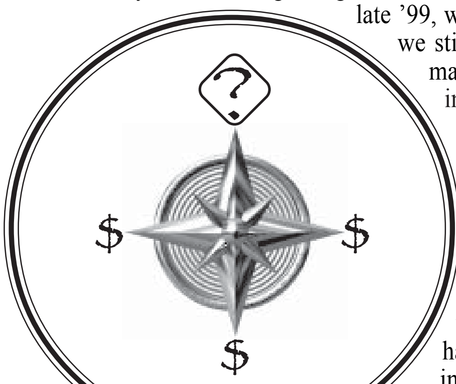
INVESTOR'S

ValueView

february 2 2004

A STRAIGHTFORWARD INVESTMENT REPORT FEATURING VALUE AND GROWTH-ORIENTED STOCK-PICKS, FINANCIAL NEWS, MONEY TIPS AND INSIGHTS FOR INVESTORS.



A New Direction

AS THE MARKET FLIES HIGHER, GOOD BUYS ARE BECOMING HARDER AND HARDER TO FIND. Market activity is almost beginning to resemble the jumpy behavior typical of internet stocks in late '99, when they were at their most frothy. Despite that, we still see values in the market. It's still possible to make money, but stay informed. Rather than jumping in aimlessly, our readers have the insight to watch for opportunities. Most people, however, have only just begun to realize that the market is headed upward. They missed most of last year's astounding gains, and they're looking to "catch the wave," albeit a bit late. They may be disappointed. Many technology stocks, in particular, are already far ahead of their realistic worth. Other "name" companies, like Wal-Mart, have never come down to reasonable levels. If new investors jump in without discernment, they'll be buying into a market that's already somewhat overvalued. If they simply buy tech-heavy index funds or big-name stock portfolios, they will be giving those same leaders another boost in their already hefty P/E ratios. Also, look for further inflation among those "name" stocks. The gamblers among us might want to play them for the rise, but we feel that better, safer opportunities exist

Please see New Direction, page 2

This month...

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STOCK FOCUS BIO-RAD LABS [BIO]

Bio-Rad Labs is the world's leading producer of tests for mad-cow disease. It also makes other diagnostic tests and chemical separation and analysis tools. More than half of the company's business has been international, but we believe the recent mad-cow scare in the Northwest may boost domestic sales somewhat. It remains uncertain whether the government will choose to require the Bio-Rad test or those of another supplier, but the Agriculture Department has publicly committed to using the rapid tests; only Bio-Rad and Abbott Labs provide those. It is likely that the contract will go to one of those companies because of the current administration's unspoken policy of steering business toward American manufacturers where possible. We believe there is a 50% chance that Bio-Rad will get a sizeable new contract. The company may be mulling acquisitions to broaden its line.But detecting Mad-Cow disease is just one of many of Bio-Rad's wide-ranging services. The company is a world leader in a broad range of tools and services to the clinical diagnostics and life research markets, including diabetes research. Serving over 70,000 research and industry customers worldwide, BIO employs over 4,500 people .

Currently, Bio-Rad is waiting to see what the USDA will do about using the Bio-Rad test in US markets. However, the company is in excellent shape, and even without any anticipated boost, Bio-Rad shares are attractive, with a favorable growth rate, a promising industry, and an affordable share price. Either way, we see BIO as a buy.

New Direction, from page 1

among less-known, growth-oriented shares. Our readers know to look outside the mainstream for their investment ideas.

Among those lesser-known equities, one must certainly consider foreign stocks. Investing only in America is not enough in any market and is – at a time when the U.S. dollar is at its weakest – more dangerous now. Finally, the rest of the investment community has begun to realize that the dollar has been set up for a fall. The weakening dollar has been the story for the past year, alongside the news of a strengthening market. These seemingly contradictory results demonstrate just how strong the market's 2003 rise really was. To power through the strong downward pressure from a weak dollar, the upward push needed to be doubly strong.

The debate rages over the cause of last year's market rally. Is it an overdue recovery from a distorted drop? Or is it an emotional upswing in the midst of a continuing bear market? Resist the urge to jump into one camp or the other! We cannot know for certain which is true until we know more about the underlying economic recovery. If the recovery is real, the market rise is justified and is likely to persist. If the recovery is a phantom, based on Keynesian over-spending, coupled with stimulation-based tax cuts, then the market rise will be short-lived. My guess is that it is a mixed bag. While there is likely some potential for real recovery, the greater impetus has probably been the spending spree in Washington. Eventually, the piper must be paid, and the economy will weaken accordingly. Still, it is possible that the recovery may be fully legitimate. We can't really know for certain until after the fact.

With this ambiguous assessment, how can we make intelligent investment decisions? The answer is surprisingly simple, and yet unexpected. If we see a strong recovery, the spillover will affect all free economies worldwide, and will have the greatest impact where stocks have been beaten down the most and growth potential is highest. That would be the emerging markets. On the other hand, if the recovery is weak, and the dollar continues to plunge, we'd want to be invested overseas: particularly in those countries with the least dependence on the U.S. and those which are most undervalued. Again, this leads us toward certain emerging markets.

A savvy investor will be looking toward opportunities in unexpected places,

Please see New Direction, page 6

... are companies on the cutting edge of the world's new architecture. Each enjoys a strong position in their changing field. They could be the blue chips of the future but are relatively unproven, and operate in fast-paced industries. The risk is greater, but returns can be outstanding. While they tend to be most appropriate for risk-oriented investors, conservative investors may want to hold a small position of some of these potential world-beaters as well.

