

Americas: Technology

Removing Satyam from favorite growth list due to stop loss

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We are removing Satyam Computer Services (Buy) from the favorite growth list of the Goldman Sachs Technology Framework. Satyam is down 15.4% since its addition to the favorite growth list on 7/31/2008, exceeding our stop loss limit, vs. the S&P 500 down 5.9%. Over the last 12 months, Satyam is down 24.6% vs. the S&P 500 down 19.6%.

Satyam ADR shares remain Buy rated, and there are no changes to our estimates. In our view, the decline in SAY shares is driven by concerns regarding potential negative revenue impact from its financial services clients that are affected by recent developments in the capital markets sector, and incorrect press articles regarding its planned workforce reductions. Satyam's management indicated that there was no change to its 2QFY guidance, and that barring this weekend's developments, volume trends through mid-September were tracking in line with expectations. Given continued turmoil in the financial services sector, we expect investor attention to remain focused on the relative exposure to financial services – at 21%, Satyam's exposure remains one of the lowest versus its offshore peers where the average contribution is closer to 30%. Regarding its workforce, the company continues to target 14,000-15,000 gross adds for FY2009, and its recent workforce reductions totaled 450 employees, not 4,500 as suggested by the press, part of the usual 2-2.5% annual performance review program.

Our 12-month price target of \$27 remains unchanged. Our price target is derived using a weighted average model incorporating our sector relative Investment Framework, FTM P/E, and EV/EBITDA multiples. Risks to our view include: (1) Negative legal development on the Unpaid litigation (2) Further deterioration in demand. (3) Pricing and utilization deterioration.

As noted previously, we have instituted a "stop-loss" feature to try to protect our lists from the volatility that can be exhibited by technology stocks. We will continue to remove any stock that moves more than our stop loss threshold in the opposite direction from our view. For example, a Favorite Growth stock that declines more than our stop loss threshold from the time it is added to the list will subsequently be removed.

Similarly, a Least Favorite stock that appreciates more than our stop loss threshold from the time it is added to the list will be removed as well.

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Exhibit 1: Satyam price performance relative to the GS technology sector and the S&P 500

