NATIONAL ASSOCIATION OF INVESTORS CORPORATION
NAIC
INVESTMENT EDUCATION FOR INDIVIDUALS AND CLUBS SINCE 1951

Stock Selection Guide ®

The most widely used aid to good investment judgment

Company SCIELE PHARMA INC Date 11/14/07

Prepared by Don Ames Data taken from NAIC Data

Where traded NASDAQ Major product/service Pharmaceuti

CAPITALIZATION --- Outstanding Amounts Reference

Preferred ($M)		0.0	% Insiders	% Institution	
Common (M Shares)		35.6	0.0	0.0	
Debt ($M)	325.0	% to Tot.Cap.	45.2	% Potential Dil.	None

1 VISUAL ANALYSIS of Sales, Earnings and Price

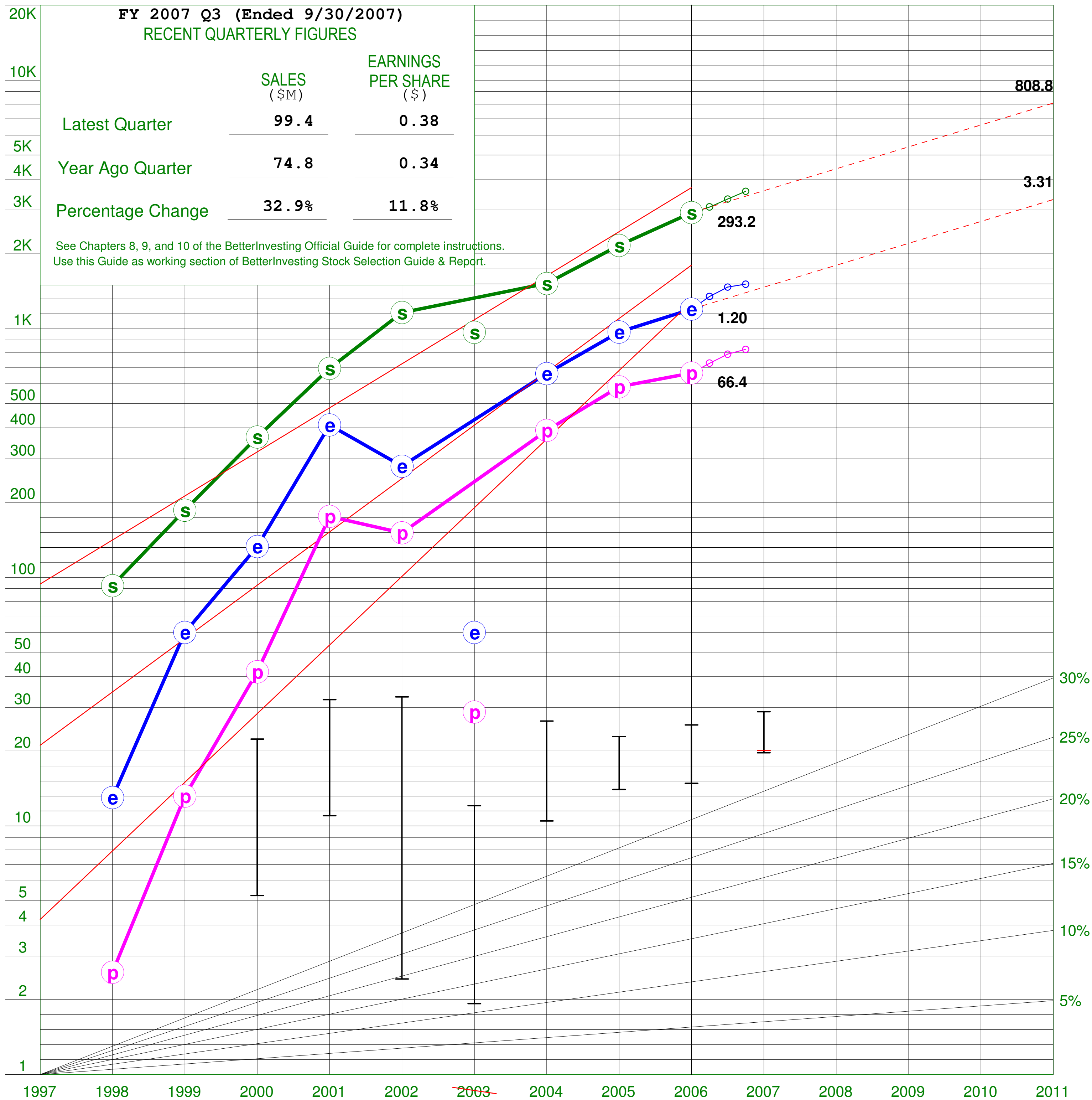
SCRX

FY 2007 Q3 (Ended 9/30/2007)

RECENT QUARTERLY FIGURES

	SALES ($M)	EARNINGS PER SHARE ($)
Latest Quarter	99.4	0.38
Year Ago Quarter	74.8	0.34
Percentage Change	32.9%	11.8%

See Chapters 8, 9, and 10 of the BetterInvesting Official Guide for complete instructions.
Use this Guide as working section of BetterInvesting Stock Selection Guide & Report.



(1) Historical Sales Growth 50.4 %

(3) Historical Earnings Per Share Growth 63.9 %

(2) Estimated Future Sales Growth 22.5 %

(4) Estimated Future Earnings Per Share Growth 22.5 %

Printed: 11/14/07 10:18 PM Prepared by: Don Ames Using The Investor's Toolkit

2 EVALUATING MANAGEMENT

Company SCIELE PHARMA INC (SCRX) 11/14/07

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	LAST 5 YEAR AVG.	TREND UP	TREND DOWN
A % Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)		2.8	7.1	11.4	25.4	13.0	3.0	25.6	27.0	22.6	18.2	UP	
B % Earned on Equity (E/S ÷ Book Value)		16.3	21.3	6.7	7.9	3.2	0.7	7.5	10.0	10.9	6.5	UP	

3 PRICE-EARNINGS HISTORY as an indicator of the future

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

PRESENT PRICE 20.120 HIGH THIS YEAR 28.830 LOW THIS YEAR 19.700

	Year	A PRICE HIGH	B PRICE LOW	C Earnings Per Share	D Price Earnings Ratio HIGH A ÷ C	E Price Earnings Ratio LOW B ÷ C	F Dividend Per Share	G % Payout F ÷ C X 100	H % High Yield F ÷ B X 100
1	~~2002~~	33.0	~~2.4~~	0.28	~~117.9~~	~~8.6~~	0.000	~~0.0~~	~~0.0~~
2	~~2003~~	12.1	~~1.9~~	0.06	~~201.7~~	~~31.7~~	0.000	~~0.0~~	~~0.0~~
3	~~2004~~	26.4	~~10.5~~	0.66	~~40.0~~	~~15.9~~	0.000	~~0.0~~	~~0.0~~
4	2005	22.9	14.0	0.97	23.6	14.4	0.000	0.0	0.0
5	2006	25.5	14.8	1.20	21.2	12.3	0.000	0.0	0.0
6	TOTAL		28.8		44.8	26.7		0.0	
7	AVERAGE		14.4		22.4	13.4		0.0	
8	AVERAGE PRICE EARNINGS RATIO			17.9	9 CURRENT PRICE EARNINGS RATIO			13.3	

Proj. P/E [10.88] Based on Next 4 qtr. EPS [1.85] **Current P/E Based on Last 4 qtr. EPS [1.51]** **PEG=48**

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 22.4 (3D7 as adj.) X Estimate High Earnings/Share 3.31 = Forecast High Price $ 74.1 (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E 13.4 (3E7 as adj.) X Estimated Low Earnings/Share ~~1.20~~ 1.51 = $ 20.2

(b) Avg. Low Price of Last 5 Years = 14.4 (3B7)

(c) Recent Severe Market Low Price = 14.0

(d) Price Dividend Will Support Present Divd. / High Yield (H) = 0.000 / 0.000 = 0.0

