



Stock Selection Guide[®]

The most widely used aid to good investment judgment

Company FACTSET RESEARCH SYSTEMS Date 03/12/04

Prepared by MG Data taken from NAIC Data

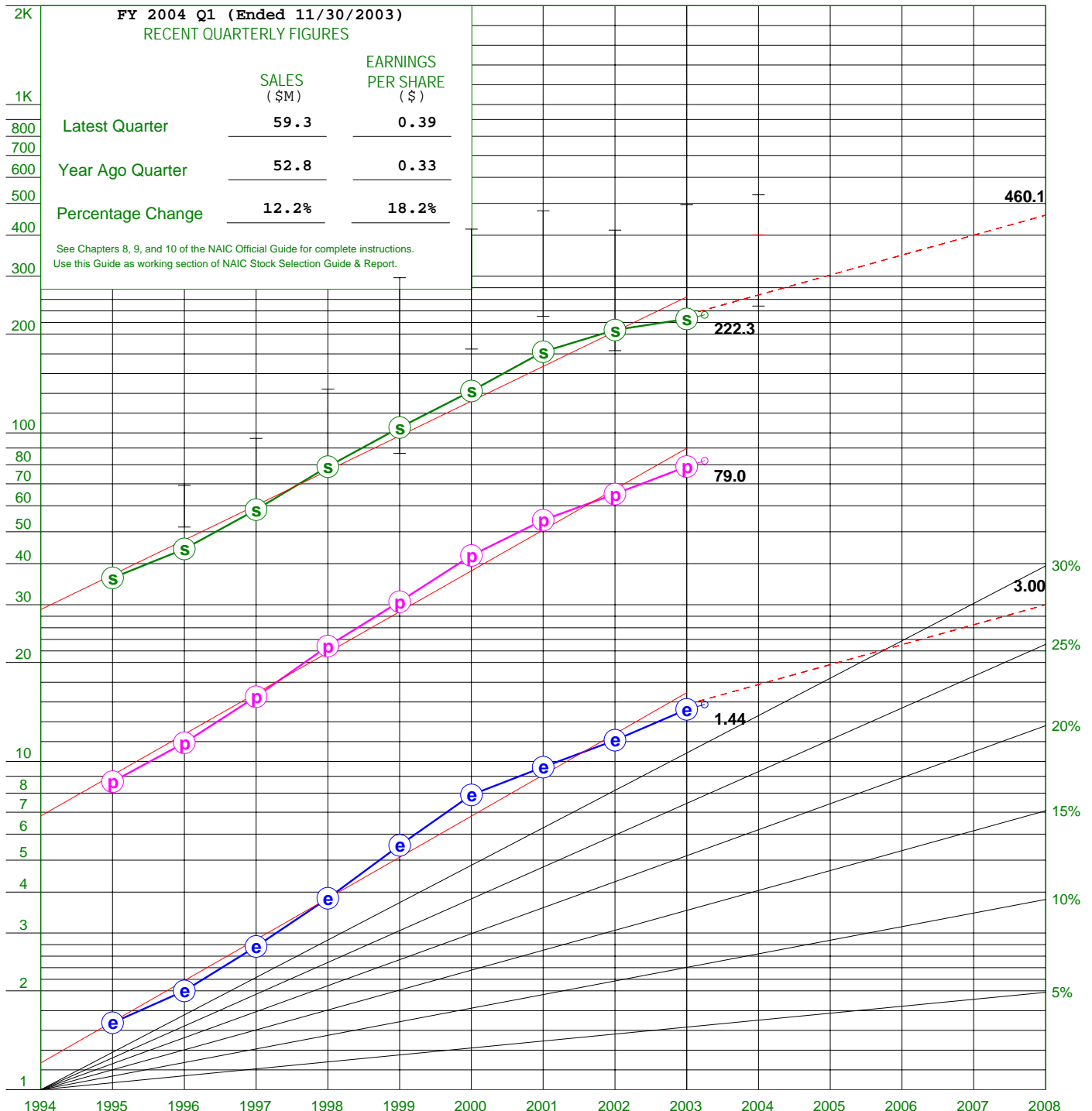
Where traded NYSE Major product/service Application

CAPITALIZATION --- Outstanding Amounts Reference

Preferred (\$M)	0.0	% Insiders	% Institution	
Common (M Shares)	33.8	47.9	59.1	
Debt (\$M)	0.0	% to Tot.Cap.	0.0	% Potential Dil. None

1 VISUAL ANALYSIS of Sales, Earnings and Price

FDS



(1) Historical Sales Growth 27.6 %

(3) Historical Earnings Per Share Growth 33.4 %

(2) Estimated Future Sales Growth 15.0 %

(4) Estimated Future Earnings Per Share Growth 15.0 %

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	LAST 5 YEAR AVG.	TREND	
												UP	DOWN
A % Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)		24.0	25.7	27.0	28.4	29.5	31.5	30.7	31.6	35.5	31.8	UP	
B % Earned on Equity (E/S ÷ Book Value)		21.2	20.3	20.8	21.8	22.6	25.2	23.2	22.1	22.8	23.2		EVEN

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.