Company	Ticker	Primary analyst	Price currency	Price as of 09/15/08	Price as of 07/31/08	Price performance since 07/31/08	3 month price performance	6 month price performance	12 month price performance
Americas Technology Peer Group									
Satyam Computer Svcs. Ltd. (ADR)	SAY	Julio C. Quinteros Jr.	\$	18.05	21.34	-15.4%	-33.9%	-18.2%	-24.6%
3PAR INC	PAR	David C. Bailey	\$	9.46	8.10	16.8%	-5.4%	30.7%	
Accenture, Ltd.	ACN	Julio C. Quinteros Jr.	\$	36.22	41.76	-13.3%	-7.6%	8.6%	-8.7%
Acme Packet, Inc.	APKT	Simona Jankowski, CFA	\$	6.11	4.86	25.7%	-28.6%	-16.1%	-57.7%
Adobe Systems Inc.	ADBE	Sasa Zorovic, Ph.D	\$	38.27	41.35	-7.4%	-10.4%	17.4%	-11.8%
Advanced Energy Industries, Inc.	AEIS	James Covello	\$	13.64	13.82	-1.3%	-3.7%	1.6%	-11.1%
Advanced Micro Devices, Inc.	AMD	James Covello	\$	5.18	4.21	23.0%	-31.1%	-18.8%	-59.2%
Affiliated Computer Services, Inc.	ACS	Julio C. Quinteros Jr.	\$	49.30	48.20	2.3%	-12.7%	-0.8%	-0.4%
Akamai Technologies, Inc.	AKAM	Derek R. Bingham	\$	17.00	23.34	-27.2%	-53.2%	-45.5%	-45.7%
Altera Corp.	ALTR	James Schneider, Ph.D.	\$	20.00	21.93	-8.8%	-12.4%	14.0%	-15.8%
Amdocs Limited	DOX	Julio C. Quinteros Jr.	\$	27.30	30.41	-10.2%	-14.4%	-8.2%	-21.0%
Analog Devices, Inc.	ADI	Craig Hettenbach	\$	26.23	30.51	-14.0%	-22.7%	-5.1%	-25.4%
Apple Inc.	AAPL	David C. Bailey	\$	140.74	158.95	-11.5%	-18.4%	11.2%	1.4%
Applied Materials, Inc.	AMAT	James Covello	\$	16.34	17.32	-5.7%	-18.7%	-20.6%	-19.6%
Applied Micro Circuits	AMCC	James Schneider, Ph.D.	\$	6.65	7.76	-14.3%	-27.7%	-7.0%	-44.6%
Aruba Networks, Inc.	ARUN	Thomas D. Lee	\$	5.13	5.83	-12.0%	-16.6%	-1.0%	-72.1%
ATMI, Inc.	ATMI	James Covello	\$	18.93	22.53	-16.0%	-33.9%	-27.8%	-37.0%
Autodesk Inc.	ADSK	Sasa Zorovic, Ph.D	\$	33.51	31.89	5.1%	-13.1%	-1.7%	-29.5%
Automatic Data Processing Inc.	ADP	Julio C. Quinteros Jr.	\$	44.29	42.71	3.7%	2.7%	12.5%	-0.4%
Axcelis Technologies, Inc.	ACLS	James Covello	\$	1.43	5.02	-71.5%	-75.2%	-74.4%	-70.2%
BMC Software, Inc.	BMC	Derek R. Bingham	\$	31.13	32.89	-5.4%	-18.8%	-7.8%	0.9%
Broadcom Corporation	BRCM	James Schneider, Ph.D.	\$	21.37	24.29	-12.0%	-17.1%	25.5%	-39.8%
Brocade Communications Systems	BRCD	Min Park	\$	7.10	6.75	5.2%	-21.9%	-1.0%	-3.5%
Brooks Automation, Inc.	BRKS	James Covello	\$	9.05	7.81	15.9%	-6.3%	-34.8%	
CA, Inc.	CA	Sarah Friar	\$	21.53	24.02	-10.4%	-10.7%	-2.4%	-12.7%
Check Point Software Tech.	CHKP	Sarah Friar	\$	24.35	22.83	6.7%	-3.3%	7.9%	-0.2%
Cisco Systems, Inc.	CSCO	Simona Jankowski, CFA	\$	22.38	21.99	1.8%	-15.1%	-8.0%	-29.1%
Citrix Systems Inc.	CTXS	Sarah Friar	\$	27.48	26.64	3.2%	-17.2%	-10.8%	-27.5%
Cognizant Technology Solutions	CTSH	Julio C. Quinteros Jr.	\$	24.89	28.07	-11.3%	-30.4%	-8.7%	-30.9%
CommVault Systems, Inc.	CVLT	Derek R. Bingham	\$	14.87	15.23	-2.4%	-14.2%	9.2%	-18.6%
Computer Sciences Corp.	CSC	Julio C. Quinteros Jr.	\$	43.80	47.37	-7.5%	-8.4%	6.5%	-19.0%
Data Domain, Inc.	DDUP	David C. Bailey	\$	19.98	21.56	-7.3%	-18.5%	-2.7%	-31.8%
Dell Inc.	DELL	David C. Bailey	\$	17.99	24.57	-26.8%	-26.3%	-7.3%	-31.8%