Selected Estimate Low Price = $ 14.4 (4B1)

C ZONING

74.1 (4A1) High Forecast Price Minus 14.4 (4B1) Low Forecast Price Equals 59.7 (C) Range. 1/3 of Range = 19.9 (4CD)

(4C2) Lower 1/3 = (4B1) 14.4 to 34.3 (Buy)

(4C3) Middle 1/3 = 34.3 to 54.2 (Maybe)

(4C4) Upper 1/3 = 54.2 to 74.1 (4A1) (Sell)

Present Market Price of 20.120 is in the Buy (4C5) Range

D UP-SIDE DOWN-SIDE RATIO (Potential Gain vs. Risk of Loss)

High Price (4A1) 74.1 Minus Present Price 20.120 / Present Price 20.120 Minus Low Price (4B1) 14.4 = 54.0 / 5.7 = 9.4 To 1 (4D)

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

High Price (4A1) 74.1 / Present Market Price 20.120 = (3.683) X 100 = (368.3) - 100 = 268.3 % Appreciation (4E)

Relative Value: 74.3% Proj. Relative Value: 60.8%

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.

Note: Results are expressed as a simple rate; use the table below to convert to a compound rate.

A Present Full Year's Dividend $ 0.000 / Present Price of Stock $ 20.120 = 0.000 X 100 = 0.0 (5A) Present Yield or % Returned on Purchase Price

B AVERAGE YIELD OVER NEXT 5 YEARS

Avg. Earnings Per Share Next 5 Years 2.21 X Avg. % Payout (3G7) 0.0 = 0.0 / Present Price $ 20.120 = 0.0 % (5B)

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

5 Year Appreciation Potential (4E) 268.3 / 5 = 53.7 %

Average Yield (5B) 0.0 %

Average Total Annual Return Over the Next 5 Years (5C) 53.7 %

	P.A.R.	Tot. Ret.
Average Yield	0.0%	0.0%
Annual Appreciation	24.1%	29.8%
% Compd Ann Rate of Ret	24.1%	29.8%

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Portfolio Management Guide

See Chapter 16 of the Investors Manual for instructions on the use of this guide.

Stock SCIELE PHARMA INC Analyst Don Ames

1 PRICE EARNINGS ZONES

Refer to Section 3, columns D and E, Line 7, of your Stock Selection Guide study of this company for the information in columns 2 and 3 below.

1	2	3	4	5	6
YEAR	Average Price Earnings Ratios for Previous Five Years		Sum of Cols. 2 and 3	Column 4 Divided by 2	Column 5 Multiplied by 1½
	High	Low		Low P/E Guide Line	High P/E Guide Line
2003	0.0	0.0	0.0		
2004	0.0	0.0	0.0		
2005	0.0	0.0	0.0		
2006	23.6	14.4	38.0	19.0	28.5
2007	22.4	13.4	35.8	17.9	26.8

2 PRICE ZONES

See Section 4C of Stock Selection Guide. 1 below is top of Buy Zone. 2 Below is bottom of Sell Zone

