

Heron Capital Management, Inc.
670 West End Avenue, 14th Floor
New York, NY 10025
(212) 595-9482 or (800) 99-HERON

All data as of March 8th, 2005

Sector	Symbol	Company	Description	Thesis	P/E	P/Sales	Beta	Market Cap \$ Billion	Operating Margin	Projected Growth Rate	Forward P/E	PE/Growth Ratio	Stock Pr 3/8/2005
Consumer Discretionary	ATVI	Activision	Gaming software	Games industry now larger than movie industry	25.3	2.6	1.24	3.292	14%	18%	25.7	1.5	23.160
Consumer Discretionary	COH	Coach	High end to deluxe manufacturer of broad range of leather goods	Good mix of non-fashion specific goods less vulnerable to retail cycle	35.6	7.6	1.32	11.376	36%	20%	28.2	1.4	58.030
Consumer Discretionary	DECK	Deckers Outdoor Corp	Sports sandals, sheepskin boots	Growing consumer business	19.1	2.3	1.11	0.473	19%	20%	16.0	0.8	39.570
Financials	RECN	Resources Connection	Accounting services	Helps companies address complex financial needs, especially Sarbanes-Oxley compliance	27.1	2.6	1.37	1.128	16%	25%	22.7	0.9	23.480
Financials	UCI	UICI	Health and Life Insurance, software to manage same	Software valued added component of commodity business	9.6	0.7	0.17	1.312	22%	13%	9.6	0.8	28.470
Health Care	BSTE	BioSite	Medical diagnostics tools	Medical spending continues to grow faster than overall economy	22.6	3.8	0.08	0.919	26%	18%	21.4	1.2	53.720
Health Care	HRT	Arrhythmia Research Technology	Heart monitor hardware and software	Aging population requires ever more care for heart disease	21.2	3.3	0.80	33.780	22%	11%	16.5	1.6	13.950
Health Care	MNT	Mentor	Surgical supplies and implantable devices	Aging population requires ever more healthcare, these products not subject to same level of litigation as drugs	26.1	3.6	0.81	1.359	20%	16%	22.7	1.4	32.290
Industrials	ALEX	Alexander & Baldwin	Ocean transport servicew	Chinese manufacturing driving growth in Pacific transport	18.0	1.3	0.61	1.932	12%	5%	17.6	3.5	44.430
Industrials	CBT	Cabot Corp	Specialty chemicals and materials	High service/added value products in otherwise fragmentary, commodity business	19.3	1.3	1.09	2.230	11%	13%	15.0	1.2	35.300
Industrials	CRDN	Ceradyne	Ceramic products for broad range of industrial products	Ceramic materials run hotter, stronger than metal materials they replace	26.2	3.4	1.25	0.713	9%	18%	26.4	1.5	27.510
Industrials	STTX	Steel Technologies	Specialty steel materials	Value added producer of steel products less vulnerable to price competition	8.5	0.4	0.23	0.395	9%	11%	9.1	0.9	28.979
Industrials	WCC	WESCO Intl	Electrical construction products and supplies	#1 provider in basic market	24.5	0.4	1.04	1.521	4%	15%	19.7	1.4	35.950
Information Technology	AGYS	Agilysys	Distributor of enterprise systems solutions from a variety of vendors	IT purchasers prefer not relying on a single vendor, yet want to outsource complex purchasing processes	21.8	0.4	1.40	0.570	3%	15%	18.7	1.2	19.690
Information Technology	APH	Amphenol Corp	Cable "harnesses" for industrial and electronic applications	Critical niche business supporting other manufacturers	21.9	2.3	2.11	3.531	18%	19%	18.2	1.0	40.720
Information Technology	BCGI	Boston Communications Group	Billing software for cell phone service providers	Niche business supporting rapidly growing industry	7.6	1.2	0.44	0.125	25%	20%	44.7	2.2	6.930
Information Technology	CEN	Ceridian	Software to outsource human resource applications	Niche business supporting ever more complex HR compliance problems	39.6	2.2	0.55	2.723	9%	14%	32.6	2.3	18.200
Information Technology	CEY	Certegy	Check/Credit Card transactions processing and risk management	Efficiencies of scale by supporting multiple US and non US financial institutions and merchants	21.6	2.2	1.23	2.231	17%	14%	19.7	1.5	36.100
Information Technology	DST	DST Systems	Software for mutual fund transaction processing	Better, faster, cheaper than in-sourcing	14.1	1.8	1.00	3.958	13%	14%	18.1	1.3	46.500
Information Technology	PRGS	Progress Software	Software to accelerate development of other software	Anything to reduce the cost of software	27.1	2.5	0.75	0.845	13%	15%	19.9	1.3	22.860
Information Technology	UTSI	UTStarcom	Telecommunications systems	Large business in China, a rapidly industrializing economy	10.1	0.7	2.16	1.491	8%	21%	35.3	1.7	13.230
		Average			21.3	2.2	0.99	3.614	15%	16%	21.8	1.5	
		S&P 500			22.1	3.0	1.00	22.848	22%	11%	16.5	1.6	1219.43