

GROWTH STOCK RECOMMENDATIONS BY INDUSTRY SECTOR

<u>SECTOR</u>	<u>PAST/CURRENT STATS</u>						<u>FUTURE ESTIMATES</u>			
	<u>Stock</u> (\$ price 10/29/04)	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>										
Rofin-Sinar Tech.	29.00	19-38	1.73	17	5	0.10	1.70	16	20	0.79
<u>TECH SERVICES</u>										
None on list currently										
<u>HEALTH CARE</u>										
Amgen	56.00	52-66	2.14	26	5	0.04	8.60	20	19	1.21
Teva Pharma.	26.00	23-34	0.21	124	5	0.10	4.30	16	20	0.94
<u>FINANCIALS</u>										
Capital One	73.76	55-77	6.57	11	5	2.20	1.80	11	15	0.78
<u>INDUSTRIALS</u>										
None on list currently										
<u>RETAIL/CONSUMER</u>										
None on list currently										
<u>ENERGY</u>										
Devon Energy	73.97	46-77	7.98	9	5	1.30	2.60	9	5	1.80
Nabors Ind.	49.12	35-51	1.66	30	2	0.90	4.10	19	19	1.42
S&P 500	1130	1068-1163	58.54	19		1.10	1.50	19	12	1.80

* 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 2005 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