Digital River, Inc.	DRIV	Sasa Zorovic, Ph.D	\$	39.01	39.89	-2.2%	-4.7%	23.5%	-12.1%
EMC Corporation	EMC	David C. Bailey	\$	13.28	15.01	-11.5%	-19.5%	-10.2%	-31.1%
Emulex Corp.	ELX	Min Park	\$	12.06	11.27	7.0%	-9.7%	-26.0%	-35.1%
Entegris, Inc.	ENTG	James Covello	\$	5.29	6.33	-16.4%	-29.2%	-20.8%	-42.6%
ExService Holdings, Inc.	EXLS	Vincent Lin	\$	10.79	15.05	-28.3%	-28.8%	-46.8%	-47.5%
Fidelity National Information Svcs.	FIS	Julio C. Quinteros Jr.	\$	20.88	18.95	10.2%	-47.8%	-44.6%	-54.9%
Fiserv, Inc.	FISV	Julio C. Quinteros Jr.	\$	52.93	47.82	10.7%	5.2%	9.9%	10.5%
FormFactor, Inc.	FORM	James Covello	\$	18.19	17.40	4.5%	-14.8%	5.9%	-60.7%
Genpact Ltd.	G	Vincent Lin	\$	12.70	13.26	-4.2%	-15.9%	-0.8%	-12.8%
Global Cash Access Holdings	GCA	Julio C. Quinteros Jr.	\$	4.96	5.99	-17.2%	-33.7%	2.3%	-55.5%
Global Payments Inc.	GPN	Julio C. Quinteros Jr.	\$	45.13	44.29	1.9%	-4.5%	19.0%	10.6%
Heartland Payment Systems, Inc.	HPY	Julio C. Quinteros Jr.	\$	25.93	23.01	12.7%	-2.2%	26.9%	-4.0%
Hewitt Associates, Inc.	HEW	Julio C. Quinteros Jr.	\$	39.25	36.85	6.5%	3.0%	0.5%	15.3%
Hewlett-Packard Co.	HPQ	David C. Bailey	\$	45.33	44.80	1.2%	-4.5%	-1.3%	-6.3%
Infinera Corp.	INFN	Simona Jankowski, CFA	\$	8.04	11.26	-28.6%	-38.2%	-23.6%	-51.8%
Infomatica Corp.	INFRA	Sasa Zorovic, Ph.D	\$	15.71	16.19	-3.0%	-8.1%	-10.4%	7.1%
Infosys Technologies Ltd. (ADR)	INFY	Julio C. Quinteros Jr.	\$	34.80	39.39	-11.7%	-26.5%	2.5%	-26.3%
Ingram Micro Inc.	IM	Min Park	\$	17.52	18.43	-4.9%	-3.8%	14.8%	-7.4%
Intel Corp.	INTC	James Covello	\$	19.36	22.19	-12.8%	-14.6%	-6.3%	-22.3%
International Business Machines	IBM	David C. Bailey	\$	115.19	127.98	-10.0%	-8.7%	0.0%	0.1%
International Rectifier Corp.	IRF	Craig Hettenbach	\$	21.28	16.88	26.1%	-12.2%	-0.6%	-31.1%
Intersil Corp.	ISIL	Craig Hettenbach	\$	17.50	24.13	-27.5%	-32.4%	-29.2%	-43.3%
Intevac, Inc.	IVAC	Hongyu Cai, CFA	\$	11.01	10.65	3.4%	-9.8%	-12.4%	-27.7%
Intuit, Inc.	INTU	Sasa Zorovic, Ph.D	\$	29.66	27.33	8.5%	0.9%	16.2%	4.2%
Isilon Systems, Inc.	ISLN	David C. Bailey	\$	4.84	4.79	1.0%	-1.6%	-4.7%	-46.3%
Juniper Networks, Inc.	JNPR	Simona Jankowski, CFA	\$	25.21	26.03	-3.2%	4.2%	2.1%	-29.2%
Kenexa Corporation	KNXA	Sasa Zorovic, Ph.D	\$	15.94	18.69	-14.7%	-17.7%	-12.5%	-39.5%
KLA-Tencor	KLAC	James Covello	\$	32.30	37.59	-14.1%	-22.9%	-10.7%	-42.5%
Lam Research Corp.	LRCX	James Covello	\$	31.14	32.89	-5.3%	-15.9%	-19.2%	-38.2%
Lattice Semiconductor Corp.	LSCC	James Schneider, Ph.D.	\$	2.33	2.42	-3.7%	-40.3%	-11.4%	-52.5%
Leadis Technology	LDIS	James Schneider, Ph.D.	\$	0.95	1.21	-21.5%	-41.7%	-50.0%	-69.6%
Lender Processing Services, Inc.	LPS	Julio C. Quinteros Jr.	\$	33.30	33.35	-0.1%			
Lexmark International Group	LXK	Min Park	\$	33.50	35.08	-4.5%	-5.1%	7.2%	-7.4%
Limelight Networks, Inc.	LLNW	Derek R. Bingham	\$	2.97	3.55	-16.3%	-4.2%	-22.5%	-65.6%
Linear Technology Corp.	LLTC	Craig Hettenbach	\$	29.38	31.05	-5.4%	-13.8%	-1.0%	-14.9%
LSI Corp.	LSI	James Schneider, Ph.D.	\$	6.07	6.94	-12.5%	-13.3%	22.4%	-14.6%
S&P 500				1192.69	1267.38	-5.9%	-12.3%	-7.4%	-19.6%

