20 or fewer than 5 companies are from the Americas, Europe and Asia/ Pacific.

S&P Global Challengers 40 Index inherits similar attractive characteristics

Like the S&P Global Challengers List, we construct "buckets" for the S&P Global Challengers Index going back to 2001. We then use this historical data to determine the composites' characteristics. In the case of a company, which fulfills the Exchange Listing eligibility criteria because of its ADR/ GDR listing, the ADR/ GDR returns will be used for performance analysis.

Performance – Risk and Returns

Exhibit 7: S&P Global Challengers 40 Index vs. other benchmarks

Total Returns	S&P Global Challengers 40 Index	S&P/Citigroup BMI World Index	S&P/Citigroup BMI World Growth Index	MSCI All Country World Index	MSCI All Country World Growth Index
3 Year	30.29%	19.87%	16.66%	19.03%	16.08%
5 Year	9.67%	7.20%	3.92%	6.26%	4.70%

Sharpe Ratio	S&P Global Challengers 40 Index	S&P/Citigroup BMI World Index	S&P/Citigroup BMI World Growth Index	MSCI All Country World Index	MSCI All Country World Growth Index
3 Year	1.84	1.94	1.59	1.83	1.42
5 Year	0.27	0.30	0.06	0.23	0.13

(Annualized figures. Time periods ending May 31, 2006. Risk-free rate used for Sharpe = 3%)
Source: Standard & Poor's, www.msci.com, FactSet, Worldscope

Sector and Geographic Coverage

Exhibit 8: S&P Global Challengers 40 Index Sector Coverage

Sector	# Companies					
	2001	2002	2003	2004	2005	2006
Energy	0 (0.00%)	0 (0.00%)	5 (12.50%)	2 (5.00%)	5 (12.50%)	4 (10.00%)
Materials	1 (2.50%)	1 (2.50%)	1 (2.50%)	2 (5.00%)	5 (12.50%)	4 (10.00%)
Industrials	8 (20.00%)	8 (20.00%)	8 (20.00%)	4 (10.00%)	8 (20.00%)	4 (10.00%)
Consumer Discretionary	11 (27.50%)	13 (32.50%)	11 (27.50%)	12 (30.00%)	10 (25.00%)	8 (20.00%)
Consumer Staples	0 (0.00%)	0 (0.00%)	0 (0.00%)	2 (5.00%)	1 (2.50%)	1 (2.50%)
Health Care	3 (7.50%)	4 (10.00%)	5 (12.50%)	5 (12.50%)	2 (5.00%)	2 (5.00%)
Financials	2 (5.00%)	3 (7.50%)	8 (20.00%)	8 (20.00%)	7 (17.50%)	10 (25.00%)
Information Technology	14 (35.00%)	10 (25.00%)	2 (5.00%)	5 (12.50%)	2 (5.00%)	7 (17.50%)
Telecommunication Services	1 (2.50%)	1 (2.50%)	0 (0.00%)	0 (0.00%)	0 (0.00%)	0 (0.00%)
Utilities	0 (0.00%)	0 (0.00%)	0 (0.00%)	0 (0.00%)	0 (0.00%)	0 (0.00%)
Total:	40	40	40	40	40	40

Source: FactSet, Worldscope

Exhibit 9: S&P Global Challengers 40 Index Geographic Coverage

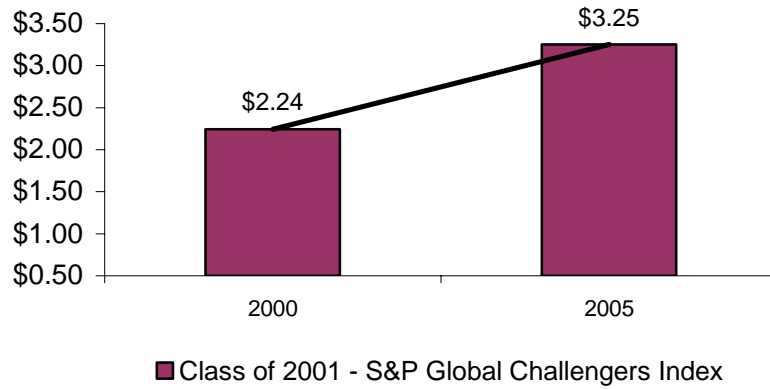
Geographic Region	# Companies					
	2001	2002	2003	2004	2005	2006
Americas	20 (50.00%)	20 (50.00%)	20 (50.00%)	20 (50.00%)	20 (50.00%)	15 (37.50%)
Asia/Pacific	7 (17.50%)	9 (22.50%)	7 (17.50%)	12 (30.00%)	14 (35.00%)	20 (50.00%)
Europe	13 (32.50%)	11 (27.50%)	13 (32.50%)	8 (20.00%)	6 (15.00%)	5 (12.50%)
Middle East/Africa	0 (0.00%)	0 (0.00%)	0 (0.00%)	0 (0.00%)	0 (0.00%)	0 (0.00%)
Total:	40	40	40	40	40	40

