

# STANDARD & POOR'S FIVE STAR STOCKS

Recommended by S&P analysts for superior price appreciation over the next 6-12 months.

<i>SYM</i>	<i>COMPANY NAME</i>	<i>5 STARS SINCE</i>	<i>PRICE WHEN RECOMMENDED</i>	<i>CURRENT PRICE</i>	<i>CURRENT REASON</i>
ACAS	Amer Capital Str	02/03/06	35.27	35.61	Valuation
ADP	Automatic Data	10/07/03	38.44	46.21	Improving job market
AES	AES Corp	04/28/04	7.7	17.50	Improving subsidiaries
AET	Aetna Inc	02/10/05	33.5*	51.28	Strong membership gains, cost controls
AKS	AK Steel	01/24/06	10.16	11.38	More optimistic outlook for '06 FCF
ALL	Allstate Corp	02/06/03	32.02	54.74	Modestly undervalued; trend improvement
ALTR	Altera Corp	12/01/05	19.18	21.18	Chip industry growth, valuation
AMR	AMR Corp	11/02/05	14.19	25.37	Improving revenues, moderating oil
ANF	Abercrombie & Fi	09/20/05	45.96	67.25	Valuation
APPB	Applebee's	09/29/05	20.36	23.57	Strong expansion prospects
BAC	Bank of America	05/20/04	40.33*	45.59	Shares undervalued vs. peers
BEN	Franklin Res	12/09/03	48.9	103.37	Shift toward higher-margin equity funds
BRKS	Brooks Automatio	08/02/05	16.29	16.19	Valuation, improving fundamentals
BSC	Bear Stearns	11/12/03	75.1	134.69	Revenue growth, diversification
C	Citigroup Inc	05/17/02	44.38	46.52	Big discount to historical valuation
CAJ	Canon Inc	01/30/06	61.26	63.03	See strong demand, better margins
CAL	Contl Airlines'B	11/02/05	13.47	24.47	Improving revenue environment
CHK	Chesapeake Ene	02/14/06	28.84	30.43	Higher guidance, production hedges
CHTT	Chattem Inc	02/09/06	37.11	37.90	Strong sales prospects, valuation
CIT	CIT Group	01/20/05	40.17	53.98	Valuation
CL	Colgate-Palmoliv	12/07/04	50.1	54.77	Benefits from restructuring plan
CN	China Netcom Gro	12/22/05	32.14	34.74	Shares undervalued relative to peers
CNX	CONSOL Energy	02/16/06	62.45	65.20	Low customer coal stockpiles
COF	Capital One Fina	07/22/04	69.3	88.29	Strong credit quality & loan growth
COH	Coach Inc	08/02/05	34.1	35.88	Continued market share opportunities
COP	ConocoPhillips	03/28/05	69.63*	61.77	Valuation
CSC	Computer Science	01/25/05	49.41	54.66	Valuation, recent US govt biz wins
CTCO	Commonwealth Tel	03/31/06	32.28	31.95	Valuation
CTL	CenturyTel Inc	07/20/04	30.95	36.63	Below peers on multiple of metrics
CVD	Covance	01/12/05	37.34	55.75	Valuation
CVS	CVS Corp	02/02/05	24.13*	29.06	Increased generic drug sales, valuation
CVX	Chevron Corp	10/21/05	56.3	57.23	Valuation
DHR	Danaher Corp	07/21/05	55.1	61.20	Improving demand from end-markets
DNA	Genentech Inc	01/24/06	86.2	84.95	Valuation, potential new FDA approvals
DOW	Dow Chemical	01/29/04	41.26	43.95	Better results, business trends