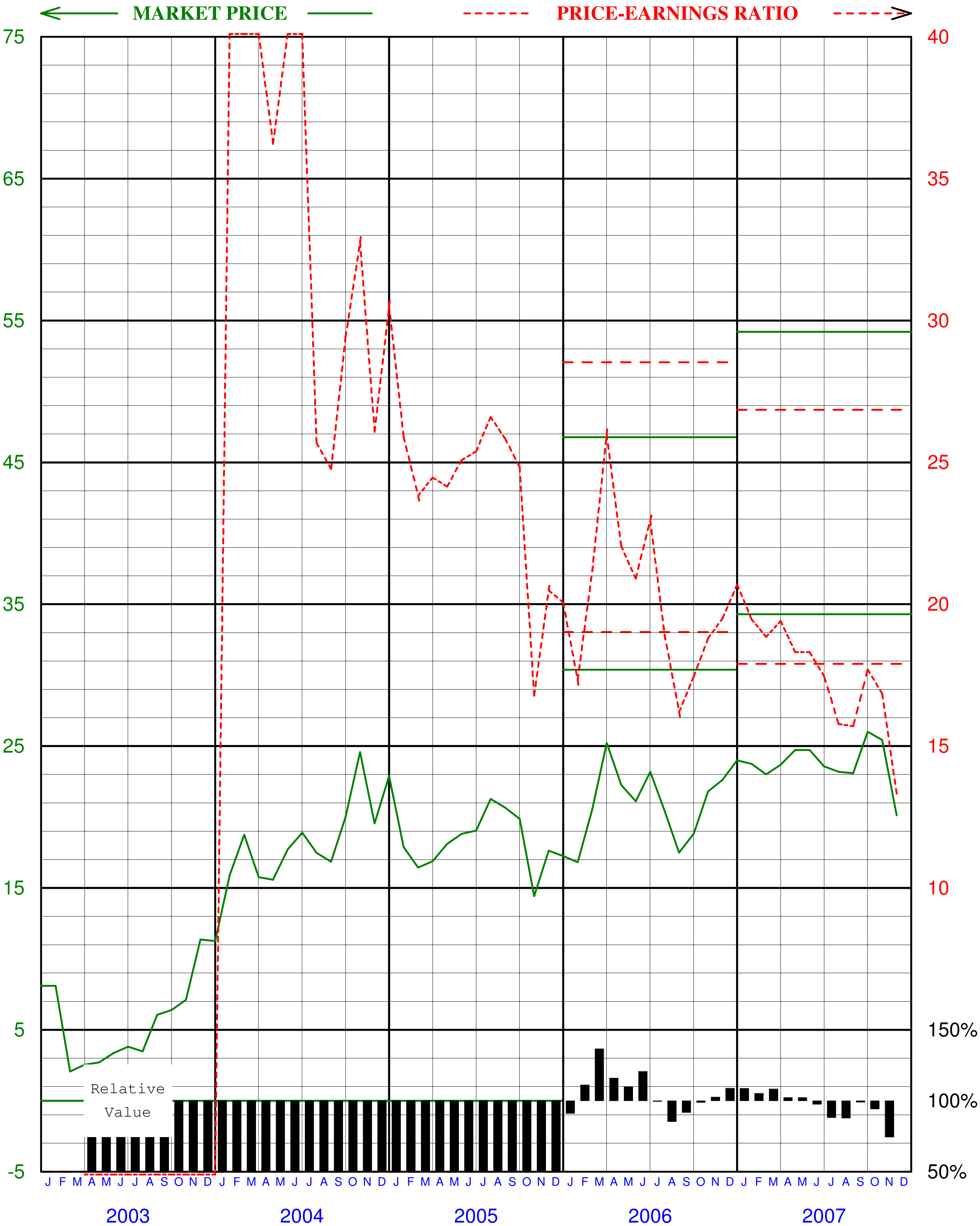
YEAR	1. Consider Buying Below	2.Consider Selling Above
2003	0.0	0.0
2004	0.0	0.0
2005	0.0	0.0
2006	30.4	46.8
2007	34.3	54.2