Source: FactSet, Worldscope

Class of 2001 Progress

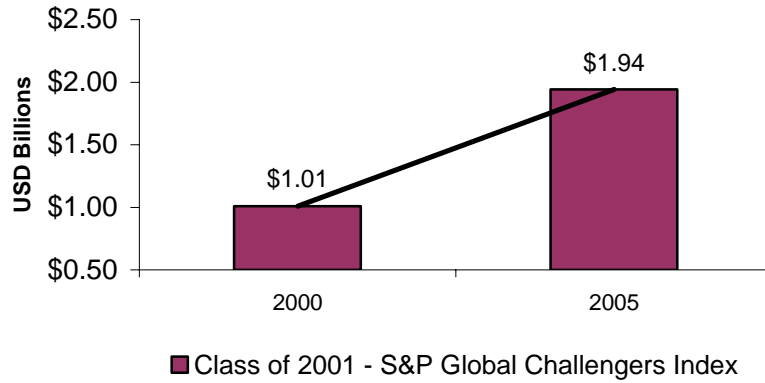
Like the S&P Global Challengers List, we calculate metrics such as average market cap, average EPS and average sales for the class of 2001, to see where it stands today. The entire graduating class from 2001 survived as of Dec 31, 2005.

Exhibit 10: S&P Global Challengers 40 Index Class of 2001 - Average EPS

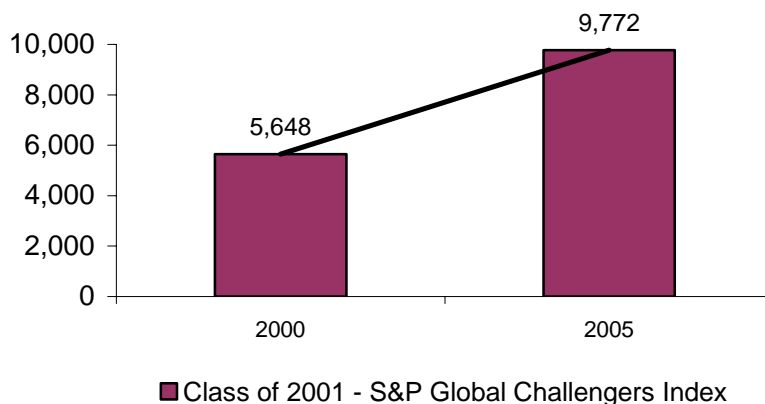


Source: FactSet, Worldscope

Exhibit 11: S&P Global Challenger 40 Index Class of 2001 - Average Sales



Source: FactSet, Worldscope

Exhibit 12: S&P Global Challengers 40 Index Class of 2001 - Average Employees

Source: FactSet, Worldscope

Comparing with a blue chip index, like the S&P Global 1200, using available data for constituents, we see strong growth characteristics persisting:

Exhibit 13: S&P Global Challengers 40 Index vs. Blue Chips – 5 Year Growth Rates

	S&P Global Challengers List Class of 2001 – 5 year Growth Rates	S&P Global 1200 (Constituents as of Dec 31, 2000) – 5 year Growth Rates
Avg. EPS	44.92%	51.87%
Avg. Sales	92.32%	26.89%
Avg. Employees	73.02%	3.40%

The Newly Minted Class of 2006

Our freshest set for the S&P Global Challengers has representation from 32 countries and 10 sectors for the List [APPENDIX A]. The S&P Global Challengers 40 Index has representation from 9 countries and 8 sectors worldwide [APPENDIX B]. Both lists are ordered based on the overall growth scores of the companies.

Concluding thoughts – A leader board for the quintessential quest for growth

The quintessential quest for growth by corporate executives, consultants, marketers and investors needs a robust, globally consistent leader board. The S&P Global Challengers List attempts to fulfill this need. It is not perfect, but it works quite well. Companies that show growth characteristics along the identified dimensions continue to grow and have a high potential of emerging as future leaders. Further, growth resides in a broad range of industries and countries. We believe that the S&P Global Challengers will serve as a robust and globally consistent leader board for this quintessential quest for growth.