\*Adjusted for stock split



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<b>DOX</b>	Amdocs Ltd	09/15/05	27.47	33.59	Positive communications industry trends
<b>DUK</b>	Duke Energy	04/14/05	28.26	28.28	Higher free cash flow growth
<b>EMC</b>	EMC Corp	04/28/04	11.83	14.24	Favorable industry position
<b>ENDP</b>	Endo Pharmaceuti	07/14/05	27.97	32.11	Higher sales of generic OxyContin
<b>EON</b>	E.ON AG ADS	02/27/06	37.74	37.27	Proposed acquisition bid for Endesa
<b>ERTS</b>	Electronic Arts	11/14/05	59.09	52.02	Valuation
<b>ET</b>	E Trade	03/22/04	12.27	25.51	Co, gaining market share
<b>FCH</b>	FelCor Lodging T	04/07/04	10.32	20.08	Valuation, industry recovery
<b>FDX</b>	FedEx Corp	12/21/05	103.7	110.43	Strong growth & margin improvement
<b>FMC</b>	FMC Corp	02/03/04	33.16	61.89	Improving outlook
<b>FPL</b>	FPL Group	10/21/05	42.52	41.60	Valuation, higher power prices
<b>GS</b>	Goldman Sachs Gr	09/21/04	94.9	143.15	Valuation
<b>GTRC</b>	Guitar Center	03/31/04	35.92	51.23	Valuation
<b>GWW</b>	Grainger (W.W.)	09/29/04	56.56	75.40	Better market conditions for manfctng
<b>HD</b>	Home Depot	09/28/05	37.85	42.59	Valuation-hurricane rebuilding efforts
<b>HIG</b>	Hartford Finl	08/05/05	77.15	83.50	See catalysts for growth
<b>HNT</b>	Health Net	02/01/06	48.33	48.66	Lower medical cost trends
<b>HOLX</b>	Hologic	09/16/05	26.72*	50.12	Favorable clinical data
<b>HSY</b>	Hershey Co	01/25/06	52.3	51.41	Strong operating trends
<b>IACI</b>	IAC/InterActiveC	02/09/06	28.02	29.65	Valuation
<b>IM</b>	Ingram Micro'A'	09/20/05	17.91	20.72	Restructuring efforts & acquisitions
<b>IR</b>	Ingersoll-Rand'A	04/06/04	35.16*	41.95	Expected improvements in several end mkt
<b>JEC</b>	Jacobs Engr Grou	01/24/06	77.21	80.04	See backlog growth for oil & gas
<b>JNJ</b>	Johnson & Johnso	02/08/06	58.6	57.56	Valuation
<b>KLAC</b>	KLA-Tencor Corp	02/01/06	53.0	54.16	Improving business fundamentals
<b>KMP</b>	Kinder Morgan Eg	12/12/05	49.53	49.27	Solid capital appreciation potential
<b>KSS</b>	Kohl's Corp	12/13/05	45.65	48.77	Valuation
<b>LHO</b>	LaSalle Hotel Pr	12/08/05	33.6	40.07	Recent acq's, pull back in stock price
<b>LLY</b>	Lilly (Eli)	12/13/05	53.0	55.88	Robust R&D pipeline, solid growth prods
<b>LSTR</b>	Landstar Sys	04/18/02	11.94*	47.16	High returns on asset, equity
<b>MC</b>	Matsushita El'n	11/31/05	18.4	21.45	Valuation, strong demand for plasma TVs
<b>MCK</b>	McKesson Corp	01/27/06	53.8	54.77	Strong demand for high margin IT prods
<b>MER</b>	Merrill Lynch	01/19/06	72.05	77.54	Strong growth, investor confidence
<b>MET</b>	MetLife Ins	12/17/05	50.62	49.67	Valuation, improving underwriting mrgns
<b>MFE</b>	McAfee Inc	08/12/04	17.52	23.46	Refocus on highly profitable operations
<b>MOT</b>	Motorola	10/03/05	22.44	22.09	Strong wireless demand
<b>MOV</b>	Movado Group	01/31/06	18.89	21.99	Attractive valuation
<b>MSFT</b>	Microsoft	11/04/02	28.05*	27.14	Solid fundamentals; valuation
<b>MYGN</b>	Myriad Genetics	12/12/05	20.74	25.80	Positive predictive medicine testing
<b>MYL</b>	Mylan Labs	02/03/06	19.3	23.25	Recent restructuring, pipeline growth