3 CUMULATIVE EARNINGS AND CURRENT PRICE-EARNINGS RATIO COMPUTATIONS

1	2	3	4	5	6	7	8	9	10	11	12
3 Months Ending	Earnings per Share	Total Earnings for last 4 Quarters	Date	Price	P/E Ratio at Time of Meeting	Date	Price	P/E Ratio at Time of Meeting	Date	Price	P/E Ratio at Time of Meeting
03/03	-0.25	-0.10	04/03	2.71	NMF	05/03	3.37	NMF	06/03	3.80	NMF
06/03	-0.10	-0.18	07/03	3.49	NMF	08/03	6.05	NMF	09/03	6.40	NMF
09/03	0.13	-0.09	10/03	7.11	NMF	11/03	11.37	NMF	12/03	11.25	NMF
12/03	0.27	0.05	01/04	15.91	318.2	02/04	18.74	374.8	03/04	15.76	315.2
03/04	0.13	0.43	04/04	15.58	36.2	05/04	17.73	41.2	06/04	18.90	44.0
06/04	0.15	0.68	07/04	17.47	25.7	08/04	16.84	24.8	09/04	20.01	29.4
09/04	0.20	0.75	10/04	24.58	32.8	11/04	19.56	26.1	12/04	22.89	30.5
12/04	0.21	0.69	01/05	17.88	25.9	02/05	16.44	23.8	03/05	16.88	24.5
03/05	0.19	0.75	04/05	18.11	24.1	05/05	18.81	25.1	06/05	19.04	25.4
06/05	0.20	0.80	07/05	21.28	26.6	08/05	20.67	25.8	09/05	19.87	24.8
09/05	0.26	0.86	10/05	14.43	16.8	11/05	17.62	20.5	12/05	17.25	20.1
12/05	0.32	0.97	01/06	16.81	17.3	02/06	20.52	21.2	03/06	25.21	26.0
03/06	0.23	1.01	04/06	22.27	22.0	05/06	21.11	20.9	06/06	23.19	23.0
06/06	0.27	1.08	07/06	20.44	18.9	08/06	17.50	16.2	09/06	18.84	17.4
09/06	0.34	1.16	10/06	21.81	18.8	11/06	22.63	19.5	12/06	24.00	20.7
12/06	0.38	1.22	01/07	23.75	19.5	02/07	23.00	18.9	03/07	23.68	19.4
03/07	0.36	1.35	04/07	24.72	18.3	05/07	24.72	18.3	06/07	23.56	17.5
06/07	0.39	1.47	07/07	23.19	15.8	08/07	23.08	15.7	09/07	26.02	17.7
09/07	0.38	1.51	10/07	25.44	16.8	11/07	20.12	13.3	12/07		
12/07			01/08			02/08			03/08		
03/08			04/08			05/08			06/08		
06/08			07/08			08/08			09/08		
09/08			10/08			11/08			12/08		
12/08			01/09			02/09			03/09		

Company: SCIELE PHARMA INC (SCRX)

4 CHART OF PRICES AND PRICE-EARNINGS RATIO



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PERT Worksheet-A

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Company SCIELE PHARMA INC (SCRX)