Note: Prices as of most recent available close, which could vary from the price date indicated above

This table shows movement in absolute share price and not total shareholder return. Results presented should not and cannot be viewed as an indicator of future performance.

Source: Factset, Quantum database.

Exhibit 2: Satyam price performance relative to the GS technology sector and the S&P 500, cont'd

Company	Ticker	Primary analyst	Price currency	Price as of 09/15/08	Price as of 07/31/08	Price performance since 07/31/08	3 month price performance	6 month price performance	12 month price performance
Americas Technology Peer Group									
Satyam Computer Svcs. Ltd. (ADR)	SAY	Julio C. Quinteros Jr.	\$	18.05	21.34	-15.4%	-33.9%	-18.2%	-24.6%
Macrovision Solutions Corp.	MVSN	Sasa Zorovic, Ph.D	\$	15.63	15.20	2.8%	-4.8%	13.1%	-30.4%
Marvell Technology Group Ltd.	MRVL	James Schneider, Ph.D.	\$	10.80	14.79	-27.0%	-36.0%	-4.2%	-34.1%
Mastercard Inc.	MA	Julio C. Quinteros Jr.	\$	211.77	244.15	-13.3%	-27.6%	1.5%	53.6%
Maxim Integrated Products	MXIM	Craig Hettenbach	\$	17.54	19.64	-10.7%	-20.6%	-1.4%	-39.8%
McAfee, Inc.	MFE	Sarah Friar	\$	35.66	32.75	8.9%	-1.4%	3.8%	0.8%
Micrel, Inc.	MCRL	Craig Hettenbach	\$	8.79	9.52	-7.7%	-8.1%	3.8%	-18.5%
Microchip Technology Inc.	MCHP	Craig Hettenbach	\$	28.64	31.93	-10.3%	-9.8%	-10.7%	-22.3%
Micron Technology Inc.	MU	James Covello	\$	4.34	4.83	-10.1%	-43.3%	-29.3%	-60.5%
Microsoft Corp.	MSFT	Sarah Friar	\$	26.82	25.72	4.3%	-7.7%	-4.1%	-7.6%
MKS Instruments, Inc.	MKSI	James Covello	\$	20.64	20.60	0.2%	-15.5%	1.4%	2.6%
Monolithic Power Systems	MPWR	Craig Hettenbach	\$	18.50	21.75	-14.9%	-24.0%	13.8%	-8.7%
Motorola, Inc.	MOT	Simona Jankowski, CFA	\$	7.65	8.64	-11.5%	-16.2%	-19.9%	-54.9%
National Semiconductor Corp.	NSM	Craig Hettenbach	\$	17.29	20.95	-17.5%	-26.3%	-4.2%	-32.0%
Netgear, Inc.	NTGR	Thomas D. Lee	\$	15.13	15.15	-0.1%	-7.6%	-22.6%	-47.2%
NetSuite Inc.	N	Sasa Zorovic, Ph.D	\$	15.48	17.26	-10.3%	-26.6%	-22.6%	
Network Appliance Inc.	NTAP	Min Park	\$	23.36	25.55	-8.6%	-3.2%	10.8%	-13.4%
Novellus Systems Inc.	NVLS	James Covello	\$	20.28	20.37	-0.4%	-6.2%	-6.7%	-24.1%
Nuance Communications, Inc.	NUAN	Derek R. Bingham	\$	14.23	15.52	-8.3%	-15.0%	-17.1%	-21.9%
Nvidia Corp.	NVDA	James Schneider, Ph.D.	\$	9.30	11.44	-18.7%	-56.4%	-49.2%	-71.2%
Omniture, Inc.	OMTR	Sasa Zorovic, Ph.D	\$	18.35	17.35	5.8%	-17.9%	-16.3%	-32.6%
Oracle Corp.	ORCL	Sarah Friar	\$	19.01	21.53	-11.7%	-16.0%	-2.6%	-5.3%
Parametric Technology Corp.	PMTI	Sasa Zorovic, Ph.D	\$	19.18	19.37	-1.0%	7.5%	33.4%	13.8%
Patni Computer Systems Ltd. (ADR)	PTI	Nitya Thomas	\$	8.37	10.35	-19.1%	-28.3%	-21.7%	-62.3%
Paychex, Inc.	PAYX	Julio C. Quinteros Jr.	\$	33.18	32.92	0.8%	-1.4%	6.7%	-23.0%
Pitney Bowes Inc.	PBI	Julio C. Quinteros Jr.	\$	35.81	31.69	13.0%	-2.1%	1.6%	-20.6%
PMC-Sierra, Inc.	PMCS	James Schneider, Ph.D.	\$	7.84	7.24	8.3%	-11.1%	59.7%	0.8%
Powerwave Technologies, Inc.	PWAV	Thomas D. Lee	\$	4.50	4.10	9.8%	4.7%	93.1%	-32.4%
QLogic Corp.	QLGC	Min Park	\$	18.44	18.84	-2.1%	22.2%	17.9%	45.5%
QUALCOMM, Inc.	QCOM	Simona Jankowski, CFA	\$	46.82	55.34	-15.4%	-6.3%	19.3%	18.7%
Quest Software, Inc.	QSFT	Derek R. Bingham	\$	13.96	15.11	-7.6%	-12.9%	12.2%	-6.2%
