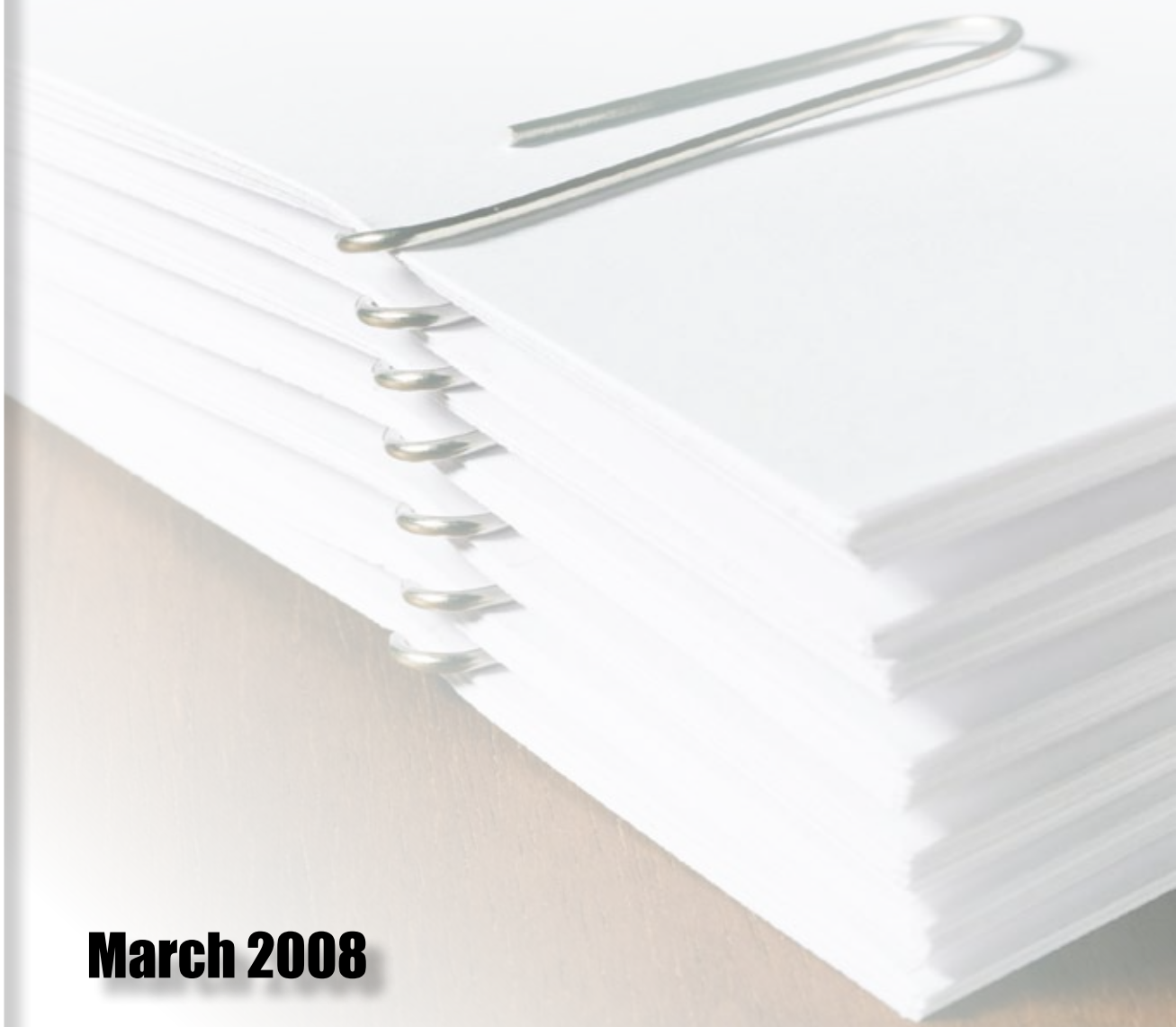


Non-Audit Fees A Five Year Trend



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Database Overview

The Audit Analytics auditor fee database contains all fee data disclosed by SEC registrants in electronic filings since January 1, 2001. The data has been extracted primarily from the following form types: DEF 14A, DEF 14C, DEFM 14A, PRE 14A, 10-K, 10KSB, 20-F, 40-F and N-CSRs. In cases where two disclosures filed by the same registrant within the same year provide inconsistent fee information (i.e., the PRE 14A discloses different numbers than the DEF 14A), the DEF 14A is given precedence over other forms. The definitions of the audit fee categories contained in the database are provided at the end of the report. For further information regarding the auditor fee categories, see SEC Final Rule 33-8183, with an effective date of May 6, 2003 (corrected March 31, 2003), and its predecessor rule, SEC Final Rule 33-7919.