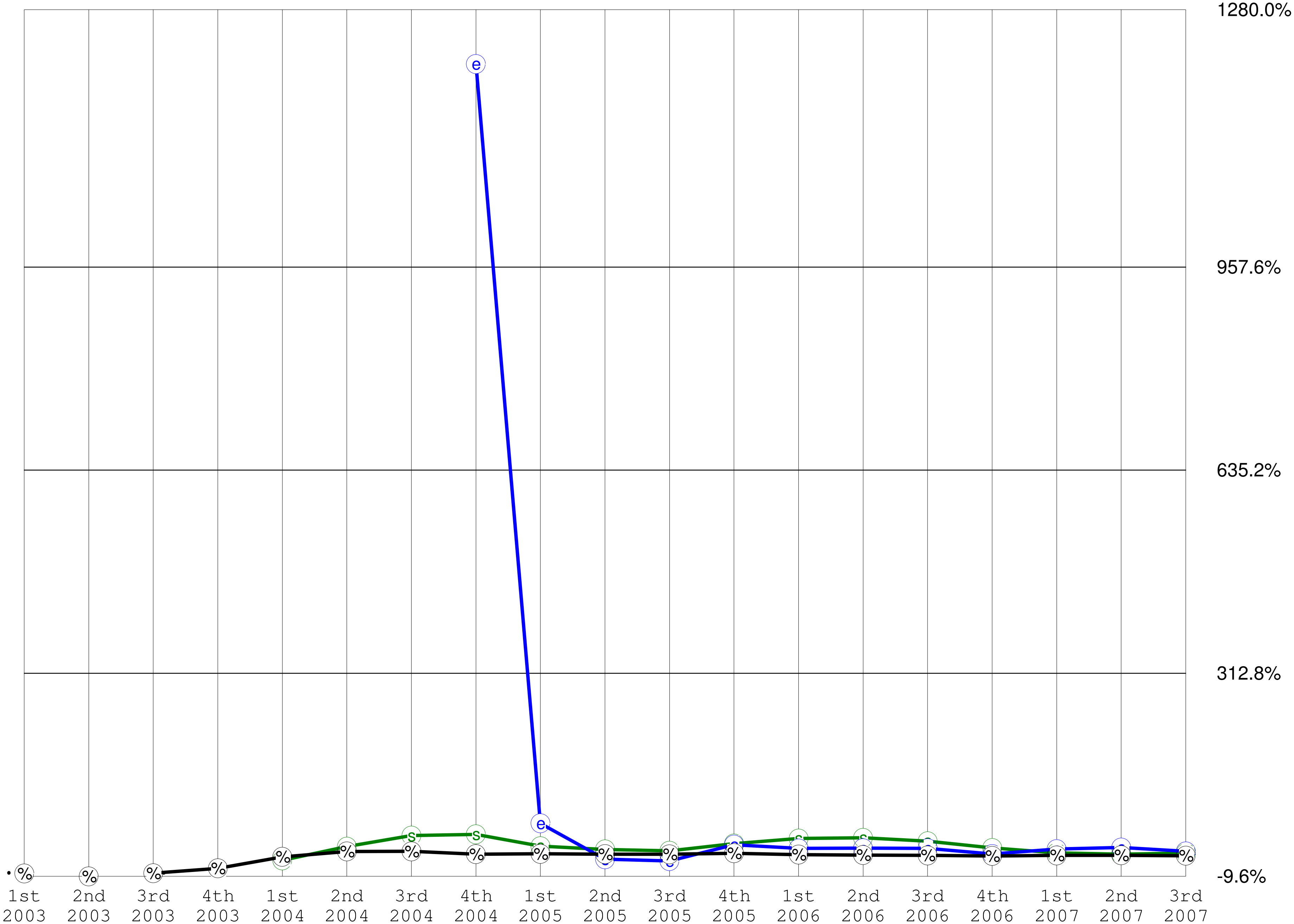
PERIOD	QUARTERLY DATA: EPS $	EPS % CHANGE	PRE-TAX PROFIT $ MIL	PRE-TAX PROFIT % SALES	PRE-TAX PROFIT % CHANGE	SALES $ MIL	SALES % CHANGE	INCOME TAX RATE	LAST 12 MONTHS DATA: EPS $	PRE-TAX PROFIT $ MIL	PRE-TAX PROFIT % SALES	SALES MIL	INCOME TAX $ MIL	INCOME TAX % RATE	% CHANGE EPS	% CHANGE PRE-TAX PROFIT	% CHANGE SALES
03/02								37.4						39.1			
06/02	-0.02		-1.08	-4.2		26.01		38.3						38.8			
09/02	0.04		2.19	8.1		27.11		34.6						37.5			
12/02	0.13		7.38	21.1		34.95		36.6						36.7			
03/03	-0.25		-13.49	-108.0		12.49		34.6	-0.10	-5.00	-5.0	100.6	-1.8	36.1			
06/03	-0.10	NMF	-5.28	-25.2	NMF	20.96	-19.4	33.9	-0.18	-9.20	-9.6	95.5	-3.2	34.9			
09/03	0.13	225.0	6.88	26.2	214.4	26.22	-3.3	32.9	-0.09	-4.50	-4.8	94.6	-1.6	34.5			
12/03	0.27	107.7	14.76	39.7	99.9	37.13	6.2	35.5	0.05	2.87	3.0	96.8	1.0	34.2			
03/04	0.13	NMF	8.37	26.2	NMF	32.02	156.3	40.0	0.43	24.73	21.3	116.3	8.8	35.6	NMF	NMF	15.7
06/04	0.15	NMF	9.14	25.4	NMF	35.99	71.7	39.2	0.68	39.15	29.8	131.4	14.4	36.9	NMF	NMF	37.5
09/04	0.20	53.8	11.62	28.0	68.9	41.56	58.5	36.7	0.75	43.89	29.9	146.7	16.6	37.9	NMF	NMF	55.0