APPENDIX A – S&P Global Challengers List – Class of 2006 sorted by composite growth scores in each region

	Company Name	Country	Region	Sector
1.	NutriSystem Inc.	United States	Americas	Consumer Discretionary
2.	Ceradyne Inc.	United States	Americas	Industrials
3.	CompuCredit Corp.	United States	Americas	Financials
4.	Hansen Natural Corp.	United States	Americas	Consumer Staples
5.	Psychiatric Solutions Inc.	United States	Americas	Health Care
6.	Companhia Petroquimica Do Sul	Brazil	Americas	Materials
7.	OmniVision Technologies Inc.	United States	Americas	Information Technology
8.	Zenith National Insurance Corp.	United States	Americas	Financials
9.	A.S.V. Inc.	United States	Americas	Industrials
10.	Penn Virginia Resource L.P.	United States	Americas	Energy
11.	Headwaters Inc.	United States	Americas	Materials
12.	Energy Transfer Partners L.P.	United States	Americas	Energy
13.	Ventiv Health Inc.	United States	Americas	Health Care
14.	PrimeWest Energy Trust Un	Canada	Americas	Energy
15.	Metal Management Inc.	United States	Americas	Materials
16.	Trican Well Service Ltd.	Canada	Americas	Energy
17.	Grupo Simec S.A. de C.V.	Mexico	Americas	Materials
18.	Pantry Inc.	United States	Americas	Consumer Discretionary
19.	Provident Energy Trust	Canada	Americas	Energy
20.	Schick Technologies Inc.	United States	Americas	Health Care
21.	Laserscope Inc.	United States	Americas	Health Care
22.	Commercial Capital Bancorp Inc.	United States	Americas	Financials
23.	Crosstex Energy L.P.	United States	Americas	Energy
24.	Maverick Tube Corp.	United States	Americas	Energy
25.	IPSCO Inc.	Canada	Americas	Materials
26.	Amedisys Inc.	United States	Americas	Health Care
27.	Scottish Re Group Ltd.	United States	Americas	Financials
28.	Penn Virginia Corp.	United States	Americas	Energy
29.	Urban Outfitters Inc.	United States	Americas	Consumer Discretionary
30.	Comtech Telecommunications Corp.	United States	Americas	Information Technology
31.	Hologic Inc.	United States	Americas	Health Care
32.	Corporacion Geo S.A. de C.V.	Mexico	Americas	Consumer Discretionary
33.	TradeStation Group Inc.	United States	Americas	Financials
34.	Inmet Mining Corp.	Canada	Americas	Materials
35.	Peyto Energy Trust	Canada	Americas	Energy
36.	Range Resources Corp.	United States	Americas	Energy
37.	Real Resources Inc.	Canada	Americas	Energy
38.	Unit Corp.	United States	Americas	Energy
39.	Cimarex Energy Co.	United States	Americas	Energy
40.	ONEOK Inc.	United States	Americas	Utilities
41.	Holly Corp.	United States	Americas	Energy
42.	Pilgrim's Pride Corp.	United States	Americas	Consumer Staples
43.	LifeCell Corp.	United States	Americas	Health Care
44.	OMI Corp.	United States	Americas	Energy
45.	Redwood Trust Inc.	United States	Americas	Financials
46.	TALX Corp.	United States	Americas	Information Technology
47.	Quality Systems Inc.	United States	Americas	Information Technology
48.	HealthExtras Inc.	United States	Americas	Health Care
49.	American Home Mortgage Investment Corp.	United States	Americas	Financials
50.	USANA Health Sciences Inc.	United States	Americas	Consumer Staples
51.	Diodes Inc.	United States	Americas	Information Technology
52.	Inergy L.P.	United States	Americas	Energy
53.	Middleby Corp.	United States	Americas	Industrials
54.	JLG Industries Inc.	United States	Americas	Industrials
55.	Swift Energy Co.	United States	Americas	Energy
56.	Alimentation Couche Tard Inc.	Canada	Americas	Consumer Staples
57.	Aleris International Inc.	United States	Americas	Materials
58.	Schnitzer Steel Industries Inc.	United States	Americas	Materials
59.	Quicksilver Resources Inc.	United States	Americas	Energy
60.	Wesco International Inc.	United States	Americas	Industrials

