

2004 EDAC CEO Forecast

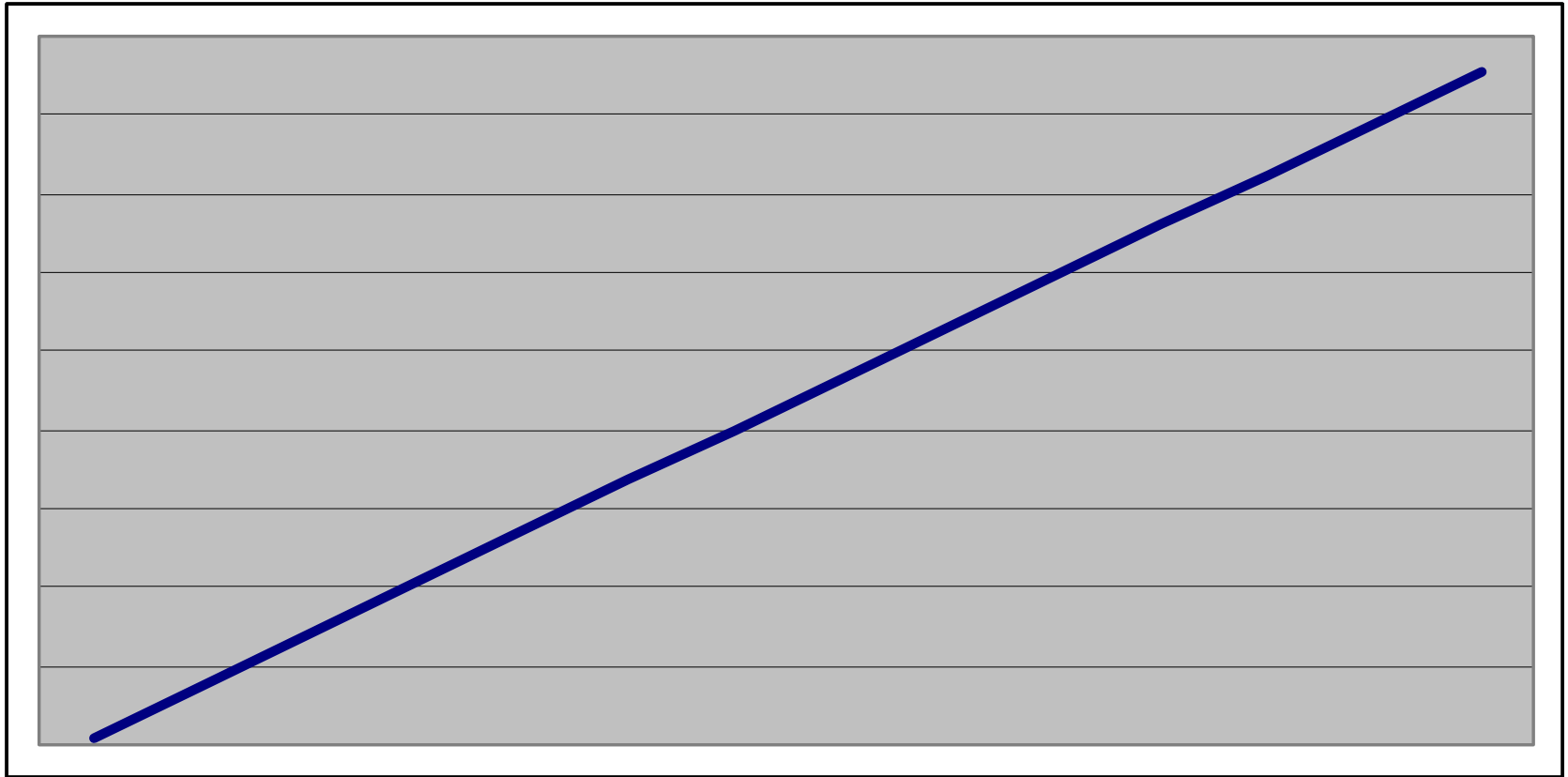
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Transistors Designed: 60% CAGR!



Source: Synopsys



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Beware the straight line forecast!

Trends of Elvis Presley Impersonators

1977	37
1993	48,000
2010	2,500,000,000



Source: Cean H, San Francisco Chronicle; October 27, 1993



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What makes stocks go up?

Short term:

Analysts get surprised ... bid 'em up.



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What makes stocks go up?

Long term:

Fundamentals rule ...



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Companies with the best performing stocks ...

