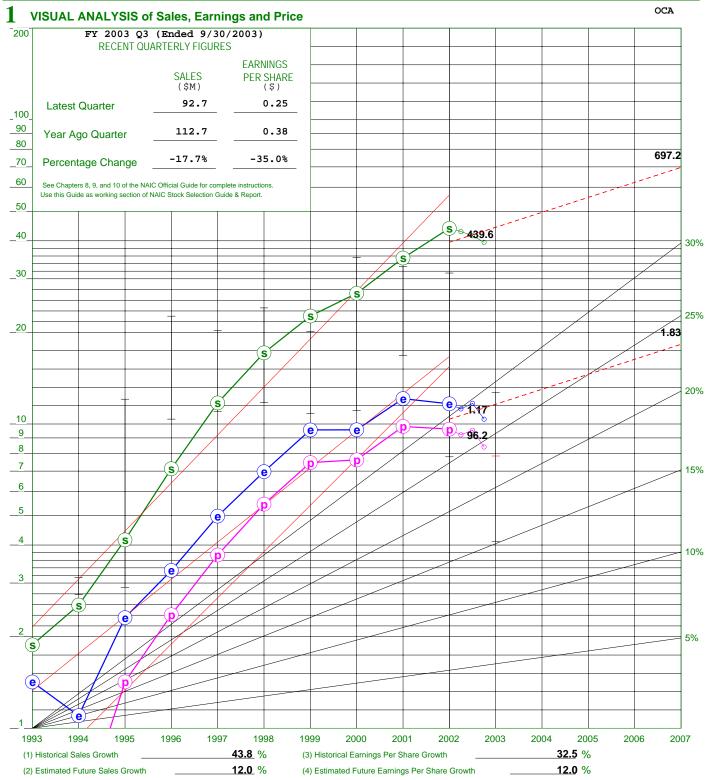


## Stock Selection Guide ®

The most widely used aid to good investment judgment

Company ORTHODONTIC	C CENTERS OF	AM	Da	te <u>12/</u>	22/03
Prepared by MG	D	ata tal	ken from	<u>M</u>	
Where traded NYSE	Major pro	duct/s	ervice <u></u>	Health	ncare
CADITALIZATION Outstand					
CAPITALIZATION Outstand	ing Amounts	Ref	erence -		
Preferred (\$M)	ing Amounts 0.0		erence <sub>-</sub> nsiders		
	3				itution



		1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	LAST 5	TREND	
		1993	1334	1993	1990	1997	1990	1333	2000	2001	2002	YEAR AVG.	UP	DOWN
1	% Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	34.2	18.7	34.1	33.1	31.6	31.8	33.0	28.4	28.0	21.9	28.6		DOWN
E	% Earned on Equity (E/S ÷ Book Value)	47.3	10.9	11.4	12.2	11.6	14.4	16.5	16.1	15.3	13.5	15.2		DOWN

## 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.

		PRESE	ENT PRICE	7.850	HIGH THIS YEAR	12.6	E80 LOW TH	IS YEAR	4.110
	Year	A PRICE B		C Earnings	D Price Earn	E nings Ratio	F Dividend	G % Payout	H % High Yield
		HIGH	LOW	Per Share	HIGH A ÷ C	LOW B÷C	Per Share	F ÷ C X 100	F ÷ B X 100
1	1998	24.1	11.8	0.70	34.6	16.9	0.000	0.0	0.0
2	1999	20.1	10.8	0.96	21.0	11.3	0.000	0.0	0.0
3	2000	35.3	11.1	0.96	36.9	11.6	0.000	0.0	0.0
4	2001	33.0	16.8	1.21	27.2	13.9	0.000	0.0	0.0
5	2002	31.3	7.8	1.17	26.9	6.7	0.000	0.0	0.0
6	TOTAL		58.3		75.1	31.9		0.0	
7	AVERAGE		11.7		25.0	10.6		0.0	
8	AVERAGE PRI	ICE EARNINGS RAT	10 17	.8	9 CURRENT PRI	CE EARNINGS RA	TIO	7.6	•