America Movil, Mexico's top mobile phone company, swapped a 49 percent stake in computer retailer CompUSA in exchange for a 29.69 percent stake in America Movil's holding company US Commercial Corporation. As a result of this move, America Movil will receive $16 million and US Commercial will now fully own CompUSA.

CheckPoint, a network security company, reported an increase in fourth quarter earnings compared to one year ago citing success with numerous product and technology introductions as the cause. CheckPoint also agreed to purchase its close rival Zone Labs Inc. for $205 million. This deal will help the company in its aim to diversify its product line for a wider customer base.

Engineered Support Systems, a manufacturer of military products, received new contracts including a $26 million Air Force Contract, a $17 million Army generator order, a $16.5 million contract option, and a $6.2 million Army production order. The company also reported a substantial increase in fourth quarter earnings per share compared to a year ago.

L-3 Communications, a leader in bomb detection devices and military products, announced an increase in fourth quarter earnings compared to one year ago, citing continued demand for secure communications and intelligence. The company announced its first ever dividend of 10 cents per share. L-3 Communications also purchased Ipitek for $27.5 million. Moreover, the company was awarded numerous military contracts including a $27.7 million Air Force radar contract. L-3 issued $400 million of 10-year senior subordinated notes in a December offering. The recent acquisition of Ipitek and its newly awarded military contracts should provide further growth in earnings.

LeapFrog took a tumble upon news that the company was being hit with a class action suit and the bankruptcy of FAO. The suit claims that Leap Frog failed to warn investors of an upcoming earnings and revenue shortfall that sent the stock price down over 30 percent. LeapFrog insists that the lawsuit is without merit and expects to successfully defend itself. Also, LeapFrog insists that FAO accounts for only a small percentage of the company's sales and that FAO's bankruptcy will have little impact.

Nextel Communications, the leading provider of walkie-talkie integrated wireless communications, signed a contract with the state of Connecticut. The agreement will provide government employees with Nextel handsets and services as the need arises. Nextel has also begun its efforts to promote its new role as the lead sponsor of the Nascar stockcar racing series. Nextel also renewed its ongoing partnership with Delta Airlines. **Nvidia**, announced that NASA is using the company's technology to reconstruct Mars Rover data into virtual reality.

1-800-Flowers posted a significant increase in second quarter profits compared to one year ago. The company believes that earnings were boosted by higher sales via its Website and better performance of gift items.

ChoicePoint reported an increase in fourth quarter profits from one year ago, citing improving underlying trends in core businesses.

Compudyne, a leader in sophisticated security products, will have a key role in the U.S. Air Force's IBDSS Program. The company was also awarded several government contracts totaling $5.1 million in December. Compudyne intends to offer $35 million in debt to help fund its continued growth.

Stock	Symbol	Price	Earnings	P/E	Gr. Est.	Recommendation
America Movil	**AMX**	**$31.04**	**$1.68**	**18.5**	**20%**	**Buy Aggressively**
CheckPoint Sftwre	CHKP	$20.40	$0.52	39.2	30%	Hold Loosely
ChoicePoint Inc	CPS	$38.47	$1.22	31.5	20%	Harvest
Compudyne	CDCY	$11.28	$0.53	21.3	18%	Hold Loosely
Cytyc	CYTC	$15.20	$0.65	23.4	35%	Buy
Engin'r'd Sup't Syst	EASI	$48.91	$2.38	20.6	18%	Nibble
Intuit	INTU	$50.15	$1.96	25.6	20%	Hold Loosely
JAKKS Pacific	JAKK	$14.25	$1.55	9.2	15%	Nibble
L-3 Comm.	LLL	$53.29	$2.35	22.7	25%	Nibble
LeapFrog	LF	$29.50	$0.96	30.7	22%	Buy Aggressively
Nautilus Group	NLS	$13.37	$1.65	8.1	25%	Nibble
NexTel	**NXTL**	**$26.17**	**$1.12**	**23.4**	**25%**	**Buy Aggressively**
Nvidia	NVDA	$21.91	$0.52	42.1	30%	Hold
Priceline.com	PCLN	$26.50	$0.37	71.6	30%	Hold Tightly
1-800-Flowers	FLWS	$10.06	$0.26	38.7	30%	Buy

If A is success in life,
then A equals x plus y plus z.
Work is x; y is play;
and z is keeping your mouth shut.
~ Albert Einstein ~

Glossary Of Terms

Buy Aggresively	This rating designates the best buys at the best prices. It does not indicate momentum.
Buy	Also a good buy, but not as exciting or certain as the above.
Speculative Buy	Stocks with great potential, that may not be great values. These certainly involve higher risk.
Nibble	This rating suggests buying a little at a time as prices become more favorable.
Hold Tightly	An attractive stock which is probably too high to buy but does not warrant selling.
Hold Loosely	Stock approaching excessive valuation that may be traded out selectively for better buys.
Harvest	This is a sell rating for quality stocks which seem to be inflated in price. This does not suggest any impending problems. These stocks may be held by those who cannot afford to take profits, but the risk of holding is greater. Selling a portion of such shares is a good strategy.
Inconclusive	This terms is used when news creates uncertainty, or action appears to be negative, even if news has not yet appeared. Most people prefer not to hold stocks in periods of uncertainty and this rating is similar to a clear sell rating. We make this distinction because such undertainty can create outstanding valuations. We do not want to create the impression that we know something we do not.
Sell	The clear sell rating is reserved for stocks that have struck bad times and should be unloaded by all investors.