	Company Name	Country	Region	Sector
61.	William Lyon Homes Inc.	United States	Americas	Consumer Discretionary
62.	Fremont General Corp.	United States	Americas	Financials
63.	ArthroCare Corp.	United States	Americas	Health Care
64.	Atmos Energy Corp.	United States	Americas	Utilities
65.	Grupo Elektra S.A. de C.V.	Mexico	Americas	Consumer Discretionary
66.	Commercial Metals Co.	United States	Americas	Materials
67.	j2 Global Communications Inc.	United States	Americas	Information Technology
68.	Building Materials Holding Corp.	United States	Americas	Consumer Discretionary
69.	St. Mary Land & Exploration Co.	United States	Americas	Energy
70.	Healthways Inc.	United States	Americas	Health Care
71.	Carrizo Oil & Gas Inc.	United States	Americas	Energy
72.	Gevity HR Inc.	United States	Americas	Information Technology
73.	Arch Capital Group Ltd.	United States	Americas	Financials
74.	Children's Place Retail Stores Inc.	United States	Americas	Consumer Discretionary
75.	ShawCor Ltd.	Canada	Americas	Energy
76.	Central European Distribution Corp.	United States	Americas	Consumer Staples
77.	New Century Financial Corp.	United States	Americas	Financials
78.	Sunrise Senior Living Inc.	United States	Americas	Health Care
79.	Encore Wire Corp.	United States	Americas	Industrials
80.	Ixia	United States	Americas	Information Technology
81.	Berry Petroleum Co.	United States	Americas	Energy
82.	American Capital Strategies Ltd.	United States	Americas	Financials
83.	Gerdau AmeriSteel Corp.	Canada	Americas	Materials
84.	Home Capital Group Inc.	Canada	Americas	Financials
85.	Meritage Homes Corp.	United States	Americas	Consumer Discretionary
86.	Helix Energy Solutions Inc	United States	Americas	Energy
87.	Advantage Energy Income Fund	Canada	Americas	Energy
88.	MCG Capital Corp.	United States	Americas	Financials
89.	Rofin-Sinar Technologies Inc.	United States	Americas	Information Technology
90.	Aviall Inc.	United States	Americas	Industrials
91.	Lufkin Industries Inc.	United States	Americas	Energy
92.	Centene Corp.	United States	Americas	Health Care
93.	Plains All American Pipeline L.P.	United States	Americas	Energy
94.	Endo Pharmaceuticals Holdings Inc.	United States	Americas	Health Care
95.	Cummins Inc.	United States	Americas	Industrials
96.	Alexander's Inc.	United States	Americas	Financials
97.	Thoratec Corp.	United States	Americas	Health Care
98.	Schawk Inc.	United States	Americas	Industrials
99.	YRC Worldwide Inc.	United States	Americas	Industrials
100.	Golden Telecom Inc.	United States	Americas	Telecommunication Services
101.	Penn National Gaming Inc.	United States	Americas	Consumer Discretionary
102.	Resources Connection Inc.	United States	Americas	Industrials
103.	eResearch Technology Inc.	United States	Americas	Health Care
104.	Aeropostale Inc.	United States	Americas	Consumer Discretionary
105.	Gen-Probe Inc.	United States	Americas	Health Care
106.	Gardner Denver Inc.	United States	Americas	Industrials
107.	BJ's Restaurants Inc.	United States	Americas	Consumer Discretionary
108.	Encore Acquisition Co.	United States	Americas	Energy
109.	Trimble Navigation Ltd.	United States	Americas	Information Technology
110.	Denbury Resources Inc.	Canada	Americas	Energy
111.	Steel Dynamics Inc.	United States	Americas	Materials
112.	CRA International Inc.	United States	Americas	Industrials
113.	Navigant Consulting Inc.	United States	Americas	Industrials
114.	InterDigital Communications Corp.	United States	Americas	Information Technology
115.	WebSense Inc.	United States	Americas	Information Technology
116.	Dick's Sporting Goods Inc.	United States	Americas	Consumer Discretionary
117.	Ventana Medical Systems Inc.	United States	Americas	Health Care
118.	freenet.de AG	Germany	Europe	Information Technology
119.	Swiss Steel AG	Switzerland	Europe	Materials
120.	IMMSI S.p.A.	Italy	Europe	Consumer Discretionary