	boom every 5 year	rs, calculations are	e made of how i	high and how low the	e stock might .	sell. The u	pside-down	side ratio is the	e key to evaluatin	ng risk and rewar	rd.	
A HIGH PRICE NEXT 5 YEARS				<i>y</i>	,		,		,	,		
Avg. Hight /E	25.0	X Estimate	High Earnin	igs/Share	1	83		= Forecast	High Price \$		45.8	
B LOW PRICE NEXT 5 YEARS	7 as adj.)											(4A1)
(a) Avg. Low P/E	10.6	X	Estimated L	ow Earnings/Sha	are		1.17	=	= \$	12.3		
	(3E7 as adj.)		11.7	ow Lamingo, one					· —			-
(b) Avg. Low Price of Last 5	5 Years =		(3B7)	<del></del>								
(c) Recent Severe Market L	Low Price =		7.8									
(d) Price Dividend Will Sup	nort Pres	sent Divd.	=	0.000		=		0.0				
Selected Estimate Low Price	Hiah	Yield (H)		0.000						•	5.0	
									= 1	P	(4B1)	
C ZONING 45.8 High Forest	cast Price Minus	5.	0 10	ow Forecast Price	e Fauels		40.8	Range	1/3 of Range	۵ –	10.2	
(4A1)	bast Frice Willias	(4B		JW I Olecast File	e Lyuais	_	(C)	ixange.	1/3 of Italiy		(4CD)	
(4C2) Lower 1/3 =	(4B1)	5.0	to	1	5.2		(Buy)	Note: P	anges cha	anged to	25%/50%	/25%
(4C3) Middle 1/3 =		15.2	to	3	5.6		. ,,	Noce. K	anges che	inged co	23.67.30.67	25.0
(4C4) Upper 1/3 =		35.6	to	4	5.8	(404)	(Maybe)					
(404) Oppor 170 =	-					(4A1)	(Sell)					
Present Market Price of		7.	850		is in	the			<b>Buy</b> (4C5)			Range
High Price (4A1) 45.8		us Present Pric	•	7.850	=		20 N			12.2		
High Price (4A1) <b>45.8</b> Present Price <b>7.8</b>	8 Minu	us Present Price	(4B1)	5.0	=		38.0 2.9	oet torme \	=	13.3 (4D)	7	Го 1
High Price (4A1) 45.8  Present Price 7.8  E PRICE TARGET (Note: This she	8 Minu	us Present Price	(4B1)	5.0	= = - ext five yea		2.9	est terms.)	=			Го 1
High Price (4A1) 45.8  Present Price 7.8  E PRICE TARGET (Note: This she  High Price (4A1) 45	Minutes 50	us Present Price	(4B1)	5.0			2.9	est terms.)	=			Γο 1 preciation
High Price (4A1) 45.8  Present Price 7.8  E PRICE TARGET (Note: This sh	Minu Minu Minu Minu Minu Minu Minu Minu	us Present Price	(4B1) ce apprecia	5.0 tion over the ne	= (	rs in sim	2.9  inple interes	_ ) - 100 =		(4D) 483.4 (4E)	% Ap	preciation
High Price (4A1)   45.8	Minutes Minute	us Present Price inus Low Price tial market pri  = = (	(4B1) ce apprecia 5.834	5.0 tion over the ne	e (	583	2.9  inple interes  4  Value:	_ ) - 100 = : <b>42.7</b> %	Proj.	(4D)  483.4 (4E)  Relative	% Ap	preciation
High Price (4A1) 45.8  Present Price 7.8  E PRICE TARGET (Note: This she  High Price (4A1) 45	Minutes Minute	us Present Price inus Low Price tial market pri = = (	(4B1) ce apprecia 5 . 834	5.0  tion over the ne  ) X 100 =	Relat	583	2.9  pple intered  4  Value:	_ ) - 100 = : <b>42.7%</b>	<b>Proj.</b>	(4D)  483.4 (4E)  Relative	% Ap	preciation
High Price (4A1)	Minutes Minute	us Present Price inus Low Price tial market pri  = = (	(4B1)  ce apprecia  5 . 834  tion with divide.	5.0  tion over the ne  ) X 100 =  nd yield to get an es ote: Results are exp	Relatitimate of total	583	2.9  pple intered  4  Value:  provides a s.  de; use the file	_ ) - 100 =  : 42.7%  ctandard for contable below to	Proj.  mparing income a	(4D)  483.4 (4E)  Relative and growth stock ompound rate.	% Ap e Value	preciation