Red Hat, Inc.	RHT	Sarah Friar	\$	17.83	21.38	-16.6%	-19.9%	4.6%	-6.6%
Research In Motion Ltd.	RIMM	Simona Jankowski, CFA	\$	98.44	122.82	-19.9%	-26.0%	-3.2%	12.8%
Research In Motion Ltd.	RIM.TO	Simona Jankowski, CFA	C\$	104.60	125.84	-16.9%	-23.5%	4.4%	16.2%
RightNow Technologies, Inc.	RNOW	Sasa Zorovic, Ph.D	\$	11.39	16.09	-29.2%	-21.4%	12.7%	-17.8%
Riverbed Technology, Inc.	RVBD	Simona Jankowski, CFA	\$	15.61	15.87	-1.6%	13.7%	-3.3%	-60.5%
Salesforce.com, Inc.	CRM	Sasa Zorovic, Ph.D	\$	54.80	63.79	-14.1%	-24.7%	-5.3%	18.2%
SanDisk Corporation	SNDK	James Covello	\$	14.41	14.10	2.2%	-40.0%	-34.9%	-71.9%
SAP (ADR)	SAP	Sarah Friar	\$	54.02	57.81	-6.6%	1.5%	10.7%	-6.0%
Sapient	SAPE	Julio C. Quinteros Jr.	\$	8.30	6.46	28.5%	21.2%	18.7%	32.0%
Seagate Technology	STX	David C. Bailey	\$	13.17	14.97	-12.0%	-35.0%	-40.7%	-46.6%
Secure Computing Corp.	SCUR	Sarah Friar	\$	3.78	3.93	-3.8%	-23.6%	-46.1%	-58.8%
Semtech Corporation	SMTI	Craig Hettenbach	\$	13.69	14.57	-6.0%	-15.4%	2.2%	-28.0%
Sigma Designs, Inc.	SIGM	James Schneider, Ph.D.	\$	14.14	17.54	-19.4%	-15.2%	-32.9%	-67.8%
Silicon Image, Inc.	SIMG	James Schneider, Ph.D.	\$	5.71	7.01	-18.5%	-22.8%	20.7%	10.9%
SIRF Technology Holdings, Inc.	SIRF	James Schneider, Ph.D.	\$	1.90	3.40	-44.1%	-70.2%	-70.1%	-90.6%
Starent Networks, Corp.	STAR	Thomas D. Lee	\$	11.73	13.10	-10.5%	-28.0%	-9.2%	-33.0%
SuccessFactors, Inc.	SFSF	Sarah Friar	\$	11.00	10.53	4.4%	-3.0%	33.3%	
Sun Microsystems	JAVA	David C. Bailey	\$	8.78	10.63	-17.4%	-25.1%	-46.5%	-61.7%
Symantec Corp.	SYMC	Sarah Friar	\$	20.11	21.07	-4.6%	-0.5%	22.2%	3.1%
Taleo Corporation	TLEO	Sasa Zorovic, Ph.D	\$	20.42	18.74	9.0%	3.2%	15.8%	-10.4%
Tech Data Corp.	TECD	Min Park	\$	30.62	34.87	-12.2%	-13.9%	-2.9%	-22.1%
Teradyne, Inc.	TER	James Covello	\$	8.26	9.37	-11.8%	-27.9%	-31.1%	-40.5%
Texas Instruments Inc.	TXN	James Covello	\$	21.91	24.38	-10.1%	-27.4%	-22.3%	-36.8%
TIBCO Software Inc.	TIBX	Derek R. Bingham	\$	7.60	8.21	-7.4%	2.3%	3.8%	3.3%
Total System Services, Inc.	TSS	Julio C. Quinteros Jr.	\$	17.94	19.58	-8.4%	-26.9%	-17.7%	-36.1%
Trident Microsystems, Inc.	TRID	James Schneider, Ph.D.	\$	2.85	2.97	-4.0%	-31.2%	-44.9%	-79.5%
Unisys Corporation	UIS	Julio C. Quinteros Jr.	\$	3.54	3.69	-4.1%	-23.0%	-14.1%	-46.7%
VeriFone Holdings, Inc.	PAY	Julio C. Quinteros Jr.	\$	17.59	14.96	17.6%	23.3%	11.0%	-55.2%
Verigy Ltd.	VRGY	James Covello	\$	17.48	22.23	-21.4%	-25.6%	-1.4%	-31.3%
VeriSign, Inc.	VRSN	Sarah Friar	\$	25.14	32.54	-22.7%	-36.9%	-23.6%	-20.6%
Visa Inc.	V	Julio C. Quinteros Jr.	\$	69.38	73.06	-5.0%	-14.9%		
VMware, Inc.	VMW	David C. Bailey	\$	33.67	35.85	-6.1%	-49.4%	-32.4%	-56.8%
Volterra Semiconductor Corp.	VLTR	Craig Hettenbach	\$	13.58	16.40	-17.2%	-20.7%	45.9%	19.1%
Western Digital Corp.	WDC	David C. Bailey	\$	22.75	28.79	-21.0%	-39.3%	-27.2%	1.7%
Western Union Co.	WU	Julio C. Quinteros Jr.	\$	25.56	27.64	-7.5%	6.4%	24.0%	27.0%
Wipro Ltd. (ADR)	WIT	Julio C. Quinteros Jr.	\$	9.94	11.26	-11.7%	-26.5%	-3.6%	-27.2%
WNS (Holdings) Ltd.	WNS	Vincent Lin	\$	11.12	17.00	-34.6%	-39.9%	-23.0%	-38.6%
XILINX Corp.	XLNX	James Schneider, Ph.D.	\$	22.48	24.83	-9.5%	-18.2%	-4.0%	-12.7%
Zoran Corporation	ZRAN	James Schneider, Ph.D.	\$	8.17	8.27	-1.2%	-39.5%	-41.1%	-57.0%
S&P 500				1192.69	1267.38	-5.9%	-12.3%	-7.4%	-19.6%