	Company Name	Country	Region	Sector
121.	Etablissements Maurel et Prom S.A.	France	Europe	Energy
122.	Finansbank A.S.	Turkey	Europe	Financials
123.	Collins Stewart Tullett PLC	United Kingdom	Europe	Financials
124.	Eurofins Scientific	France	Europe	Industrials
125.	D/S Norden A/S	Denmark	Europe	Industrials
126.	Sportingbet PLC	United Kingdom	Europe	Consumer Discretionary
127.	Vontobel Holding AG	Switzerland	Europe	Financials
128.	Meda AB	Sweden	Europe	Health Care
129.	Dampskibsselskabet Torm A/S	Denmark	Europe	Energy
130.	Landsbanki Islands hf.	Iceland	Europe	Financials
131.	Vostok Nafta Investment Ltd.	Sweden	Europe	Financials
132.	Fonciere des Regions	France	Europe	Financials
133.	Bakkavor Group hf.	Iceland	Europe	Consumer Staples
134.	Kensington Group PLC	United Kingdom	Europe	Financials
135.	Numis Corp. PLC	United Kingdom	Europe	Financials
136.	Ratos AB	Sweden	Europe	Financials
137.	Esprinet S.p.A.	Italy	Europe	Information Technology
138.	Sjaelso Gruppen	Denmark	Europe	Financials
139.	Fast Search & Transfer ASA	Norway	Europe	Information Technology
140.	Ramirent Oyj	Finland	Europe	Industrials
141.	FBD Holdings PLC	Ireland	Europe	Financials
142.	Tullow Oil PLC	United Kingdom	Europe	Energy
143.	Corporacion Financiera Alba S.A.	Spain	Europe	Financials
144.	Boliden AB	Sweden	Europe	Materials
145.	Savills PLC	United Kingdom	Europe	Industrials
146.	iSOFT Group PLC	United Kingdom	Europe	Health Care
147.	Kingspan Group PLC	Ireland	Europe	Industrials
148.	Roskilde Bank A/S	Denmark	Europe	Financials
149.	ERG S.p.A.	Italy	Europe	Energy
150.	United Internet AG	Germany	Europe	Information Technology
151.	Schindler Holding AG	Switzerland	Europe	Industrials
152.	TGS-NOPEC Geophysical Co. ASA	Norway	Europe	Energy
153.	Adana Cimento Sanayii ve Ticaret A.S.	Turkey	Europe	Materials
154.	Peacock Group	United Kingdom	Europe	Consumer Discretionary
155.	Immofinanz Immobilien Anlagen AG	Austria	Europe	Financials
156.	Rockwool Intl AS A	Denmark	Europe	Industrials
157.	Akcansa Cimento	Turkey	Europe	Materials
158.	New Wave Group AB	Sweden	Europe	Consumer Discretionary
159.	William Hill PLC	United Kingdom	Europe	Consumer Discretionary
160.	Pinguely-Haulotte	France	Europe	Industrials
161.	Mouchel Parkman PLC	United Kingdom	Europe	Industrials
162.	Hexagon AB	Sweden	Europe	Industrials
163.	Pendragon PLC	United Kingdom	Europe	Consumer Discretionary
164.	Morgan Sindall PLC	United Kingdom	Europe	Industrials
165.	Monsoon PLC	United Kingdom	Europe	Consumer Discretionary
166.	SimCorp A/S	Denmark	Europe	Information Technology
167.	YIT Oyj	Finland	Europe	Industrials
168.	Actavis Group hf.	Iceland	Europe	Health Care
169.	Puma AG Rudolf Dassler Sport	Germany	Europe	Consumer Discretionary
170.	NWS Holdings Ltd.	Hong Kong	Asia/Pacific	Industrials
171.	LIVEDOOR CO LTD NPV	Japan	Asia/Pacific	Information Technology
172.	J-Bridge Corp.	Japan	Asia/Pacific	Industrials
173.	Pacific Management Corp.	Japan	Asia/Pacific	Financials
174.	Lippo Karawaci	Indonesia	Asia/Pacific	Financials
175.	Take & Give. Needs Co. Ltd.	Japan	Asia/Pacific	Consumer Discretionary
176.	A.B.C. Learning Centres Ltd.	Australia	Asia/Pacific	Consumer Discretionary
177.	Godo Steel Ltd.	Japan	Asia/Pacific	Materials
178.	Hopson Development Holdings Ltd.	Hong Kong	Asia/Pacific	Financials
179.	Index Corp.	Japan	Asia/Pacific	Information Technology
180.	K.K. DaVinci Advisors	Japan	Asia/Pacific	Financials