High Price (4A1)	Minutes Services Minutes Min	us Present Pric inus Low Price tial market pri = = (	(4B1)  ce apprecia  5 . 834  tion with divide.	5.0  tion over the ne  ) X 100 =  nd yield to get an es ote: Results are exp	Relat	583	2.9  pple intered  4  Value:  provides a s.  de; use the file	_ ) - 100 =  : 42.7%  ctandard for contable below to	Proj.  mparing income a	(4D)  483.4 (4E)  Relative	% Ap e Value	preciation
High Price (4A1)   45.8	8 Minu 150 M  ows the potent  .8  7.850  This combit  7.85	us Present Pric inus Low Price tial market pri = = (	(4B1)  ce apprecia  5 . 834  tion with divide.	5.0  tion over the ne  ) X 100 =  nd yield to get an es ote: Results are exp	Relatitimate of total	583	2.9  pple intered  4  Value:  provides a s.  de; use the file	_ ) - 100 =  : 42.7%  ctandard for contable below to	Proj.  mparing income a	(4D)  483.4 (4E)  Relative and growth stock ompound rate.	% Ap e Value	preciation
High Price (4A1) 45.8  Present Price 7.8  E PRICE TARGET (Note: This she High Price (4A1) 45  Present Market Price 5-YEAR POTENTIAL  A Present Full Year's Dividend \$  Present Price of Stock \$	Minutes 150 Minute	us Present Pric inus Low Price tial market pri = = (	(4B1)  ce apprecia  5 . 834  tition with divide.  No	tion over the ne  1 X 100 =  2 And yield to get an estote: Results are exp  1 000 X	Relate Relate Relate Itimate of total pressed as a second	583	2.9  pple intered  4  Value:  provides a s.  de; use the file	. 100 = . 42.7%	Proj.  mparing income a	(4D)  483.4 (4E)  Relative and growth stock ompound rate.	% Ap e Value s. se Price	preciation
High Price (4A1) 45.8  Present Price 7.8  E PRICE TARGET (Note: This she High Price (4A1) 45  Present Market Price 5-YEAR POTENTIAL  A Present Full Year's Dividend \$ Present Price of Stock \$ B AVERAGE YIELD OVER NEXT	Minutes 150 Minute	us Present Pric inus Low Price tial market pri = = (	(4B1)  ce apprecia  5 . 834  tition with divide.  No	tion over the ne  1 X 100 =  2 And yield to get an estote: Results are exp  1 000 X	Relate Relate Relate Itimate of total pressed as a second	583 tive 7 return. It p simple rat (5A)	2.9 nple interes .4  Value: provides a s e; use the to 0 p	_ ) - 100 =  : 42.7%  :landard for contable below to	Proj.  mparing income a convert to a co	(4D)  483.4 (4E)  Relative and growth stock ompound rate.	% Ap e Value	preciation
High Price (4A1) 45.8  Present Price 7.8  E PRICE TARGET (Note: This she High Price (4A1) 45  Present Market Price 5-YEAR POTENTIAL  A Present Full Year's Dividend \$ Present Price of Stock \$ B AVERAGE YIELD OVER NEXT	Minutes Services Serv	inus Low Price tial market pri  = = (  nes price apprecia  0000  50	(4B1)  ce apprecia  5.834  tion with divide  0.  X Avg.	tion over the ne  1 X 100 =  2 And yield to get an estote: Results are exp  1 000 X	Relate Relate Relate Itimate of total pressed as a second	583 tive \( / return.	2.9 nple interes .4  Value: provides a s e; use the to 0 p	_ ) - 100 =  : 42.7%  :landard for contable below to	Proj.  mparing income a convert to a co	(4D)  483.4  (4E)  Relative and growth stock ompound rate. ed on Purchas	% Ap  e Value  se Price  0.0  (5B)	preciation