VALUE VIEWFINDER

... features stocks that appear to be below their reasonable valuations, based on their expected future growth. Unlike many stock-pickers who seem to divide stocks into "growth" or "value" picks, we believe the growth outlook is one of the pime factors for determining value. These stocks may not always show immediate results, but should provide outstanding returns in the long-run.

Despite downgrades from mainstream analysts, Barron's followed our line of reasoning in their article recommending **Toys'R'Us**. Shares have moved in response. While the stock has risen since our last recommendation, we still rate it a buy, at least up to the $18-19 range (which only represents book value) and possibly further, depending on the speed with which earnings are able to recover, now that the money-losing Kids'R'Us stores have been scuttled. Toy retailers have faced considerable pricing pressure from Wal-Mart and Target recently, but the bankruptcies and eventual disappearance of competitors FAO Schwarz and KB Toys will help Toys'R'Us more than the discounters' competition. In the long run, there will always remain a market for at least one national toy chain. Additionally, the primary appeal of Toys'R'Us stock is not the chain itself, but its Babies'R'Us chain which is growing at astounding rates, and dominates the industry.

Also in the retail sector, **Barnes & Noble** remains an attractive pick. Holiday sales were impressive, and same-store sales have shown strong improvements for many months. The company also announced it would pay $3.05 per share to buy back all the remaining outstanding shares of Barnesandnoble.com, which it offered to the public for $18 in 1999. The internet division has been able to reduce its losses. The company continues to benefit from extra profits on its self-published classics line, which may eventually boost profits further.

Blockbuster, the leading home video rental chain, is another reasonably priced stock in the retail sector. The company has expanded noticeably into DVD's and video games in recent years, and videos now account for less than half of total revenues, which bodes well for the change in consumers' tastes.

Office Depot, is also powering up after a brief weakening during the downturn. Sales and earnings are moving forward, as they have been since 2001, and this consistency suggests stability. Shares are still attractively priced, and we rate ODP a buy.

The worldwide telecom industry continues to offer attractive buys, often with limited risk. **BT Group**, the former British Telecom, is the UK's leading supplier of phone service. The company is striving to expand beyond traditional operations, growing its solid base of broadband subscribers, moving into a wireless branding deal with T-Mobile, and buying Transcomm, owner of the wireless data network Mobitex. BT has also been active in aggressively repurchasing its own shares. We think BT Group is well-positioned for a sizeable recovery from these prices, and should provide a fair dividend income while shareholders wait for the gains. Similarly, **BCE Inc**., the holding company for Bell Canada, offers attractive opportunities with relatively low risk and a fair dividend. The company's wise divestiture of Nortel at the height of the internet craze provided the company with a solid financial base and level of stability absent from many of its American cousins. The company is seeing particular growth in its wireless operations, and has begun to see success in its service bundling strategies, as well. South of the border, **Telefonos de Mexico** exhibits many similar characteristics, and offers attractive opportunities for investors willing to assume the slight currency risk.

The key in many telecom strategies these days is successful cellular operations growth, as profits have begun to rise in this nascent growth industry. **Nokia**, the world's leading provider of cellular technology, has begun to report the type of gains that might be expected from a company in such a position. In addition, expansion of cellular technology to video opens up a wealth of new opportunities. We believe buyers of Nokia at these levels will be well-rewarded in the long-term.

Also in technology, we are encouraged by the continued profitability and debt-free status of **Ariba**, a provider of e-commerce software and services to businesses which recently announced an upcoming merger with **FreeMarkets Inc**. (FMKT), an online auctioneer of raw materials. The combined company will have an opportunity to leverage their connections with the newly diverse product offerings. They also expect to take advantage of sizeable cost savings due to combined operations. We believe the conservative strategies of the two companies will mesh well, and should build into a leading new economy business service company. Ariba also announced the acquisition of privately-held Alliente, a procurement Business Process Outsourcing (BPO) provider. This, too, will enhance the breadth of offerings. Ariba is an excellent choice for speculative investors. Since the buyout of FreeMarkets is part-stock, part-cash, investors may be wise to weigh the two choices to determine which stock is the better buy on a given day. For each share of FreeMarkets stock, holders should expect 2.25 shares of Ariba plus $2.

Conexant Systems is a semiconductor maker for the broadband industry. The company has recently agreed to merge with **GlobespanVirata**, a DSL chip-maker, which itself recently acquired wireless networker Intersil. For each share of Globespan (GSPN), shareholders will receive 1.198 shares of Conexant. The combined company will be well-positioned to offer a variety of broadband technologies, and both firms have recently become profitable. The outlook from here looks exciting, although this stock is not without risk. We'd recommend it for risk-oriented accounts.

NetBank is a leading online banking institution, offering traditional banking services, mortgage lending, CD's, and insurance services, without the cost of bank branches. NetBank offers competitive rates due to its lower overhead costs. The company purchased the business of Electronic Cash Systems, a South California payments processing firm. This purchase will allow the firm to add over 1000 ATMs, and enhance the company's merchant services division. This and other similar payment processing acquisitions will improve the company's product mix and likely enhance income strength. Unlike many internet banks, the firm has long been profitable, and has recovered nicely from the downturn in the early years of the new millennium. We believe this conservatively priced innovator will prove to be a good long-term investment.

