



Stock Selection Guide[®]

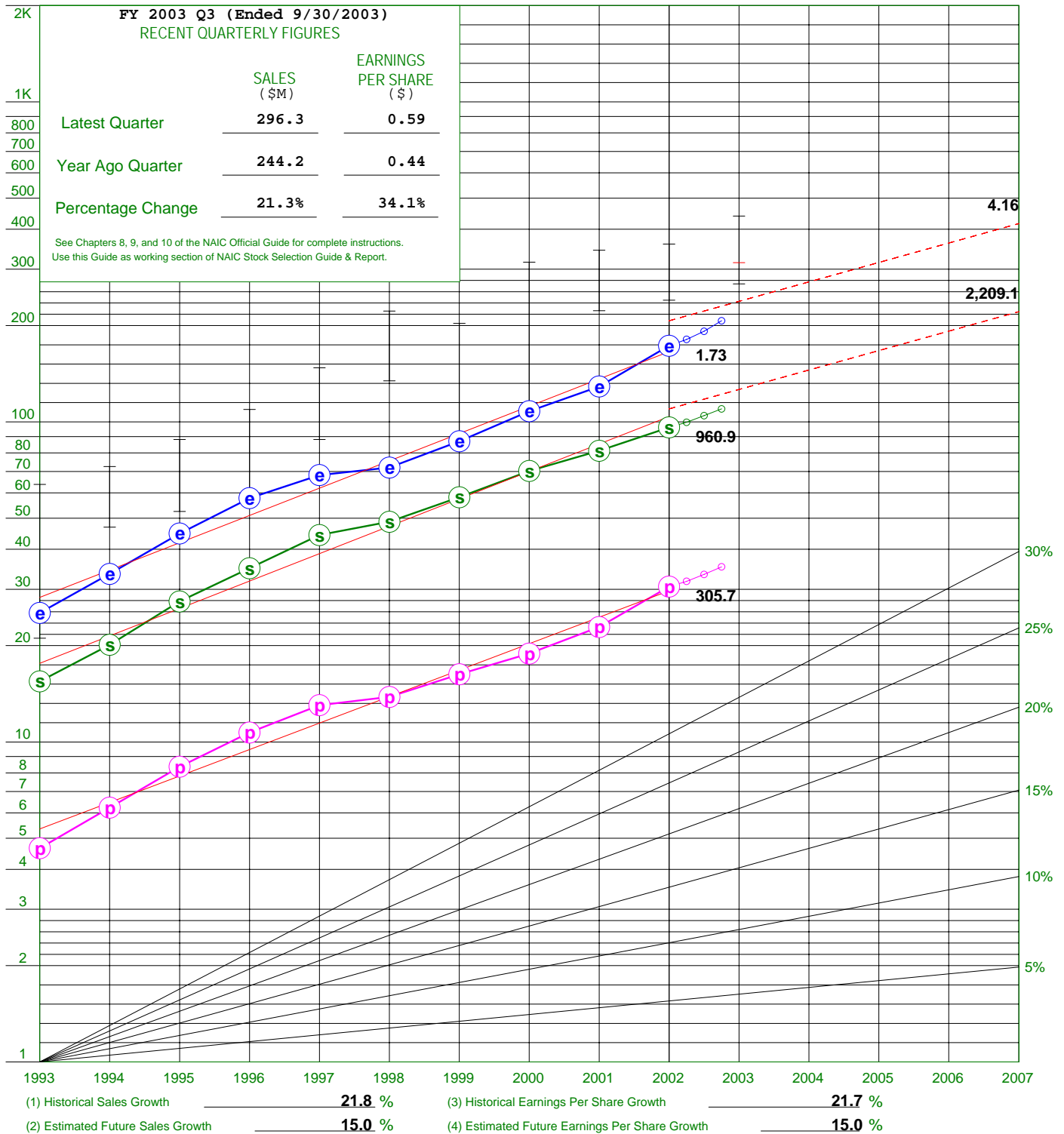
The most widely used aid to good investment judgment

Company LINCARE HOLDINGS INC. Date 02/06/04
 Prepared by MG Data taken from NAIC Data
 Where traded NASDAQ Major product/service Health Care

CAPITALIZATION --- Outstanding Amounts		Reference	
Preferred (\$M)	0.0	% Insiders	% Institution
Common (M Shares)	98.4	24.0	103.7
Debt (\$M)	441.5	% to Tot.Cap.	35.7
		% Potential Dil.	None

