Nutmeg Securities, Ltd. EQUITY RESEARCH

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MONTHLY TECHNOLOGY COMMENT

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Peter Labé, CFA

STAYING BEHIND THE BULL, FOR NOW

In this issue:

- *Microsoft shows Vista and Office 12 to Developers – Next year's up cycle*
- *Fed raises rates after the storm*
- *Economic growth masked by energy prices*
- *nVidia beautifully positioned – strongly re-recommended*
- *New Dell initiative strikes us as brilliant*

PROSPECTS FOR A FALL RALLY STILL THERE

The market this year so far, has done about what we expected. To rally from here, it seems to me there must be a suitable wall of worry to surmount. We think it's there, as outlined below.

RE-THINK INTEREST RATES?

Sometimes we think we are losing our grip. We have a big violent storm (Katrina) with lots of damage etc. so that one might think of pausing in the upward march of interest rates (Fed Funds rate) and having plenty of liquidity. This is especially true since we believe inflationary fears are overdone, inflation being commonly used to justify rate hikes.

Well, the Board and Mr. Greenspan would have none of this. Interest rates were pushed another quarter point on the grounds Fed policy was accommodative enough, and besides, the *adverse effects of Katrina were likely to be very short lived.* At least we got one member of the Board to dissent, that's new!

This isn't the first time we've disagreed with the Fed. And we're not saying we're smarter than they are. What we are saying is, *we have to be nearing the end of these steady rate increases or business prospects for 2006 will be perceived as affected and the stock market as a whole will be slowed down.*

Right now, we're thinking the economic/market outlook is still quite solid. But we do have concern on rates. Non-energy inflation just isn't that great from our viewpoint. There are of course longer term issues which we have omitted for brevity, such as the federal deficit, trade imbalance, etc. In sum, we generally see rates now as a potential limiting force on a higher market.

ECONOMIC TUG OF WAR

What appears to be happening is a really good strong economy offset by higher and higher gasoline prices. This accounts for some mixture in the news. For example, the leading economic indicators have dropped the last two months – by a microscopic 0.2% and 0.1%. This just isn't enough to haggle over. There should be some weakness in consumer confidence and there should be some softening of the economy in the next few months. This should be followed by the positive effects of employment growth and the reconstruction following Katrina. We see 2005 earnings as unaffected (in our universe) and we are opening 2006 estimates on the slightly optimistic side.

Recent news has been quite bullish in Japan and quite bearish in Germany. The international outlook just isn't so good in Europe, and continues favorable in Asia. This is another tug of war here. The bulls have a slight edge, for now anyway, in our view.

In sum, the economy is holding up fairly well. Capital goods demand is pretty good, the employment outlook is very good, construction spending is ok, and personal spending despite some ragged periods from the storms is holding. There should be enough strength to achieve estimates, we feel. But probably not with a lot of upsides.

THE REAL ESTATE BUBBLE AND MR. GREENSPAN

No news on the real estate bubble, recently heavily in the news. People have recognized that activity at the minuscule rates of two years ago may not be the same with today's rate structure, though lots of devices are being used to prolong it. Mr. Greenspan's latest pronouncement, on September 27, is that if we keep the economy and markets flexible, free and unregulated, these excesses will take care of themselves. He is re-stating a long held position but more timely now as we approach an adjustment period in this market. From the stock market's point of view, this has to be a smooth transition to be most effective with minimum equity market effect. This one is not set in cement.

OUTLOOK FOR TECH STOCKS

In a good economy that we have been experiencing, we believe the outlook for tech stock earnings is somewhat superior to the average industrial. Yet tech stocks (as measured by the NASDAQ Composite) have generally done little more than keep pace with the S&P 500 (the market). Accordingly, we have remained positive on the group, even though overall market prospects seem restrained.

Our early feedback on the September quarter is that things seem to be ok.

