

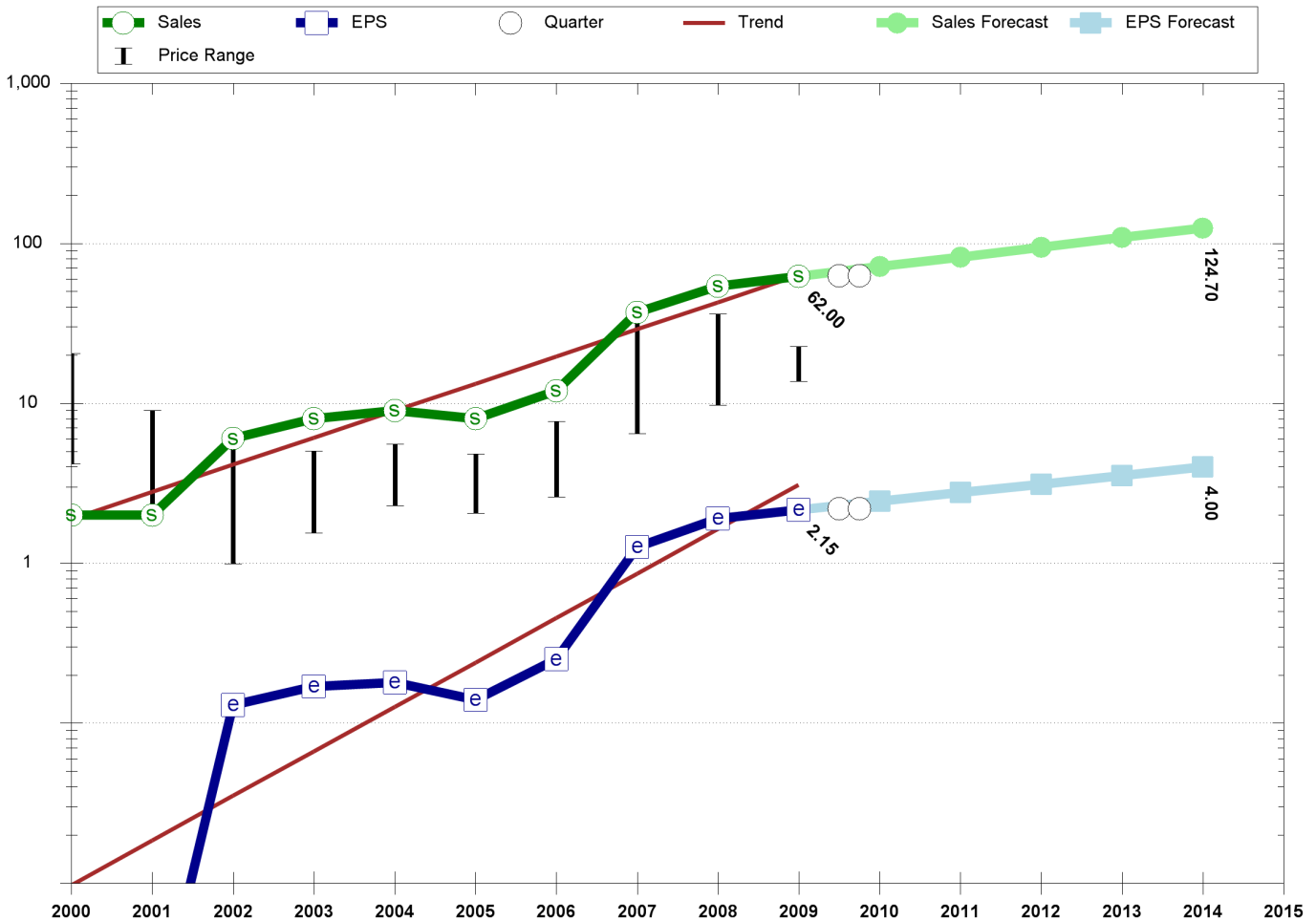
Company	Life Partners Holdin		Date		12/20/2010
Prepared by	Taylor IV		Data taken from		S&P Stock Dat
Where traded	NASDAQ		Industry		Insurance Agencies and Brokerage
Capitalization ---	Outstanding Amounts		Reference		
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	14.9	0.0	0.0		
Debt (\$M)	0.0	% to Tot Cap	0.0	% Pot Dil	0.0