National City Corp. remains attractive and is restating earnings on instructions from the SEC. This will reduce past earnings and increase current year results. This makes current numbers less useful, but we can confirm that the numbers look nice, regardless

Please see Viewfinders, page 7

Stock	Symbol	Price	Earnings	P/E	Gr. Est.	Yld.	Recommendation
Ariba	**ARBA**	**$3.19**	**$0.05**	**63.8**	**35%**	**0.0%**	**Speculative Buy**
Bancolombia, SA	CIB	$6.06	$0.73	8.3	10%	3.0%	Speculative Buy
Barnes & Noble	BKS	$34.55	$1.78	19.4	14%	0.0%	Buy
BCE Inc.	BCE	$22.45	$1.33	16.9	12%	4.0%	Income Buy
Beazer Homes	**BZH**	**$92.45**	**$13.44**	**6.9**	**12%**	**0.4%**	**Buy Aggressively**
Bio-Rad Labs	**BIO**	**$54.10**	**$3.25**	**16.6**	**16%**	**0.0%**	**Buy Aggressively**
Blockbuster	BBI	$18.45	$1.33	13.9	14%	0.4%	Buy
BT Group	**BTY**	**$32.82**	**$5.36**	**6.1**	**12%**	**3.3%**	**Buy Aggressively**
Conexant Systems	**CNXT**	**$6.42**	**$0.04**	**160.5**	**22%**	**0.0%**	**Speculative Buy**
Constellation Brands	STZ	$33.75	$2.37	14.2	15%	0.0%	Buy
Converium Hldgs. AG	CHR	$26.49	$2.61	10.1	12%	0.0%	Buy
Countrywide Fin.	**CFC**	**$82.05**	**$12.47**	**6.6**	**16%**	**1.1%**	**Buy Aggressively**
Dean Foods	DF	$31.94	$1.98	16.1	14%	0.0%	Buy
FTI Consulting	FCN	$14.50	$1.72	8.4	15%	0.0%	Speculative Buy
General Mills	GIS	$46.00	$2.71	17.0	10%	2.4%	Buy
Intervest Bancshares	IBCA	$15.25	$1.53	10.0	14%	0.0%	Buy Aggressively
National City Corp	**NCC**	**$34.37**	**$3.30**	**10.4**	**10%**	**3.7%**	**Buy Aggressively**
NetBank	NTBK	$11.41	$1.13	10.1	14%	0.0%	Speculative Buy
Nokia	NOK	$20.52	$0.97	21.2	16%	1.4%	Buy
Office Depot	ODP	$16.31	$1.02	16.0	14%	0.0%	Buy
Oxford Health Plans	OHP	$47.84	$3.70	12.9	15%	0.0%	Buy
Pinnacle Bancshares	PLE	$16.25	$1.48	11.0	12%	2.5%	Buy
Sea Containers A	**SCR.A**	**$19.25**	**$2.56**	**7.5**	**12%**	**0.3%**	**Buy Aggressively**
Telefonos de Mexic	**TMX**	**$34.30**	**$3.14**	**10.9**	**13%**	**3.2%**	**Buy Aggressively**
Toys R Us	TOY	$14.43	$1.04	13.9	12%	0.0%	Buy

... is a list of legitimate "blue chips" that we follow monthly. These stocks can generally be held for the long term without great concern for matket changes. We rate them buy/sell for valuation only. While it may sometimes pay to move from an overfvalued member of this list to a bargain-priced choice, most of these stocks can be held even when they are overvalued without significant long-term risk.

Orthopedics group **Biomet** agreed to buy German partner Merck KgaA's 50% share in their European orthopedic venture. Biomet will pay $300 million to expand its presence in the European market. The company also reported an increase in second quarter earnings due to strengthened demand for artificial joints. The FDA has approved the company's product Palacos G, an antibiotic-loaded bone cement used to secure artificial implants to bone.

ConAgra, the third-largest packaged food company in North America, announced plans to close a Maryland food manufacturing plant. While this will leave 100 workers without jobs the company plans to add 225 workers to a food processing plant in Indiana. The company intends to repurchase $1 billion worth of its common stock which represents about 40 million shares: nearly 7 percent of ConAgra's existing stock.

Fair, Isaac & Co., a leader in customer analytics and decision technology, reported increased first quarter earnings. The company attributes this increase to successful implementation of several growth strategies and announced that IBM would become a reseller of their analytical software tools.

Heinz reported a decrease in second quarter earningsand attributes this loss to poor performance of spin-off units, low-carbohydrate diet trends such as Atkins and South Beach, and price competition during the tight economy. Heinz has seen strong performance in U.S. ketchup and sauces and wider operating margins in the Asia Pacific region.

In an effort to modernize, **Home Depot** will spend $3.7 billion to use brighter colors, improve checkouts and add numerous new products. The company also plans to open 175 new stores in 2004. This planned expansion equals 2003's, but is still 25 fewer store openings than in both 2001 and 2002.

Johnson & Johnson was forced to stop trials of its popular anemia drug, Procrit which was designed to boost hemoglobin levels to help cancer patients undergoing radiation or chemotherapy. The company halted clinical trials of the drug after more patients than expected developed blood clots. This finding will adversely affect the company's earnings.

Merck reported a decrease in fourth quarter revenues due to a decrease in sales. Merck also implemented a wholesaler distribution program during the same quarter, which is intended to moderate the fluctuations in sales caused by wholesaler investment buying and to improve distribution of the company's products. This new plan reduced Merck's full-year revenues by $700 to $750 million.