	Company Name	Country	Region	Sector
181.	Kenedix Inc.	Japan	Asia/Pacific	Financials
182.	Catcher Technology Co. Ltd.	Taiwan	Asia/Pacific	Information Technology
183.	en-japan Inc.	Japan	Asia/Pacific	Industrials
184.	Arnest One Corp.	Japan	Asia/Pacific	Consumer Discretionary
185.	GMO Internet Inc.	Japan	Asia/Pacific	Information Technology
186.	International Nickel Indonesia	Indonesia	Asia/Pacific	Materials
187.	SBI Holdings Inc.	Japan	Asia/Pacific	Financials
188.	Cyber Communications Inc.	Japan	Asia/Pacific	Consumer Discretionary
189.	Bharat Forge Co. Ltd.	India	Asia/Pacific	Consumer Discretionary
190.	Cybozu Inc.	Japan	Asia/Pacific	Information Technology
191.	Point Inc.	Japan	Asia/Pacific	Consumer Discretionary
192.	Record Investments Ltd.	Australia	Asia/Pacific	Financials
193.	BIL International Ltd	New Zealand	Asia/Pacific	Consumer Discretionary
194.	Urban Corp.	Japan	Asia/Pacific	Financials
195.	Bumrungrad Hospital PCL	Thailand	Asia/Pacific	Health Care
196.	Wintek Corp.	Taiwan	Asia/Pacific	Information Technology
197.	United Tractors	Indonesia	Asia/Pacific	Industrials
198.	Zeon Corp.	Japan	Asia/Pacific	Materials
199.	Invoice Inc.	Japan	Asia/Pacific	Information Technology
200.	Makita Corp.	Japan	Asia/Pacific	Consumer Discretionary
201.	Sparx Asset Management Co. Ltd.	Japan	Asia/Pacific	Financials
202.	Rex Holdings Co. Ltd.	Japan	Asia/Pacific	Consumer Discretionary
203.	Siemens India Ltd.	India	Asia/Pacific	Industrials
204.	Okinawa Cellular Telephone Co.	Japan	Asia/Pacific	Telecommunication Services
205.	Great Southern Plantations Ltd.	Australia	Asia/Pacific	Materials
206.	Siam City Bank PCL	Thailand	Asia/Pacific	Financials
207.	Bangkok Dusit Medical Services PCL	Thailand	Asia/Pacific	Health Care
208.	Takeuchi Mfg. Co. Ltd.	Japan	Asia/Pacific	Industrials
209.	Thoresen Thai Agencies PCL	Thailand	Asia/Pacific	Industrials
210.	Galaxy Entertainment Group Ltd.	Hong Kong	Asia/Pacific	Materials
211.	COSCO Shipping Co. Ltd.	China	Asia/Pacific	Industrials
212.	UFJ Central Leasing Co. Ltd.	Japan	Asia/Pacific	Industrials
213.	Fullcast Co. Ltd.	Japan	Asia/Pacific	Industrials
214.	Chennai Petroleum Corp. Ltd.	India	Asia/Pacific	Energy
215.	SINA Corp.	Hong Kong	Asia/Pacific	Information Technology
216.	Pal Co. Ltd.	Japan	Asia/Pacific	Consumer Discretionary
217.	Caltex Australia Ltd.	Australia	Asia/Pacific	Energy
218.	Orient Overseas (International) Ltd.	Hong Kong	Asia/Pacific	Industrials
219.	Akebono Brake Industry Co. Ltd.	Japan	Asia/Pacific	Consumer Discretionary
220.	Noble Group Ltd.	Hong Kong	Asia/Pacific	Industrials
221.	Leopalace21 Corp.	Japan	Asia/Pacific	Financials
222.	Portman Ltd.	Australia	Asia/Pacific	Materials
223.	Toyota Boshoku Corp.	Japan	Asia/Pacific	Consumer Discretionary
224.	Right On Co. Ltd.	Japan	Asia/Pacific	Consumer Discretionary
225.	Dongkuk Steel Mill Co. Ltd.	South Korea	Asia/Pacific	Materials
226.	Hanmi Pharmaceutical Co. Ltd.	South Korea	Asia/Pacific	Health Care
227.	Tokyu Land Corp.	Japan	Asia/Pacific	Financials
228.	Singapore Petroleum Co. Ltd.	Singapore	Asia/Pacific	Energy
229.	Arrk Corp.	Japan	Asia/Pacific	Industrials
230.	Yamato Kogyo Co. Ltd.	Japan	Asia/Pacific	Materials
231.	Macarthur Coal Ltd.	Australia	Asia/Pacific	Materials
232.	Otsuka Corp.	Japan	Asia/Pacific	Information Technology
233.	SMBC Friend Securities Co. Ltd.	Japan	Asia/Pacific	Financials
234.	Daido Steel Co. Ltd.	Japan	Asia/Pacific	Materials
235.	NextCom K.K.	Japan	Asia/Pacific	Information Technology
236.	Samsung Engineering Co. Ltd.	South Korea	Asia/Pacific	Industrials
237.	Geo Corp.	Japan	Asia/Pacific	Consumer Discretionary
238.	Canon Electronics Inc.	Japan	Asia/Pacific	Information Technology
239.	Hyflux Ltd.	Singapore	Asia/Pacific	Industrials
240.	Dickson Concepts (International) Ltd.	Hong Kong	Asia/Pacific	Consumer Discretionary