Stock Selection Guide

Symbol: LPHI

1 VISUAL ANALYSIS of Sales, Earnings, and Price

FY2009 Quarter Ending (08/10)	Sales (\$M)	Earnings Per Share
Latest Quarter	16.3	0.56
Year Ago Quarter	16.2	0.57
Percentage Change	0.88%	-1.75%



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|-----------------------------------|--------|--|--------|
| (1) Historical Sales Growth | 47.6% | (3) Historical Earnings Per Share Growth | 67.6% |
| (2) Estimated Future Sales Growth | 15.00% | (4) Estimated Future Earnings Per Share Growth | 13.20% |

2 EVALUATING Management

Life Partners Holdin

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Last 5 Year Avg.
Pre-tax Profit on Sales (Net Before Taxes/Sales)	-48.09%	-36.50%	41.71%	41.62%	43.90%	40.49%	42.88%	78.39%	79.85%	83.21%	64.97%
% Earned on Equity (E/S / Book Value)	418.41%	-23.68%	49.89%	49.52%	42.06%	39.62%	48.22%	82.22%	64.13%	53.38%	57.51%

3 PRICE-EARNINGS HISTORY as an indicator of the future

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

PRESENT PRICE 18.3

HIGH THIS YEAR 24.50

LOW THIS YEAR 14.69

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
1 2005	4.80	2.05	0.14	34.09	14.59	0.096	68.18	4.67
2 2006	7.68	2.59	0.25	30.77	10.38	0.166	66.67	6.42
3 2007	33.86	6.43	1.26	26.96	5.12	0.182	14.52	2.84
4 2008	36.06	9.66	1.90	18.98	5.08	0.176	9.26	1.82
5 2009	22.58	13.61	2.15	10.50	6.33	1.140	53.02	8.38
6 TOTAL		34.3		121.3	41.5		211.7	
7 AVERAGE		6.9		24.3	8.3		42.3	
8 AVERAGE PRICE EARNINGS RATIO 16.3					9 CURRENT PRICE EARNINGS RATIO 8.4			

4 EVALUATING RISK and REWARD over the next 5 years

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 20.00 X Estimate High Earnings/Share 4.00 = Forecasted High Price \$ 80.00

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 8.30 X Estimate Low Earnings/Share 2.15 = Forecasted Low Price \$ 17.85

(b) Avg. Low Price of Last 5 Years 6.87

(c) Recent Market Low Price 9.66

(d) Price Dividend Will Support $\frac{\text{Present Dividend}}{\text{High Yield}} = \frac{1.000}{8.40\%} = 11.90$

Selected Forecasted Low Price 15.00

C ZONING using 25%-50%-25%

Forecasted High Price 80.00 Minus Forecasted Low Price 15.00 = 65.00 Range. 25% of Range 16.25

Buy Zone 15.00 to 31.25

Hold Zone 31.25 to 63.75

Sell Zone 63.75 to 80.00

Present Market Price of 18.34 is in the **Buy** Zone

D UP-SIDE DOWN-SIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price}} = \frac{80.00 - 18.34}{18.34} = 3.34 = 18.46$ To 1

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

$\frac{\text{High Price}}{\text{Present Market Price}} = \frac{80.00}{18.34} = 4.36$ X 100 = 436.21 - 100 = 336.21 % Appreciation

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.

A $\frac{\text{Present Full Year's Dividend \$}}{\text{Present Price of Stock}} = \frac{1.000}{18.34} = 0.05 = 5.45\%$ Present Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{42.33\%}{20.00} = 2.12\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 34.26 %

Average Yield 2.12 %

Annualized Rate of Return 36.37 %