12/04	0.21	-22.2	9.84	23.2	-33.3	42.40	14.2	6.8	0.69	38.97	25.6	152.0	12.0	30.7	1,280.0	1,257.3	57.0
03/05	0.19	46.2	11.50	28.1	37.3	40.96	27.9	29.7	0.75	42.09	26.2	160.9	11.8	28.1	74.4	70.2	38.3
06/05	0.20	33.3	11.60	23.3	26.9	49.82	38.4	26.8	0.80	44.55	25.5	174.7	11.2	25.0	17.6	13.8	33.0
09/05	0.26	30.0	15.73	26.8	35.4	58.72	41.3	29.7	0.86	48.66	25.4	191.9	11.3	23.3	14.7	10.9	30.8
12/05	0.32	52.4	19.57	29.3	98.9	66.87	57.7	30.7	0.97	58.39	27.0	216.4	17.1	29.2	40.6	49.8	42.4
03/06	0.23	21.1	13.36	20.1	16.2	66.45	62.3	26.7	1.01	60.25	24.9	241.9	17.2	28.5	34.7	43.1	50.3
06/06	0.27	35.0	15.14	20.9	30.6	72.40	45.3	31.3	1.08	63.80	24.1	264.4	18.9	29.6	35.0	43.2	51.3
09/06	0.34	30.8	17.83	23.8	13.3	74.78	27.4	31.3	1.16	65.90	23.5	280.5	19.8	30.0	34.9	35.4	46.2
12/06	0.38	18.8	20.05	25.2	2.5	79.55	19.0	32.2	1.22	66.38	22.6	293.2	20.2	30.4	25.8	13.7	35.5
03/07	0.36	56.5	19.68	23.9	47.4	82.26	23.8	33.6	1.35	72.71	23.5	309.0	23.3	32.1	33.7	20.7	27.8
06/07	0.39	44.4	21.37	22.3	41.1	95.66	32.1	32.9	1.47	78.94	23.8	332.2	25.7	32.5	36.1	23.7	25.6
09/07	0.38	11.8	21.52	21.7	20.7	99.37	32.9	35.6	1.51	82.63	23.2	356.8	27.8	33.6	30.2	25.4	27.2
12/07								30.9						33.3			