	Company Name	Country	Region	Sector
241.	Sankyu Inc.	Japan	Asia/Pacific	Industrials
242.	Consolidated Minerals Ltd.	Australia	Asia/Pacific	Materials
243.	UTI Bank Ltd.	India	Asia/Pacific	Financials
244.	Benesse Corp.	Japan	Asia/Pacific	Consumer Discretionary
245.	Daifuku Co. Ltd.	Japan	Asia/Pacific	Industrials
246.	Doosan Infracore Co. Ltd.	South Korea	Asia/Pacific	Industrials
247.	Hankook Tire Manufacturing Co. Ltd.	South Korea	Asia/Pacific	Consumer Discretionary
248.	Yamada Denki Co. Ltd.	Japan	Asia/Pacific	Consumer Discretionary
249.	China Intl Marine Cont B HKD	China	Asia/Pacific	Industrials
250.	NIWS Co. HQ Ltd.	Japan	Asia/Pacific	Information Technology
251.	Itoki Corp.	Japan	Asia/Pacific	Industrials
252.	Techtronic Industries Co. Ltd.	Hong Kong	Asia/Pacific	Consumer Discretionary
253.	Ryohin Keikaku Co. Ltd.	Japan	Asia/Pacific	Consumer Discretionary
254.	Transmile Group Bhd	Malaysia	Asia/Pacific	Industrials
255.	Qinghai Salt Lake Potash Co. Ltd.	China	Asia/Pacific	Materials
256.	China Resources Land Ltd.	Hong Kong	Asia/Pacific	Financials
257.	Tokyo Tatemono Co. Ltd.	Japan	Asia/Pacific	Financials
258.	TPV Technology Ltd.	Hong Kong	Asia/Pacific	Information Technology
259.	Hengan International Group Co. Ltd.	Hong Kong	Asia/Pacific	Consumer Staples
260.	China Overseas Land & Investment Ltd.	Hong Kong	Asia/Pacific	Financials
261.	Diamond City Co. Ltd.	Japan	Asia/Pacific	Financials
262.	Kansai Urban Banking Corp.	Japan	Asia/Pacific	Financials
263.	Hyundai Steel Co.	South Korea	Asia/Pacific	Materials
264.	Bandai Visual Co. Ltd.	Japan	Asia/Pacific	Consumer Discretionary
265.	Punjab National Bank	India	Asia/Pacific	Financials
266.	Nidec Copal Electronics Corp.	Japan	Asia/Pacific	Information Technology
267.	Alinta Ltd.	Australia	Asia/Pacific	Utilities
268.	NAM TAI ELECTRONIC COM USD0.01	Hong Kong	Asia/Pacific	Consumer Discretionary
269.	Fauji Fertilizer Co. Ltd.	Pakistan	Asia/Pacific	Materials
270.	Nihon Parkerizing Co. Ltd.	Japan	Asia/Pacific	Materials
271.	Sino Land Co. Ltd.	Hong Kong	Asia/Pacific	Financials
272.	Yusen Air & Sea Service Co. Ltd.	Japan	Asia/Pacific	Industrials
273.	China Vanke Co B HKD	China	Asia/Pacific	Financials
274.	Energy Resources of Australia Ltd.	Australia	Asia/Pacific	Materials
275.	Dashang Group Co. Ltd.	China	Asia/Pacific	Consumer Discretionary
276.	Banpu PCL	Thailand	Asia/Pacific	Energy
277.	Sarawak Enterprise Corp. Bhd	Malaysia	Asia/Pacific	Utilities
278.	Healthscope Ltd.	Australia	Asia/Pacific	Health Care
279.	Square Enix Co. Ltd.	Japan	Asia/Pacific	Information Technology
280.	Brickworks Ltd.	Australia	Asia/Pacific	Materials
281.	Toyota Tsusho Corp.	Japan	Asia/Pacific	Industrials
282.	Nicholas Piramal India Ltd.	India	Asia/Pacific	Health Care
283.	Kibun Food Chemifa Co. Ltd.	Japan	Asia/Pacific	Consumer Staples
284.	United Arrows Ltd.	Japan	Asia/Pacific	Consumer Discretionary
285.	ABC-Mart Inc.	Japan	Asia/Pacific	Consumer Discretionary
286.	Aeon Mall Co. Ltd.	Japan	Asia/Pacific	Financials
287.	Gulliver International Co. Ltd.	Japan	Asia/Pacific	Consumer Discretionary
288.	Keppel Land Ltd.	Singapore	Asia/Pacific	Financials
289.	DiGi.com Bhd	Malaysia	Asia/Pacific	Telecommunication Services
290.	NCsoft Corp.	South Korea	Asia/Pacific	Information Technology
291.	Nippon Seiki Co. Ltd.	Japan	Asia/Pacific	Consumer Discretionary
292.	Offshore Oil Engineering Co. Ltd.	China	Asia/Pacific	Industrials
293.	Oriental Bank of Commerce Ltd.	India	Asia/Pacific	Financials
294.	Gold Reef Casino Resorts Ltd.	South Africa	MiddleEast/Africa	Consumer Discretionary
295.	Grindrod Ltd.	South Africa	MiddleEast/Africa	Industrials
296.	Edgars Consolidated Stores Ltd.	South Africa	MiddleEast/Africa	Consumer Discretionary
297.	JD Group Ltd.	South Africa	MiddleEast/Africa	Consumer Discretionary
298.	Foschini Ltd.	South Africa	MiddleEast/Africa	Consumer Discretionary
299.	Aspen Pharmacare Holdings Ltd.	South Africa	MiddleEast/Africa	Health Care
300.	Ellerine Holdings Ltd.	South Africa	MiddleEast/Africa	Consumer Discretionary

APPENDIX B – S&P Global Challengers 40 Index – Class of 2006 sorted by composite growth scores in each region

