

## GROWTH STOCK RECOMMENDATIONS BY INDUSTRY SECTOR

<u>SECTOR</u>	<u>PAST/CURRENT STATS</u>						<u>FUTURE ESTIMATES</u>			
	Stock (\$ price 6/10/04)	52-wk* range	EPS \$ (TTM)	P/E* current	Rev. History	Debt/ Equity	Price/ Sales	Fwd P/E*	Growth 5-yr Est	P/E/G 5 yr
<b><u>TECHNOLOGY</u></b>										
Flextronics	16.93	9-19	-0.67	-25	5	0.50	0.63	24	21	1.12
L-3 Communications	65.00	41-66	2.88	23	5	0.00	1.40	19	15	1.28
UTStarcom	30.55	25-46	1.71	18	5	0.30	1.80	17	19	0.87
<b><u>TECH SERVICES</u></b>										
Comcast	28.79	25-35	-0.07	neg.	5	0.00	2.20	76	12	6.31
<b><u>HEALTH CARE</u></b>										
Amgen	55.37	53-72	1.84	30	5	0.00	8.40	23	21	1.10
Biogen IDEC	59.55	31-64	-4.80	-12	5	0.30	30.2	42	20	1.47
Cardinal Health	68.84	54-76	3.43	20	5	0.50	0.60	19	16	1.19
Pfizer	35.66	29-38	1.64	22	4	1.10	6.10	17	14	1.21
Teva Pharma.	66.23	50-67	1.95	34	5	0.80	5.20	24	21	1.16
<b><u>FINANCIALS</u></b>										
Capital One	70.16	44-77	5.41	13	5	1.20	1.70	12	16	0.75
<b><u>INDUSTRIALS</u></b>										
<b><u>RETAIL/CONSUMER</u></b>										
Panera Bread Co.	34.42	32-47	1.07	32	4	0.00	2.80	27	30	0.90
Sharper Image	28.80	22-39	1.73	17	3	0.00	0.70	14	20	0.72
<b><u>ENERGY</u></b>										
Nabors Ind.	41.77	33-49	1.42	29	2	0.90	3.30	21	19	1.13
Pioneer Nat.Res.	32.30	22-34	3.25	10	2	0.80	2.90	13	11	1.16
<b>S&amp;P 500</b>	1136	960-1163		21.8		1.20	1.60	13		1.47

\* These numbers have been rounded to whole numbers.

**Price:** closing price on date shown; **Price Range:** from Schwab

**EPS (TTM or recently completed year):** earnings per share from Schwab (TTM=trailing twelve months)

**P/E:** formula is current price divided by current eps; **Forward P/E:** current price divided by 2004 eps

**Revenue History:** years of increasing revenues from Morningstar's 5-yr Financials Restated

**Debt/Equity:** total liabilities/total shareholder equity (debt as a % of equity) from Schwab

**Price/Sales:** price per share divided by sales per share from Schwab

**5-Yr Growth:** annualized growth per consensus of analysts' estimates (from Schwab)

**P/E/G:** formula: current price divided by EPS estimate for next year (not shown) divided by 5-yr growth est

**S&P stats** are from Schwab, Briefing.com.

### **GARP (GROWTH AT A REASONABLE PRICE) GUIDELINES**

Debt/Equity – should be less than 1.00, i.e. debt is less than equity

Price/Sales – a measure of value, like P/E – price more “reasonable” if less than 2.00 times sales

Forward P/E – should be less than P/E; Growth 5-yr Est – should be at least that for the S&P 500 Index

P/E/G – stock is undervalued if less than 1.00; fairly valued around 1.00; overvalued if greater than 2.00