- ***Are #1 or #2 in a market***
- ***Stick to knitting***
- ***Defend or take share***
- ***Generate excess cash***
- ***Maintain an un-leveraged capital structure***
- ***Earn >15% return on equity***
- ***Invest heavily in R&D and brand***
- ***Buy back stock***

Fruhan, W. E., Jr. Financial Strategy. Homewood, IL: Richard D. Irwin Inc., 1979.



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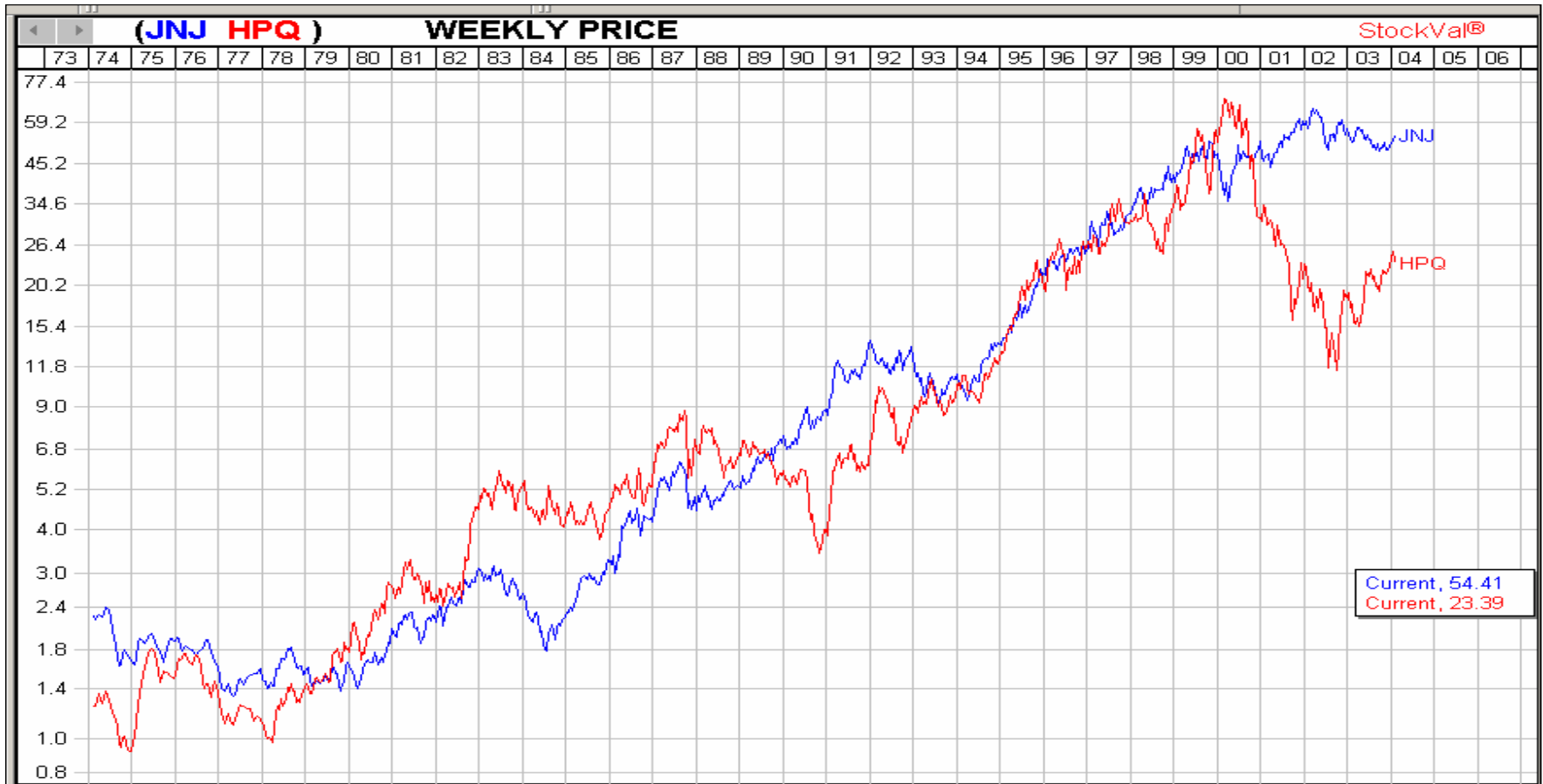
IPO dates

- *MENT 1/84*
- *CDN 6/87*
- *SNPS 2/92*
- *VIRL 7/00*
- *LAVA 11/01*

*Within five years MENT will be covered
by analysts born after the IPO!*



A 30 year view: JNJ v. HPQ



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Ground rules for panelists

- ***Be sure your forecast includes a forecast***
- ***Bonus points for a thirty year view***
- ***Keep commercial messages subliminal***