



Stock Selection Guide[®]

The most widely used aid to good investment judgment

Company PATTERSON DENTAL COMPANY Date 12/22/03

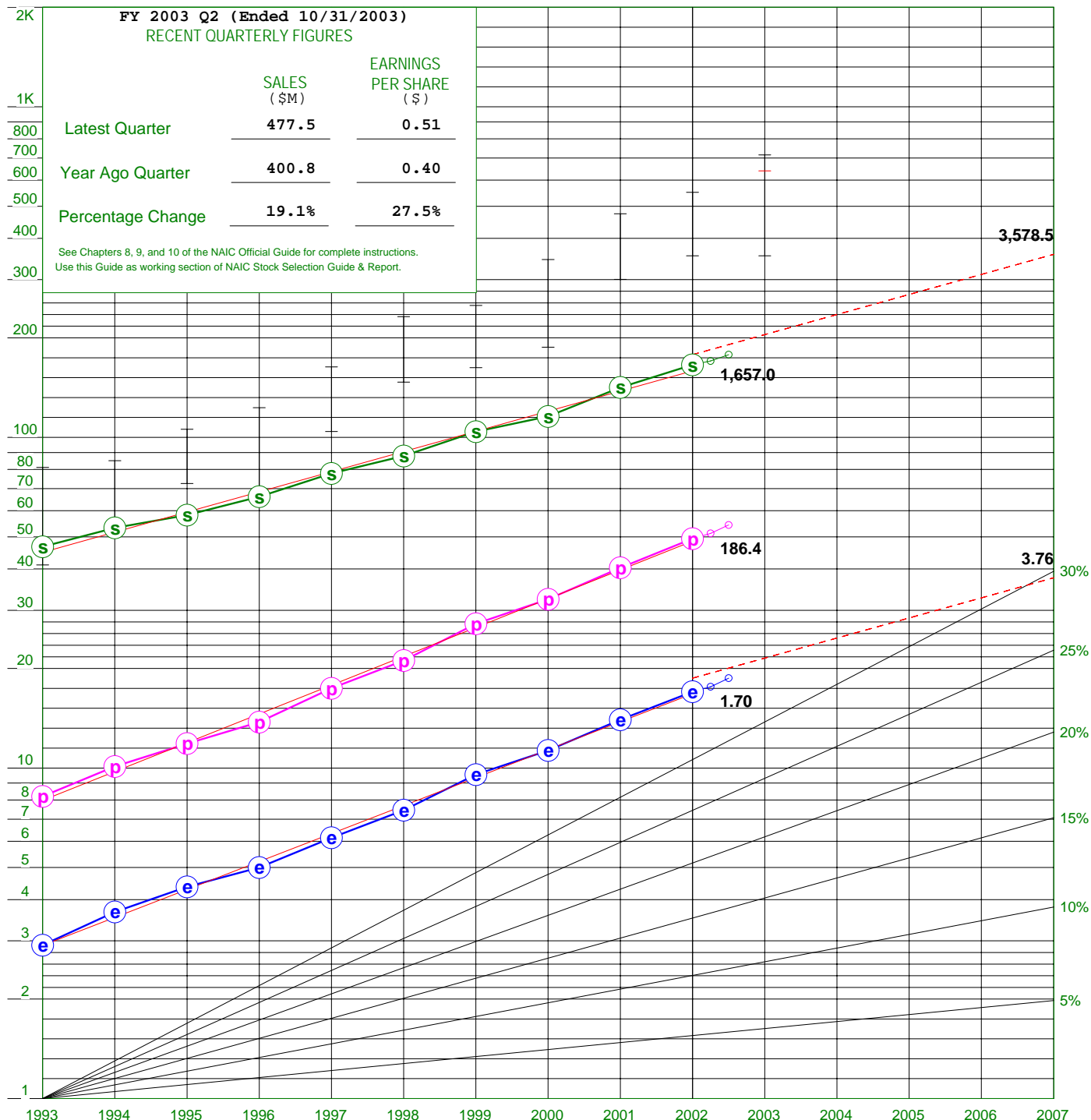
Prepared by MG Data taken from NAIC Data

Where traded NASDAQ Major product/service Health Care

CAPITALIZATION --- Outstanding Amounts		Reference	
Preferred (\$M)	0.0	% Insiders	% Institution
Common (M Shares)	68.2	33.0	60.1
Debt (\$M)	500.0	% to Tot.Cap.	44.1
		% Potential Dil.	None