Microsoft saw a substantial increase in second quarter profits compared to one year ago, however, after accounting for an after tax charge for compensation, earnings declined. The company outperformed analysts' expectations as it reported an unusual increase in quarterly sales.

Pharmaceutical leader **Pfizer** plans to sell its in-vitro allergy and autoimmune testing business to Triton, the private equity arm of Prudential Corp. for $575 million. Also, Pfizer intends to pay $1.3 billion to acquire Esperion Therapeutics Inc., which has a new drug proven to be effective at reversing arterial clogging. This new drug is yet to be approved by the Food and Drug Administration. Pfizer will increase dividends to entice new investors.

Radian announces that it will cease operations of its mortgage services unit.The company will take a pretax charge of $13 million in the fourth quarter. The company also reported that fourth quarter profits fell nearly in half. Radian's earnings were hurt by a charge to increase loss reserves for expected claims involving Conseco Finance Corp.

Despite an increase in revenues, **Equifax**, the nation's largest credit reporting company, reported a significant decrease in fourth quarter profit. The company attributes this loss to a write-down for its Direct Marketing Services unit.

Safeway announces that it will close 12 of its Dominick's grocery stores, which are struggling in the Midwest. This move will result in a 2004 first quarter pretax charge of close to $55 million to the company. Safeway intends to spend roughly $1.3 billion in 2004 to open 45 new stores.

SBC Communications, the nation's second largest local telephone company, will raise quarterly dividends and repurchase 10 percent of its common stock to return cash to shareholders. SBC and other telephone companies have increased dividends as regulation has made it unattractive to put large bets on unproven technologies. SBC plans to extend its high-speed Internet service to more customers and expand the network coverage of its Cingular Wireless joint ventureand also announced that it would cut as many as 3,000 to 4,000 jobs in the fourth quarter in an attempt to cut costs to offset declining revenues. This will result in a pre-tax charge of $150 million to cover the costs of the job cuts.

South Trust Bank reported higher fourth quarter earnings as a result of increased lending and higher fees. The company increased its quarterly dividend and announced a repurchase plan of up to $300 million of its stock.

Tetra-Tech, a leading provider of consulting, engineering and technical services, reported a slight increase in first quarter earnings. The company bases this success on the many contracts that it earned during the first quarter.

Unilever PLC sold four home care brands to Lehman Brothers Merchant Banking Group in a continuing effort to rid itself of products with small roles. The deal included Rit fabric dyes, Niagara ironing products, Final Touch fabric softeners, and the licensing rights to Sunlight dishwashing detergent. These four brands are sold primarily in the U.S. and Canada and generated sales of $107 million for the first nine months of 2003.

FedEx reported a significant decrease in second quarter earnings compared to one year ago. The company cited a huge staff restructuring charge and a poorly performing ground deliver unit for the decline in profits. On a more positive note, FedEx agreed to purchase copy center operator Kinko's for $2.4 billion in cash to gain more small-business customers amidst competition from close rival, United Parcel Service (UPS).

First Data Corp agreed to sell its 64 percent stake in NYCE Corp., a provider of online debit services, to satisfy antitrust accusations surrounding its proposal to buy rival Concord EFS Inc. in a stock transaction valued at $6.9 billion.

General Electric reported an increase in fourth quarter profits from one year ago citing increased industrial orders, an insurance loss reversal, and an overall growth of the company's businesses.

Stock	Symbol	Price	Earnings	P/E	Gr. Est.	Yld.	Recommendation
Biomet	BMET	$38.89	$1.22	31.9	18%	0.3%	Hold Loosely
ConAgra	CAG	$25.78	$1.55	16.6	12%	3.8%	Buy
Equifax	EFX	$25.68	$1.20	21.4	15%	0.3%	Buy
Fair, Isaac & Co.	FIC	$58.72	$2.43	24.2	20%	0.1%	Buy
FedEx	FDX	$68.30	$2.70	25.3	16%	0.0%	Hold Loosely
First Data Corp.	FDC	$39.08	$1.85	21.1	14%	0.2%	Hold Tightly
General Electric	GE	$34.03	$1.66	20.5	14%	2.2%	Nibble
Heinz	HNZ	$35.54	$2.01	17.7	12%	4.6%	Nibble
Home Depot	HD	$35.60	$1.75	20.3	12%	0.7%	Nibble
Johnson & Johnson	JNJ	$53.89	$2.31	23.3	14%	1.8%	Hold Loosely
MBIA	**MBI**	**$62.73**	**$5.11**	**12.3**	**13%**	**1.1%**	**Buy Aggressively**
Merck	MRK	$48.28	$3.08	15.7	15%	3.0%	Hold Tightly
Microsoft	MSFT	$27.91	$0.88	31.7	20%	0.0%	Hold
Pfizer	PFE	$36.71	$1.56	23.5	15%	1.6%	Hold Tightly
Radian	RDN	$47.15	$3.88	12.2	13%	0.2%	Inconclusive
Reuters	RTRSY	$34.02	($0.24)	N/A	20%	2.6%	Harvest
Safeway	SWY	$22.90	$2.29	10.0	14%	0.0%	Nibble
SBC Communic.	SBC	$25.70	$1.97	13.0	12%	4.2%	Nibble
SouthTrust Bank	SOTR	$34.15	$1.93	17.7	12%	2.5%	Hold Loosely
Tetra-Tech	TTEK	$21.47	$1.16	18.5	22%	0.0%	Hold Tightly
UniLever PLC	UL	$38.85	$2.56	15.2	11%	2.7%	Nibble

In the business world, the rearview mirror is always clearer than the windshield.
~ Warren Buffett ~

Think of it as Investments 101! These basic hints and tips are useful for all investors.