Population

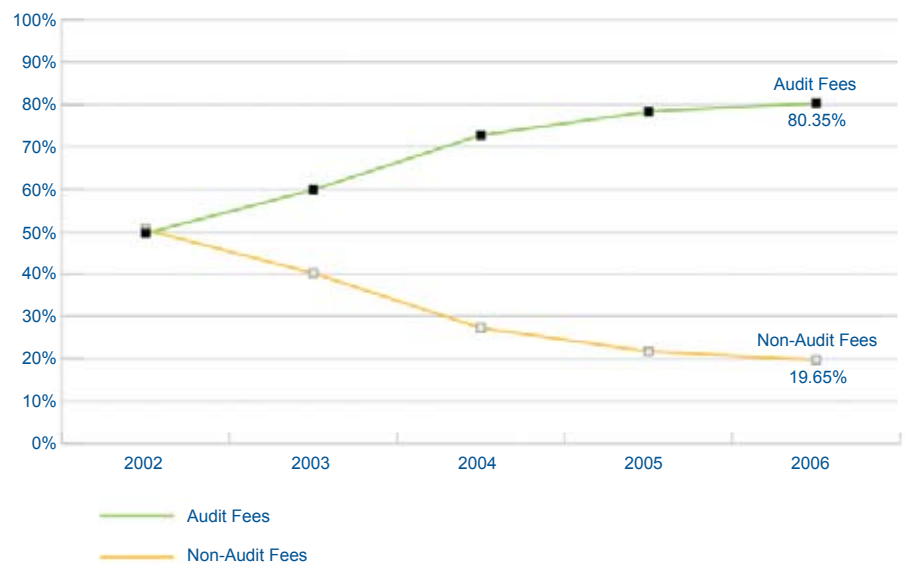
The audit fee analysis herein concentrates on those fees paid and disclosed by accelerated filers. The initial population comprised of all accelerated filers as identified on March 5, 2008. Audit Analytics reviewed this initial population of 5,173 registrants to determine which of those disclosed auditor fees for each and every year from 2002 to 2006, inclusive.¹ This historical data requirement distilled the population to a total of 3,667 accelerated files.

Executive Summary – Audit Fee Trends from 2002 to 2006

1. From 2002 to 2006, non-audit fees have consistently dropped as a percentage of the total fees paid by accelerated filers.

During calendar year 2002, non-audit fees represented 50.44% of the total fees paid to independent auditors by the 3,667 accelerated filers that comprise the research population of this analysis. (See table on page 3: Total Audit Fees & Non-Audit Fees Paid by Accelerated Filers.) In 2003, the percentage dropped to 40.17% and continued to drop the following years. In 2004, non-audit fees equaled 27.21% of total fees and in 2005 they equaled 21.67%. Another drop occurred in 2006, with non-audit fees representing only 19.65% of total audit fees paid. (See graph on right.)

Audit Fees & Non-Audit Fees as a % of Total Fees



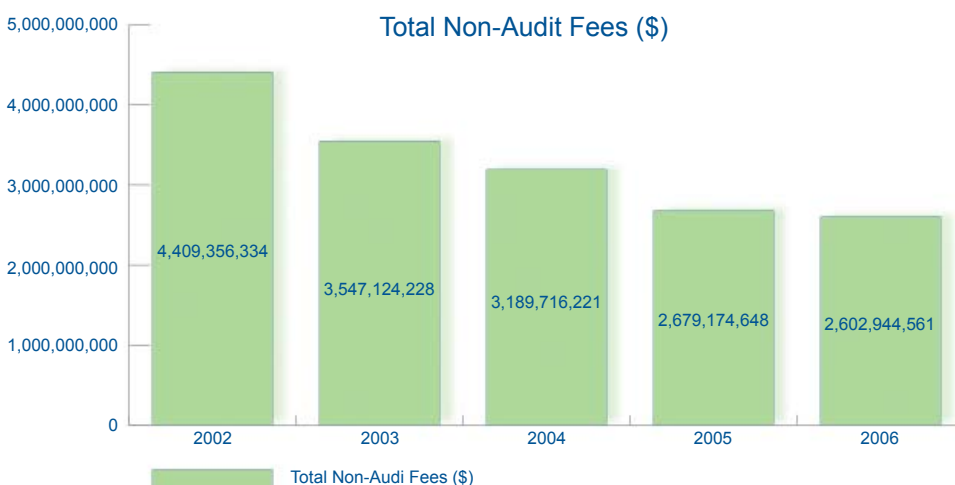
¹ Only a small percentage of calendar year 2007 fees were disclosed as of the research date of this brief and thus 2007 is not presented in this analysis.

Non-Audit Fees – A Five Year Trend

Executive Summary – Audit Fee Trends from 2002 to 2006 *(continued)*

2. The total dollar amount paid for non-audit fees by accelerated filers has decreased every year from 2002 to 2006, inclusive.