1 VISUAL ANALYSIS of Sales, Earnings and Price

LNCR



2 EVALUATING MANAGEMENT

Company **LINCARE HOLDINGS INC.** (LNCR)

02/06/04

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	LAST 5 YEAR AVG.	TREND	
												UP	DOWN
A % Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	30.1	31.0	30.4	30.7	29.4	28.4	28.0	26.9	28.1	31.8	28.6	UP	
B % Earned on Equity (E/S ÷ Book Value)	22.8	22.4	22.4	21.8	19.9	16.9	19.4	19.7	18.8	21.4	19.2	UP	

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		31.440	HIGH THIS YEAR	43.980	LOW THIS YEAR	27.000			
	A	B	C	D		E	F	G	H	
	HIGH	LOW	Earnings Per Share	Price Earnings Ratio		Dividend Per Share	% Payout	% High Yield		
1 1998	22.2	13.4	0.72	30.8	18.6	0.000	0.0	0.0		
2 1999	20.3	8.6	0.87	23.3	9.9	0.000	0.0	0.0		
3 2000	31.6	10.4	1.08	29.3	9.6	0.000	0.0	0.0		
4 2001	34.4	22.3	1.29	26.7	17.3	0.000	0.0	0.0		
5 2002	36.0	24.0	1.73	20.8	13.9	0.000	0.0	0.0		
6 TOTAL		78.7		44.1	19.5		0.0			
7 AVERAGE		15.7		22.0	9.8		0.0			
8 AVERAGE PRICE EARNINGS RATIO			15.9	9 CURRENT PRICE EARNINGS RATIO				15.2		

4 Proj. P/E [13.21] Based on Next 4 qtr. EPS [2.38] Current P/E Based on Last 4 qtr. EPS [2.07] 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 22.0 X Estimate High Earnings/Share 4.16 = Forecast High Price \$ 91.5
(3D7 as adj.) (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E 9.8 X Estimated Low Earnings/Share 1.74 = \$ 17.0
(3E7 as adj.)

(b) Avg. Low Price of Last 5 Years = 15.7
(3B7)

(c) Recent Severe Market Low Price = 22.3

(d) Price Dividend Will Support $\frac{\text{Present Divd.}}{\text{High Yield (H)}} = \frac{0.000}{0.000} = 0.0$

Selected Estimate Low Price = \$ 17.0
(4B1)

C ZONING

91.5 High Forecast Price Minus 17.0 Low Forecast Price Equals 74.5 Range. 1/3 of Range = 18.6
(4A1) (4B1) (C) (4CD)

(4C2) Lower 1/3 = 17.0 to 35.6 (Buy) Note: Ranges changed to 25%/50%/25%

(4C3) Middle 1/3 = 35.6 to 72.9 (Maybe)

(4C4) Upper 1/3 = 72.9 to 91.5 (4A1) (Sell)

Present Market Price of 31.440 is in the Buy Range
(4C5)

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

High Price (4A1) 91.5 Minus Present Price 31.440
 Present Price 31.440 Minus Low Price (4B1) 17.0 = $\frac{60.1}{14.4} = 4.2$ To 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) 91.5
 Present Market Price 31.440 = $(\frac{2.910}{31.440}) \times 100 = (291.0) - 100 = 191.0$ % Appreciation
(4E)

Relative Value: 95.6% Proj. Relative Value: 83.1%

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 \$ 0.000
 Present Price of Stock \$ 31.440 = $\frac{0.000}{31.440} \times 100 = 0.0$ Present Yield or % Returned on Purchase Price
(5A)

B AVERAGE YIELD OVER NEXT 5 YEARS
 Avg. Earnings Per Share Next 5 Years 3.15 X Avg. % Payout (3G7) 0.0 = 0.0 = 0.0 %
(5B)

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

5 Year Appreciation Potential <small>(4E)</small>	<u>191.0</u>						
Average Yield <small>(5B)</small>	<u>0.0</u>		<u>38.2</u>	%	<u>0.0</u>		<u>0.0</u>
Average Total Annual Return Over the Next 5 Years <small>(5C)</small>	<u>38.2</u>	%			<u>16.0</u>		<u>23.8</u>
					<u>16.0</u>		<u>23.8</u>