So far, this column has focused on intangible investments like stocks that young investors might hold in their portfolios. While this is among the most important components of an investment plan, it is not the dominant one for most young people. Even for some who are much further down the path of life, stocks and bonds often pale in comparison to the role that a home plays in their investment life.

Buying a home is an enormous investment. It's easy to overlook its size, because the down-payment required is relatively small. Still, we all realize that we're investing the whole purchase price. Nonetheless, most people don't give the investment aspect of their home a second thought, thinking of their home as nothing more than a place to hang their hat. Since this may be the largest single investment made in the first half of one's life, it might be wise to look at it less as an expense, and more as a financial decision. There's no sense in scrimping to save a thousand in your retirement account if you're going to miss out on tens of thousands on your home.

This leads to a whole raft of questions related to neighborhood choice, price ranges, over-extending oneself, and the trade-offs between immediate comfort and long-term wealth. There are more questions that can be covered here, so let's focus on a few key points that can help most people pick up an extra ten or twenty thousand dollars or more.

Any good realtor will tell you that neighborhoods are critical: location, location, location. But let's extend what we've learned about stocks to that truism. We know we want to buy low and sell high. Soto make a profit on your home, buy in a neighborhood that is improving. Don't look only at the current state of the neighborhood. As an investor, the trend of the neighborhood is far more important. Look for signs of deterioration or repairs taking place. Repairs of older homes may signify a neighborhood on an upswing, while homes in a nice neighborhood left in disrepair may demonstrate the beginning of a downturn.

Tax laws relating to home ownership also provide some incredible incentives. In the last decade, homeowners' opportunities have improved, and this is especially true for those lucky enough to see their home value increase. Under current laws, profits on most single-family residences sold at a profit are completely tax-free, as long as you've lived in the home during two of the last 5 years. The tax-free amount can be up to $250,000 (or $500,000 for a married couple). Many people still believe that these profits are rolled over into their next home, but that was the old law. Today is the time to take your home profits, because they are tax-free. My approach is to take these profits whenever I can, because one never knows when those tax laws may change again.

For many young couples struggling to make ends meet, this relatively new law can be a windfall, and it is especially popular with those who are handy with minor repairs. Many have bought fixer-uppers, added a little paint and wallpaper, and come out a couple years later with a sizeable profit. If you plan to buy a $150,000 house, would you be better off to take a traditional suburban home in perfect shape, or a mansion in a trendy neighborhood near downtown that needs paint and upgrading? Consider: after two years, and maybe $20,000 in repairs, that big old house may bring $350,000, netting our home entrepreneurs a cool $180,000 in profits, all completely tax-free. On the other hand, our suburbanites will be lucky to sell for $180,000. Of course, even they are better off than the renters, who have moved their investment into someone else's pocket.

Naturally, it isn't as easy as it sounds. There are issues with building codes, neighbors, upkeep, higher heating bills, and contractor disputes. Let's not make believe that money comes without any headaches. Still, $180,000 is worth quite a few headaches, and it would take quite some part-time job to make up for it. Don't forget, this is tax-free money. How many years do you work on your regular job to make $180,000 after taxes? That's like $300,000 before taxes for many people.

Finally, the real key to success in this (or any) investment is to buy at the right price. No matter how well you fix it up, and regardless of how advantageous the tax rules are, a bad starting price will limit your potential gains. My rule of thumb is to never pay more than half of what I think something is worth. That means that I end up walking away from a lot of good deals, but I also find that I'm protected from just about any disaster that may strike. Consequently, even if you find yourself subject to Murphy's Law, you'll still stand a good chance to come out a winner.

In the business world, the rearview mirror is always clearer than the windshield.
~ Warren Buffett~

If you would be wealthy, think of saving as well as getting.
~ Benjamin Franklin ~

New Direction, from page 2

regardless of one's outlook. This explains our growing emphasis on World Investing. Among other opportunities, we've been browsing discounted Country Funds recently. Some attractively valued funds at the present include the **New Ireland Fund** (IRL), and the **Swiss Helvetia Fund** (SWZ) among the more developed world, and **Brazil Fund** (BZF), **Latin American Discovery Fund** (LDF), and **Korea Fund** (KF) among the faster growing economies. We're also looking for individual stocks in some of these economies, many of which have found their way into our stock analysis pages.

The other key to finding success is avoiding moribund bureaucratic nations. A country which limits firms' ability to remain flexible in this changing world dooms them to slow or even negative growth. For this reason, we tend to avoid some heavily regulated European economies such as France and Germany. We also remain skeptical of growth trends in still-communist China and Vietnam. Since the same structure limits true innovation and prevents the winnowing of the inefficient, we find it difficult to believe that the industries will escape more severe growing pains than those in Japan and Korea in earlier years, even while there is great opportunity. Instead, we prefer the opportunities among nations with a proven dedication to freedom. Ireland and Switzerland fit the bill clearly, as do Australia and New Zealand, Netherlands, Austria, Portugal, and the Scandinavian states. We also see opportunity in sections of Eastern Europe, largely due to opportunities from convergence with the European Community. Estonia is particularly well-run, but provides few investment opportunities. Hungary, Poland, and the Czech Republic are popular investment zones in the region. In the developing world, picking winners is much more difficult. Some smaller nations like Barbados and Malta offer good governance but few investment alternatives. Colombia has a reasonable government, but it has proven incapable of dealing with drug smugglers and revolutionary insurgencies. Brazil has been making surprising strides in a positive direction, despite the election of a socialist leader. India has a dominant position, and improving institutional structures.