A B C D E F G H I J K L M N O P Q R S T

Trailing 4 quarters

PERT Worksheet-A Graph

Company SCIELE PHARMA INC (SCRX)



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PERT Worksheet-B

Company SCIELE PHARMA INC Symbol SCRX

		PRICE RANGE		P/E RATIO		5 YR AVG P/E RATIO				% PAYOUT		
YEAR	EPS	HIGH	LOW	HIGH	LOW	HIGH	AVG	LOW	DIV/ SHARE	THIS YEAR	5 YR AVG	% HIGH YIELD
1997				NMF	NMF							
1998	0.01			~~0.0~~	~~0.0~~							
1999	0.06			~~0.0~~	~~0.0~~							
2000	0.13	22.3	5.3	~~167.9~~	~~39.5~~				.000	.0		.0
2001	0.41	32.2	11.0	~~78.5~~	~~26.8~~				.000	.0		.0
2002	0.28	33.0	2.4	~~117.9~~	~~8.6~~				.000	.0		.0
2003	0.06	12.1	1.9	~~200.8~~	~~32.2~~				.000	.0		.0
2004	0.66	26.4	10.5	~~40.0~~	~~15.9~~				.000	.0		.0
2005	0.97	22.9	14.0	23.6	14.4	23.6	19.0	14.4	.000	.0		.0
2006	1.20	25.5	14.8	21.2	12.4	22.4	17.9	13.4	.000	.0		.0
10 Year Avg.				22.4	13.4		17.9					
A	B	C	D	E	F	G	H	I	J	K	L	M