1 VISUAL ANALYSIS of Sales, Earnings and Price

PDCO



(1) Historical Sales Growth 15.1 % (3) Historical Earnings Per Share Growth 21.5 %
 (2) Estimated Future Sales Growth 15.0 % (4) Estimated Future Earnings Per Share Growth 15.0 %

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2 EVALUATING MANAGEMENT

Company

PATTERSON DENTAL COMPANY

(PDCO)

12/22/03

	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)	6.6	7.2	7.7	7.9	8.4	9.1	9.9	10.6	10.8	11.2	10.3	UP	
B % Earned on Equity (E/S ÷ Book Value)	30.8	26.2	22.5	18.3	18.2	18.0	18.7	18.7	18.5	18.3	18.4		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		63.990	HIGH THIS YEAR	71.500	LOW THIS YEAR	35.410		
	A	B	C	D	E	F	G	H	
	PRICE	PRICE	Earnings Per Share	Price Earnings Ratio	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 1998	23.2	14.7	0.75	31.1	19.7	0.000	0.0	0.0	
2 1999	25.1	16.3	0.96	26.3	17.1	0.000	0.0	0.0	
3 2000	34.5	18.8	1.13	30.5	16.6	0.000	0.0	0.0	
4 2001	47.5	30.1	1.40	33.9	21.5	0.000	0.0	0.0	
5 2002	55.1	35.4	1.70	32.4	20.8	0.000	0.0	0.0	
6 TOTAL		115.3		154.2	95.7		0.0		
7 AVERAGE		23.1		30.8	19.1		0.0		
8 AVERAGE PRICE EARNINGS RATIO			24.9	9 CURRENT PRICE EARNINGS RATIO				34.2	

4 Proj. P/E [29.76] Based on Next 4 qtr. EPS [2.15] Current P/E Based on Last 4 qtr. EPS [1.87] 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 30.8 X Estimate High Earnings/Share 3.76 = Forecast High Price \$ 115.8
(3D7 as adj.) (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E 19.1 X Estimated Low Earnings/Share 1.70 = \$ 32.5
(3E7 as adj.)
(b) Avg. Low Price of Last 5 Years = 23.1
(3B7)
(c) Recent Severe Market Low Price = 30.1
(d) Price Dividend Will Support Present Divd. = 0.000 = 0.0
High Yield (H) 0.000
Selected Estimate Low Price = \$ 32.5
(4B1)

C ZONING

115.8 High Forecast Price Minus 32.5 Low Forecast Price Equals 83.3 Range. 1/3 of Range = 20.8
(4A1) (4B1) (C) (4CD)
(4C2) Lower 1/3 = 32.5 to 53.3 (Buy) Note: Ranges changed to 25%/50%/25%
(4C3) Middle 1/3 = 53.3 to 95.0 (Maybe)
(4C4) Upper 1/3 = 95.0 to 115.8 (4A1) (Sell)

Present Market Price of 63.990 is in the Hold Range
(4C5)

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

High Price (4A1) 115.8 Minus Present Price 63.990 = 51.8 = 1.6 To 1
Present Price 63.990 Minus Low Price (4B1) 32.5 = 31.5 (4D)

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

High Price (4A1) 115.8 = (1.810) X 100 = (181.0) - 100 = 81.0 % Appreciation
Present Market Price 63.990 (4E)

Relative Value: 137.3% Proj. Relative Value: 119.5%

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 \$ 63.990 = 0.000 X 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 2.84 X Avg. % Payout (3G7) 0.0 = 0.0 = 0.0 %
Present Price \$ 63.990 (5B)

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

5 Year Appreciation Potential (4E) <u>81.0</u>		P.A.R.	Tot. Ret.
Average Yield (5B) <u>0.0</u> %	<u>16.2</u> %	Average Yield <u>0.0%</u>	<u>0.0%</u>
Average Total Annual Return Over the Next 5 Years (5C) <u>16.2</u> %	<u>0.0</u> %	Annual Appreciation <u>8.0%</u>	<u>12.6%</u>
		% Compd Ann Rate of Ret <u>8.0%</u>	<u>12.6%</u>

Trailing 4 quarters

PERT Worksheet-A Graph

Company PATTERSON DENTAL COMPANY

(PDCO)