Year	PRESENT PRICE		40.100	HIGH THIS YEAR	53.090	LOW THIS YEAR	24.350			
	A	B	C	D		E	F	G	H	
	PRICE	PRICE	Earnings Per Share	Price Earnings Ratio		Dividend Per Share	% Payout	% High Yield		
	HIGH	LOW		HIGH A ÷ C	LOW B ÷ C		F ÷ C X 100	F ÷ B X 100		
1 1999	29.7	8.7	0.56	53.5	15.7	0.075	13.5	0.9		
2 2000	41.8	18.0	0.79	52.9	22.8	0.115	14.6	0.6		
3 2001	47.5	22.7	0.96	49.5	23.6	0.140	14.6	0.6		
4 2002	41.5	17.8	1.16	35.8	15.3	0.180	15.5	1.0		
5 2003	49.5	22.0	1.44	34.4	15.3	0.220	15.3	1.0		
6 TOTAL		89.2		70.2	46.3		73.5			
7 AVERAGE		17.8		35.1	15.4		14.7			
8 AVERAGE PRICE EARNINGS RATIO			25.2	9 CURRENT PRICE EARNINGS RATIO				26.9		

4 Proj. P/E [23.40] Based on Next 4 qtr. EPS [1.71] Current P/E Based on Last 4 qtr. EPS [1.49] 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 35.1 (3D7 as adj.) X Estimate High Earnings/Share 3.00 = Forecast High Price \$ 105.3 (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E 15.4 (3E7 as adj.) X Estimated Low Earnings/Share 1.44 = \$ 22.2

(b) Avg. Low Price of Last 5 Years = 17.8 (3B7)

(c) Recent Severe Market Low Price = 17.8

(d) Price Dividend Will Support $\frac{\text{Present Divd.}}{\text{High Yield (H)}} = \frac{0.240}{0.010} = 23.7$

Selected Estimate Low Price = \$ 19.0 (4B1)

C ZONING

105.3 (4A1) High Forecast Price Minus 19.0 (4B1) Low Forecast Price Equals 86.3 (C) Range. 1/3 of Range = 21.6 (4CD)

(4C2) Lower 1/3 = 19.0 (4B1) to 40.6 (Buy) Note: Ranges changed to 25%/50%/25%

(4C3) Middle 1/3 = 40.6 to 83.7 (Maybe)

(4C4) Upper 1/3 = 83.7 to 105.3 (4A1) (Sell)

Present Market Price of 40.100 is in the Buy (4C5) Range

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

High Price (4A1) 105.3 Minus Present Price 40.100 = 65.2 = 3.1 To 1
 Present Price 40.100 Minus Low Price (4B1) 19.0 = 21.1 (4D)

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

High Price (4A1) 105.3
 Present Market Price 40.100 = (2.626) X 100 = (262.6) - 100 = 162.6 (4E) % Appreciation

Relative Value: 106.7% Proj. Relative Value: 92.9%

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.

A Present Full Year's Dividend \$ 0.240
 Present Price of Stock \$ 40.100 = 0.006 X 100 = 0.6 (5A) Present Yield or % Returned on Purchase Price

B AVERAGE YIELD OVER NEXT 5 YEARS
 Avg. Earnings Per Share Next 5 Years 2.27 X Avg. % Payout (3G7) 14.7 = 33.4 = 0.8 % (5B)

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

	5 Year Appreciation Potential (4E)		P.A.R.	Tot. Ret.
5	<u>162.6</u>	<u>32.5</u> %	<u>0.6%</u>	<u>0.4%</u>
Average Yield (5B)	<u>0.8</u> %		<u>13.6%</u>	<u>21.3%</u>
Average Total Annual Return Over the Next 5 Years (5C)	<u>33.3</u> %		<u>14.1%</u>	<u>21.7%</u>

PERT Worksheet-A Graph

Company FACTSET RESEARCH SYSTEMS

(FDS)