High Price (4A1) 45.8  Present Price 7.8  E PRICE TARGET (Note: This she High Price (4A1) 45  Present Market Price 5-YEAR POTENTIAL  A Present Full Year's Dividend \$ Present Price of Stock \$  B AVERAGE YIELD OVER NEXT Avg. Earnings Per Share Next	Minutes Services Serv	us Present Price inus Low Price tial market pri = = (	(4B1)  ce apprecia  5.834  tion with divide  0.  X Avg.	5.0  tion over the ne  ) X 100 =  nd yield to get an es ote: Results are exp 0000 X  % Payout (3	Relate Relate Relate Itimate of total pressed as a second	583 tive 7 return. It p simple rat (5A)	2.9  pple intered.  4  Value:  provides a s  per use the t  0  P  Price \$		Proj.  mparing income a convert to a co	(4D)  483.4  (4E)  Relative and growth stock ompound rate. ed on Purchas  =  P.A.R.	% Ap  e Value  se Price  0.0  (5B)	preciation  37.9  % Ret.
High Price (4A1) 45.8  Present Price 7.8  E PRICE TARGET (Note: This she High Price (4A1) 45  Present Market Price 5-YEAR POTENTIAL  A Present Full Year's Dividend \$ Present Price of Stock \$  B AVERAGE YIELD OVER NEXT Avg. Earnings Per Share Next  C ESTIMATED AVERAGE ANNU 5 Year Appreciation Potential	Minutes Services Serv	inus Low Price tial market pri  = = (  nes price apprecia  0000  50	(4B1)  ce apprecia  5.834  tion with divide  0.  X Avg.	5.0  tion over the ne	Relate Relate Relate Itimate of total pressed as a second	583 tive return. II   simple rat  0. (5A)	2.9  pple interes  4  Value:  provides a s  e; use the to  Price \$	. 42.7%  tandard for contable below to  Present Yield  7.  Average	Proj. mparing income a convert to a cc or % Returns 0.0 850 Yield	(4D)  483.4  (4E)  Relative and growth stock ompound rate. ed on Purchas	% Ap  e Value  se Price  0.0  (5B)	yreciation  37.9  %  Ret. 0.09
High Price (4A1) 45.8  Present Price 7.8  E PRICE TARGET (Note: This she High Price (4A1) 45  Present Market Price 5-YEAR POTENTIAL  A Present Full Year's Dividend \$ Present Price of Stock \$  B AVERAGE YIELD OVER NEXT Avg. Earnings Per Share Next  C ESTIMATED AVERAGE ANNU 5 Year Appreciation Potential	8 Minu 150 M ows the potent 1.8 7.850  7.850  7.85 5 YEARS 5 YEARS 6 (4E) 4	inus Low Price inus Low Price tial market pri = = (  nes price apprecia 0000 50	(4B1)  ce apprecia  5.834  tion with divide  0.  X Avg.	tion over the ne  1 X 100 =  2 And yield to get an es  2 Oto: Results are exp  3 Oto: Results are exp  4 And Yield to get an es  5 Oto: Results are exp  6 Oto: Results are exp	Relating to total pressed as a a segret of the segret of t	583 tive return. It j simple rat (5A) 0.0 Present	2.9  pple intered. 4  Value:  provides a size; use the to provide size and the provide size are the to provide size are the to provide size are the top provide size are the top		Proj.  mparing income a convert to a co or % Returne  . 0  850  Yield iation	(4D)  483.4  (4E)  Relative and growth stock ompound rate.  ed on Purchas  =  P.A.R. 0.0%	% Ap  e Value  se Price  0.0  (5B)	preciation 37.9

## PERT Worksheet-A Graph

Company ORTHODONTIC CENTERS OF AM

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