

GROWTH STOCK RECOMMENDATIONS BY INDUSTRY SECTOR

<u>SECTOR</u>	<u>PAST/CURRENT STATS</u>						<u>FUTURE ESTIMATES</u>			
	Stock (\$ price 7/30/04)	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
<u>TECHNOLOGY</u>										
UTStarcom	18.25	17-46	1.71	11	5	0.30	1.00	11	19	0.57
<u>TECH SERVICES</u>										
None on list currently										
<u>HEALTH CARE</u>										
Amgen	56.88	52-70	1.96	29	5	0.00	8.70	24	20	1.18
Teva Pharma.	29.60	26-34 (2 for 1 split)	0.64	46	5	0.80	5.20	21	22	1.03
<u>FINANCIALS</u>										
Capital One	69.32	45-77	5.77	12	5	1.20	1.70	15	12	0.78
<u>INDUSTRIALS</u>										
None on list currently										
<u>RETAIL/CONSUMER</u>										
Panera Bread Co.	36.89	32-47	1.07	34	4	0.00	3.00	29	30	0.98
<u>ENERGY</u>										
Nabors Ind.	46.50	33-49	1.51	31	2	0.90	3.70	26	22	1.16
S&P 500	1101	960-1163	55.03	20		1.10	1.60	13	17	1.34

* 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