	Company Name	Country	Exchange	Region	Sector	Bloomberg Ticker	Bloomberg Exchange Code
1.	NutriSystem Inc.	United States	NASDAQ STOCK MARKET	Americas	Consumer Discretionary	NTRI	UW
2.	Ceradyne Inc.	United States	NASDAQ STOCK MARKET	Americas	Industrials	CRDN	UW
3.	CompuCredit Corp.	United States	NASDAQ STOCK MARKET	Americas	Financials	CCRT	UW
4.	Hansen Natural Corp.	United States	NASDAQ STOCK MARKET	Americas	Consumer Staples	HANS	UR
5.	Psychiatric Solutions Inc.	United States	NASDAQ STOCK MARKET	Americas	Health Care	PSYS	UW
6.	OmniVision Technologies Inc.	United States	NASDAQ STOCK MARKET	Americas	Information Technology	OVTI	UW
7.	Zenith National Insurance Corp.	United States	NYSE	Americas	Financials	ZNT	UN
8.	A.S.V. Inc.	United States	NASDAQ STOCK MARKET	Americas	Industrials	ASVI	UW
9.	Headwaters Inc.	United States	NYSE	Americas	Materials	HW	UN
10.	Energy Transfer Partners L.P.	United States	NYSE	Americas	Energy	ETP	UN
11.	Ventiv Health Inc.	United States	NASDAQ STOCK MARKET	Americas	Health Care	VTIV	UW
12.	PrimeWest Energy Trust Un	Canada	TORONTO	Americas	Energy	PWI-U	CT
13.	Metal Management Inc.	United States	NASDAQ STOCK MARKET	Americas	Materials	MTLM	UW
14.	Trican Well Service Ltd.	Canada	TORONTO	Americas	Energy	TCW	CT
15.	Pantry Inc.	United States	NASDAQ STOCK MARKET	Americas	Consumer Discretionary	PTRY	UW
16.	freenet.de AG	Germany	XETRA	Europe	Information Technology	FRN	GR
17.	Etablissements Maurel et Prom S.A.	France	EURONEXT FRANCE	Europe	Energy	MAU	FP
18.	Collins Stewart Tullett PLC	United Kingdom	LONDON	Europe	Financials	CSTL	LN
19.	Sportingbet PLC	United Kingdom	LONDON	Europe	Consumer Discretionary	SBT	LN
20.	Vontobel Holding AG	Switzerland	SWX SWISS EXCHANGE	Europe	Financials	VONN	SE
21.	J-Bridge Corp.	Japan	TOKYO	Asia/Pacific	Industrials	9318	JT
22.	Pacific Management Corp.	Japan	TOKYO	Asia/Pacific	Financials	8902	JT
23.	Take & Give. Needs Co. Ltd.	Japan	TOKYO	Asia/Pacific	Consumer Discretionary	4331	JT
24.	A.B.C. Learning Centres Ltd.	Australia	ASX NATIONAL	Asia/Pacific	Consumer Discretionary	ABS	AU
25.	Godo Steel Ltd.	Japan	TOKYO	Asia/Pacific	Materials	5410	JT
26.	Index Corp.	Japan	JASDAQ	Asia/Pacific	Information Technology	4835	JQ
27.	K.K. DaVinci Advisors	Japan	OSAKA	Asia/Pacific	Financials	4314	JX
28.	Kenedix Inc.	Japan	TOKYO	Asia/Pacific	Financials	4321	JT
29.	Catcher Technology Co. Ltd.	Taiwan	TAIPEI	Asia/Pacific	Information Technology	2474	TT
30.	en-japan Inc.	Japan	OSAKA	Asia/Pacific	Industrials	4849	JX
31.	Arnest One Corp.	Japan	TOKYO	Asia/Pacific	Consumer Discretionary	8895	JT
32.	GMO Internet Inc.	Japan	TOKYO	Asia/Pacific	Information Technology	9449	JT
33.	SBI Holdings Inc.	Japan	TOKYO	Asia/Pacific	Financials	8473	JT
34.	Cyber Communications Inc.	Japan	TOKYO	Asia/Pacific	Consumer Discretionary	4788	JT
35.	Cybozu Inc.	Japan	TOKYO	Asia/Pacific	Information Technology	4776	JT
36.	Point Inc.	Japan	TOKYO	Asia/Pacific	Consumer Discretionary	2685	JT
37.	Record Investments Ltd.	Australia	ASX NATIONAL	Asia/Pacific	Financials	AFG	AU
38.	Urban Corp.	Japan	TOKYO	Asia/Pacific	Financials	8868	JT
39.	Zeon Corp.	Japan	TOKYO	Asia/Pacific	Materials	4205	JT
40.	Invoice Inc.	Japan	TOKYO	Asia/Pacific	Information Technology	9448	JT

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