As shown in the graph on the right, the total dollar amount paid to independent auditors by accelerated filers for non-audit fees has decreased each and every year since 2002. In 2002, accelerated filers paid a total of \$4,409,356,334 for non-audit fees. (See table on page 3: Total Audit Fees & Non-Audit Fees Paid by Accelerated Filers.)² Such fees amounted to \$3,547,124,228 in calendar year 2003, a 20% decrease. Further decreases in 2004, 2005 and 2006 resulted in a 2006 dollar amount of \$2,602,944,561. Therefore, in 2006, accelerated filers paid only 59% of the non-audit fee amount paid in 2002.



² Non-Audit Fees includes Audit Related Fees, which were relatively flat over the five years (approximately 1.2 billion total dollars each year). For actual dollar values of Audit Related Fees, see Note 3 of table on page 3: Total Audit Fees & Non-Audit Fees Paid by Accelerated Filers.

Non-Audit Fees – A Five Year Trend

Total Audit Fees & Non-Audit Fees Paid by Accelerated Filers Over Five Years (3,667 Accelerated Filers)

Total Fees & Non-Audit Fees Paid by Accelerated Filers¹

	2002		2003		2004		2005		2006	
	\$	%	\$	%	\$	%	\$	%	\$	%
Total Audit Fees ²	4,331,699,281	49.56%	5,283,073,033	59.83%	8,533,164,752	72.79%	9,684,285,746	78.33%	10,640,723,984	80.35%
Total Non-Audit Fees ³	4,409,356,334	50.44%	3,547,124,228	40.17%	3,189,716,221	27.21%	2,679,174,648	21.67%	2,602,944,561	19.65%
Total Fees	8,741,055,615		8,830,197,261		11,722,880,973		12,363,460,394		13,243,668,545	

Notes

- 1) The research above is based on fees disclosed in SEC filings as of March 5, 2008. Only a small percentage of calendar year 2007 fees have been disclosed by registrants as of the research date and thus 2007 is not presented.
- 2) The fees above are based on fees paid by a population of 3667 accelerated filers, all accelerated filers as identified on March 5, 2008 that disclosed audit fees for each and every year displayed.
- 3) The total non-audit fees represent the aggregate of all other disclosed fees that are not audit fees. For a breakdown of the fees that constitute the total non-audit fees, see definitions on next page. Non-audit fees includes Audit Related Fees, which have been relatively flat over the five years:

2002: \$1,105,623,207
 2003: \$1,242,290,444
 2004: \$1,319,325,530
 2005: \$1,243,898,341
 2006: \$1,265,410,568

Non-Audit Fees – A Five Year Trend

Audit Fee Category Definitions

Audit Fees

Consists of all fees necessary to perform the audit or review in accordance with GAAS. This category also may include services that generally only the independent accountant reasonably can provide, such as comfort letters, statutory audits, attest services, consents and assistance with and review of documents filed with the SEC.

Total Non-Audit Fees

The sum of Audit Related Fees, Benefit Plan Related Fees, FISDI Fees, Tax Related Fees and Other/Misc Fees.

• **Audit Related Fees**

In general are assurance and related services (e.g., due diligence services) that traditionally are performed by the independent accountant. More specifically, these services would include, among others: employee benefit plan audits, due diligence related to mergers and acquisitions, accounting consultations and audits in connection with acquisitions, internal control reviews, attest services that are not required by statute or regulation and consultation concerning financial accounting and reporting standards.

• **Benefit Plan Related Fees**

In general these fees compose part of the total audit related fee number. In cases where the registrant itemizes their audit related fees and discloses the fees associated with benefit plan audits, the benefit plan fees are subtracted from the total audit related fees and entered under this field.

• **FISDI Fees**

Financial information systems design and implementation related fees. Currently the principal accountant is prohibited from such services. With the implementation of SEC Rule 33-8183, with an effective date of May 6, 2003 and a corrected March 31, 2003.

• **Tax Related Fees**

Typically this category would include fees for tax compliance, tax planning, and tax advice. Tax compliance generally involves preparation of original and amended tax returns, claims for refund, and tax payment-planning services. Tax planning and tax advice encompass a diverse range of services, including assistance with tax audits and appeals, tax advice related to mergers and acquisitions, employee benefit plans and requests for rulings or technical advice from taxing authorities. This category would not capture those services related to the audit.

• **Other/Miscellaneous Fees**

All other auditor fees. (Note that prior to the implementation of SEC Rule 33-8183, with an effective date of May 6, 2003 and a corrected March 31, 2003, this category included tax related fees and audit related fees.)

Non-Audit Fees – A Five Year Trend

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Track Section 404 internal control disclosures and Section 302 disclosure controls.

- **Auditor Information**

Know who is auditing whom, their fees, auditor changes, auditor opinions and more.

- **Restatements**

Identify financial restatements by type, auditor and peer group. Analyze by date, period and specific issue.

- **Litigation & Legal Disclosures**

Search all federal litigation by auditor, company and litigation type. Know who is representing whom.

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