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<b>NBR</b>	Nabors Indus	12/07/01	32.11	66.86	See nat gas activity rising
<b>NDE</b>	IndyMac Bancorp	04/19/01	25.75	39.20	Attractive after price dip
<b>NE</b>	Noble Corp	02/27/06	72.21	76.30	Rising jackup rig dayrates benefits
<b>NFB</b>	North Fork Banco	03/01/06	25.54	25.68	Valuation
<b>ORCL</b>	Oracle Corp	02/28/06	12.42	12.80	Valuation
<b>OXY</b>	Occidental Petro	11/01/05	79.53	92.64	Valuation
<b>PDLI</b>	PDL BioPharma	02/02/06	29.51	31.75	Royalty growth will remain very strong
<b>PEP</b>	PepsiCo Inc	03/19/01	42.68	59.24	Reflects strong growth trends
<b>PETM</b>	PETSMART Inc	08/04/05	28.3	26.21	Valuation, attractive metrics
<b>PG</b>	Procter & Gamble	06/12/02	46.16*	60.10	Improving fundamentals
<b>PWAV</b>	Powerwave Techno	09/14/05	12.25	15.32	Stronger wireless handset demand
<b>RHI</b>	Robert Half	05/04/05	25.58	37.14	Higher estimates, valuation
<b>RNVS</b>	Renovis Inc	04/07/05	6.95	22.41	Valuation
<b>SANYY</b>	SANYO Elec	07/01/05	13.01	12.29	Restructuring to lower costs, focus ops
<b>SIRI</b>	Sirius Satellite	02/16/06	5.65	5.04	Valuation
<b>SLH</b>	Strategic Htl	06/30/05	18	22.29	Valuation
<b>SMTC</b>	Semtech Corp	01/27/06	19.06	19.49	Valuation, improving industry dynamics
<b>SRCL</b>	Stericycle Inc	04/22/05	44.18	60.45	Valuation
<b>SSCC</b>	Smurfit-Stone Co	01/03/06	13.71	13.04	Improved container board industry
<b>STZ</b>	Constellation	09/29/98	5*	26.53	Large discount to peers, mid-cap index
<b>TEVA</b>	Teva Pharm Indus	10/12/05	34.55	42.00	Imprvd prospects, assmng the acq closes
<b>TOT</b>	Total 'B' ADS	10/13/04	102.21	126.94	Valuation, refining margins projections
<b>TROW</b>	T.Rowe Price	02/17/06	76.36	77.03	Valuation
<b>TXN</b>	Texas Instrument	02/02/06	29.76	32.07	Valuation, improving semicndtr industry
<b>UNH</b>	UnitedHealth Gro	10/14/05	56.00	58.42	Improved prospects from PHS acq
<b>VLO</b>	Valero Energy	03/28/05	35.43*	49.03	Valuation
<b>WLP</b>	WellPoint Inc	12/01/04	54.53*	76.59	Profits prospects improved from merger
<b>WMT</b>	Wal-Mart Stores	02/17/05	52.70	45.14	Valuation
<b>WWY</b>	Wrigley (Wm) Jr	07/28/04	60.00	62.85	Strong operating momentum
<b>XEC</b>	Cimarex Energy	06/05	40.62	43.05	Valuation, high energy prices
<b>XOM</b>	Exxon Mobil	01/28/05	58.89	60.34	Valuation
<b>XRAY</b>	DENTSPLY Intl	04/28/04	48.09	56.80	Excelled internal growth
<b>ZQK</b>	Quiksilver	12/05/05	12.01	14.55	See FY 06 as transitional for co.

\*Adjusted for stock split

## CHANGES LAST 5 DAYS

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<i>DATE CHANGED</i>	<i>SYM</i>	<i>STOCK</i>	<i>NEW RANKING</i>	<i>OLD RANKING</i>	<i>REASON WHY</i>
3/1	<b>CTCO</b>	Commonwealth Te	☆☆☆☆☆	☆☆☆☆	Valuation
3/1	<b>NFB</b>	North Fork Banc	☆☆☆☆☆	☆☆☆☆	Valuation
2/28	<b>ORCL</b>	Oracle Corp	☆☆☆☆☆	☆☆☆☆	Valuation
2/27	<b>EON</b>	E.ON AG ADS	☆☆☆☆☆	☆☆☆	Proposed acquisition bid for Endesa
2/27	<b>NE</b>	Noble Corp	☆☆☆☆☆	☆☆☆☆	Rising jackup rig dayrates benefits

**SAMPLE**

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