Investing in emerging economies is fraught with uncertainty. But opportunities more than compensate for risk. This kind of investing is not for the faint of heart. For the more conservative, we recommend sticking with safer economies like Ireland, Switzerland, and Australia, with smaller holdings in some of the safer developing nations. Still, we feel keeping all one's holdings in U.S. securities may be less than ideal. If the dollar continues to depreciate, the U.S. may not remain the strongest market. That's not to say that the U.S. market is unattractive. We are still findinggreat opportunities there, but they are becoming fewer, and as more people pour their moneys in, and the prices rise, their number will continue to decrease. Keep an eye out for variety in your selections.

A focus on career and life development issues for innovative professionals.

Time Management

Isn't it amazing that some people can produce huge results in the same 24 hours that we all have? Whether or not we realize it, we victimize ourselves by not appropriately deciding what to do with our time. Instead, we let our time decide what to do with us!

Time is a commodity, and no matter who we are, we experience many demands on this precious commodity. The most critical step – once a course of action is decided – is to create a to-do list. Too often, people stop at this point and don't recognize the next, critical step. In his bestseller *How to Get Control of Your Time and Your Life,* Alan Lakein says it is imperative to finish the list by setting priorities; the list isn't complete until priorities have been established.

One of the important reasons for the prioritized list – other than sanity of course – has to do with a neat maxim called the *Pareto Principle*. Essentially, the Pareto Principal states that roughly 80% of all generated results come from approximately 20% of generative activities. This is valid in both macro and micro environments: most religious leaders say that 80% of their tithes come from 20% of church attendees; many sales managers realize that 80% of their sales come from the top 20% of their salesmen. In business or life in general, 80% of the results achieved are generated by 20% of the activities. Whatever When we examine our to-do lists, we should prioritize our list beginning with the the top 20% activities.

Top time management trainers and writers recommend the *ABC* system of prioritizing. Thus, *A* activities are *Vital* – activities that must be carried out at all costs. These are the "top 20%" activities. Very often, these are items that are least easy to do because they are not apparently urgent! *B* items are *Important*. While these are often more urgent than the *A* activities, they are, in reality not of vital importance. Finally, *C* activities are *Trivial* and may represent 80% of all the things which we find ourselves doing. In an odd inversion or proportion, *A* activities are more *vital*, while *C* activities are more *urgent*. People that are ineffective with their time end up spending a lot of time on *C* activities. In the whole scope of activities and accomplishments, the *A* activities are valuable, rewarding and help one move toward established goals. *C* activities have the great effect of making one weary. Don't confuse activity with accomplishment! Franklin Time Management Founder, Hyrum Smith, states that "urgencies act on priorities but they are not priorities." To create large results and progress in life, and business, focus on priorities.

We must closely examine our top 20% activities. What activities ***must*** we engage in to create the desired results? Now, let's figure out how we can spend 80% of our time on those activities. This powerful discipline has been mastered by people who are producing powerful results in their lives and businesses. We too can learn to master it and master our lives!

Viewfinders, from page 4

of the arrangement. Also, non-performing loans are falling as a percentage of total assets.

Converium Holdings is a Zurich, Switzerland-based worldwide re-insurer. The company provides services to life insurers as well as traditional property and casualty, credit, workers' compensation, health, and auto line providers, and also covers more specialized lines like aviation and space, marine, agribusiness and multi-peril. Earnings have demonstrated relatively strong positive trends, and shares are reasonably priced. We rate the shares a buy.

Beazer Homes is a leading independent homebuilder, focused in the South, West, Midatlantic and Midwestern U.S. While the building industry has performed incredibly, we share concerns that the building boom may be ending, but anticipate more positive earnings in the meantime. Beazer is our choice in this industry, due both to the company's diverse portfolio of regional growth areas, its solid backlog of contracts, and its relatively low P/E. We believe there are still profits to be made, and recommend a buy.

It's hard to stay ahead of **Countrywide Financial**. Just when the price finally catches up with the phenomenal earnings growth, the earnings power forward again. While we anticipate earnings growth to stop, or at least slow significantly, due to reductions in mortgage business in the future, the current value simply is too good to resist. Plus, Countrywide is not exclusively a mortgage company. The great gains of recent years have allowed the firm to diversify into banking, insurance, and recently announced that it received authorization to become a primary dealer in U.S. Treasury securities. We believe the firm has great potential, and would buy at these prices.

Intervest Bancshares saw a 16% rise in net income for the 4th quarter, which came across as a reduction in per share earnings, due to an increase in the number of shares outstanding. The company attributed the growth to an expanding loan portfolio resulting in increased interest income.

Leading Colombian bank, **Bancolombia** recently opened an international agency in Miami, and announced the acquisition of Sufinanciamiento, a leading provider of auto financing in Colombia. The company will also benefit from relaxed government regulations that allow expatriate Colombians to open bank accounts with Colombian banks. Bancolombia shares sell at attractive prices, and we see considerable room for growth.