Note: Prices as of most recent available close, which could vary from the price date indicated above

This table shows movement in absolute share price and not total shareholder return. Results presented should not and cannot be viewed as an indicator of future performance.

Source: Factset, Quantum database.

Reg AC

We, Sarah Friar, James Covello, Julio C. Quinteros Jr. and Derek R. Bingham, hereby certify that all of the views expressed in this report accurately reflect our personal views about the subject company or companies and its or their securities. We also certify that no part of our compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

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The precise calculation of each metric may vary depending on the fiscal year, industry and region but the standard approach is as follows:

Growth is a composite of next year's estimate over current year's estimate, e.g. EPS, EBITDA, Revenue. **Return** is a year one prospective aggregate of various return on capital measures, e.g. CROCI, ROACE, and ROE. **Multiple** is a composite of one-year forward valuation ratios, e.g. P/E, dividend yield, EV/FCF, EV/EBITDA, EV/DACF, Price/Book. **Volatility** is measured as trailing twelve-month volatility adjusted for dividends.

Quantum

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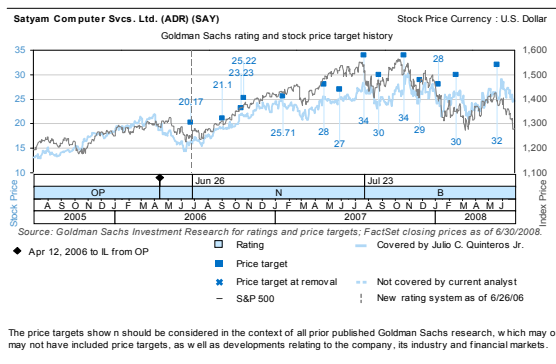
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Price target and rating history chart(s)



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