Constellation Brands reported higher earnings, as imported beers and premium wines led revenue growth. Some analysts have begun to downgrade the shares, but we still anticipate further gains. This upstate New York distributor has grown to become the world's largest wine producer, and we anticipate further success. In much the same way, **Dean Foods** has grown to become the nation's largest dairy producer. Dean Foods

Please see Viewfinders, page 8

Earnings Reports

Stock Name	Earning	Current	1 Yr Ago	% Change	Current Recommendation
Conexant Systems	Q1	0.04	(0.01)	500.0%	Speculative Buy
Compudyne	Q3	0.12	0.02	500.0%	Hold Loosely
Countrywide Financ.	Q4	2.74	1.45	89.0%	Buy Aggressively
Engin'r'd Sup't Syst	Q4	0.51	0.32	59.4%	Nibble
Fair, Isaac & Co.	Q1	0.59	0.38	55.3%	Buy
General Electric	Q4	0.45	0.31	45.2%	Nibble
National City Corp.	Q4	0.88	0.62	41.9%	Buy Aggressively
TetraTech	Q1	0.23	0.17	35.3%	Hold Tightly
1-800-Flowers	Q2	0.20	0.15	33.3%	Buy
Beazer Homes	Q1	3.41	2.75	24.0%	Buy Aggressively
L-3 Communications	Q4	0.94	0.79	19.0%	Nibble
Biomet	Q2	0.32	0.27	18.5%	Hold Loosely
Constellation Brands	Q3	0.80	0.69	15.9%	Buy
ConAgra	Q2	0.51	0.44	15.9%	Buy
CheckPoint Sftwre	Q4	0.26	0.23	13.0%	Hold Loosely
SouthTrust Bank	Q4	0.54	0.48	12.5%	Hold Loosely
FedEx	Q2	0.87	0.81	7.4%	Hold Loosely
Intervest Bancshares	Q4	0.35	0.37	-5.4%	Buy Aggressively
Heinz	Q2	0.54	0.60	-10.0%	Nibble
ChoicePoint	Q4	0.30	0.35	-14.3%	Harvest
NetBank	Q4	0.21	0.25	-16.0%	Speculative Buy
Microsoft	Q2	0.14	0.17	-17.6%	Hold
Merck	Q4	0.62	0.80	-22.5%	Hold Tightly
Equifax	Q4	0.23	0.38	-39.5%	Buy
Radian	Q4	0.58	1.14	-49.1%	Inconclusive
Ariba	Q1	0.02	0.04	-50.0%	Speculative Buy

Breakthrough Stocks

Last Month's Stock Picks That Have Shown Outstanding Short Term Results.

Stock Name	Stock Symbol	Today's Price	Last Issue	% Increase	Current Recommedation
Dura Automotive	DRRA	$15.10	$10.35	45.9%	Hold Loosely
Toys R US	TOY	$14.43	$10.87	32.8%	Buy
Concord EFS	CE	$14.13	$10.80	30.8%	Hold Tightly
PT Telekomunikasi	TLK	$17.98	$14.08	27.7%	Hold Tightly
America Movil	AMX	$31.04	$24.75	25.4%	Buy Aggressively
Emerg. Mkts. Fd	ETF	$8.15	$6.77	20.4%	Buy
Cytyc	CYTC	$15.20	$12.73	19.4%	Buy
R&G Financial	RGF	$43.65	$37.06	17.8%	Hold Tightly
General Electric	GE	$34.03	$28.91	17.7%	Nibble
Semco Energy	SEN	$5.53	$4.78	15.7%	Hold for Income
Jack in the Box	JBX	$23.75	$20.72	14.6%	Take Profit
L-3 Communications	LLL	$53.29	$47.09	13.2%	Nibble
Landry's	LNY	$27.81	$24.65	12.8%	Hold Tightly
Fair, Isaac & Co	FIC	$58.72	$52.64	11.6%	Buy
Oxford Health Plans	OHP	$47.84	$43.31	10.5%	Buy
Safeway	SWY	$22.90	$20.80	10.1%	Nibble

Vie[illegible]er[illegible]m page 7

completed the acquisition of health food dairy product leader Horizon Organic. The company has grown significantly through such acquisitions, and is rumored to be considering further buys in dairy-related industries. Shares are relatively affordable, and growth prospects are exciting, especially in the health segment, despite new competition entering that market. We'd buy.

One competitor of Dean Foods is **General Mills**, owner of well-known brands like Pillsbury, Betty Crocker, Green Giant, Progresso, Old El Paso, Chex, Yoplait, and Nature Valley. The company's move into healthy choices, under brands like Cascadian Farms, and Muir Glen, as well as new soy milk offerings, may help the firm develop new markets. In addition, joint ventures are providing solid growth in international markets. General Mills has good long-term potential, and therefore deserves a buy rating.

Sea Containers is a Bermuda-based container ship business that also engages in passenger ferry and rail services, port real estate development, publishing, banana and table grape farming, and owns 43% of the publicly traded Orient-Express line of hotels, restaurants and tourist trains. Recent earnings have been well above estimates, as shipping is recovering. Shares sell at a relatively low P/E. Book value is in excess of $30 per share; the Orient-Express shares alone are worth over $10 per share. We see these shares as an exciting value opportunity.

Oxford Health Plans intends to expand Medicare coverage due to additional government funding, and extend service in selected New York counties. Despite analyst recommendations to the contrary, we still view Oxford as a good buy.

Investor's ValueView
is published by
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Value View is published bi-monthly, and is available by subscription in the United States for $95/yr., or $110/yr. outside the U.S.