RECOMMENDED DEPLOYMENT

We have not changed any ratings this month. So, our list looks pretty much like last month:

Large Cap/Growth/Moderate P/E

Lexmark, Hewlett, IBM – all rated Strong Buy

Comment: Only Hewlett is acting like a strong buy. Lexmark is acting like it will be a very long recovery period, and I guess right now I just don't believe that. IBM is acting like the numbers aren't there, here too we think it is just a little off in time.

Growth/Higher P/E

Network Appliance, nVidia, EMC – NetApp and nVidia rated Strong Buys, EMC Buy

Comment: pay a lot more attention to nVidia, it sticks out in the group and is highlighted in this issue

Special Situation

Unisys – Long term buy

Comment: Nothing new here, wait.

Next, we turn to our sector comments.

DATA STORAGE

EMC Corporation ($12.94 – Buy)

All indications are that the third quarter is ok. Stock softening towards 11-12 area where we really like it.

Network Appliance ($23.74 – Strong Buy)

No news here, but we think things are going well. No change in estimates or rating.

SERVERS

Hewlett-Packard ($29.20 – Strong Buy)

The only important news item this month was two software acquisitions for an estimated $625 million cash. Peregrine Systems is the larger of the two, with 3,500 customers and software designed to help companies manage their information-technology assets. AppIQ is the second company, with about 250 customers and marketing software that helps manage storage products. It was indicated that these offerings would plug holes or strengthen HP's *Open View* management software.

We don't consider ourselves expert in *Open View* in any way but **conceptually** we like these deals. IBM has pursued a similar strategy for many years and very successfully. This looks more like the same to us.

Notice also this enhances the Mark Hurd scorecard. A couple of nifty software acquisitions while cutting costs and overhauling the structure fits right in. In other words, in our view, a multiple builder (the acquisitions are too small to have a noticeable effect on sales and earnings).

Stock still a **Strong Buy** even though pressing 30 now.

International Business Machines ($80.22 – Strong Buy)

IBM has had a tough month in the market, which we ascribe to uncertainty in near term earnings. IBM's attraction for us has been:

- Large services business with good upside exposure to the economy
- Extremely sound restructuring/cost reductions, and

- An old-fashioned product cycle, led by the top of the line mainframes, the *z-series*

For the past 40 years large mainframes have been the most profitable single thing that IBM does, especially when one counts software, maintenance, etc. We believe this is still true today. In the old days, at the start of a new cycle there would be great backlogs and a great stock price in anticipation of the goodies to follow. At present we are **already 2-3 weeks** into the new cycle but there is sure zero recognition in the stock price. Admittedly the IT spending climate is different (and a lot less exuberant) and the huge backlogs are a thing of the past, but investors seem to be evaluating this product set fairly low.

The 15,000 headcount reduction, particularly in Europe, to address structural changes in the market, is smart. IBM was on top of this early and this is one of many good decisions IBM has been making (e.g., PC sale to Lenova) but not getting credit for. Initial returns on the restructuring should be visible in 2006.

The Services business is not an easy business. It is slow-growing and there is a wealth of providers. IBM has many competitive strengths, though, and economic growth should be a plus over the intermediate term.

For now, no changes in estimates or ratings.

Sun Microsystems ($3.93 – Hold)

We have no flashes of insight on this stock this month.

PC AND RELATED

Mid-month, Microsoft gave software developers a preview of *Windows Vista* and *Office 12.* These are absolutely crucial products. *Vista* would be the successor to *Windows XP* as the prime operating system of choice. *Office 12* would be the update for the current Microsoft *Office* products and in the opinion of many, long overdue. *Office* is actually a suite of products, including Word, Excel and PowerPoint.

The investor must assume these products will have a rich enough feature-function set to make users want to upgrade, which we think is a pretty safe bet. Conventional wisdom is that the public will be very rapid adopters (as in the past) and would be followed by corporations, who would take time in their reviews and planning for implementation. On a timetable of second half 2006 introduction for both *Vista* and *Office 12,* the wave of buying should be quite strong 2006-2007. While this should benefit the whole PC industry, we prefer to look at the industry via individual names.

nVidia ($34.28 – Strong Buy)

nVidia is projected by us to have revenue growth of 18% in 2005 (technically, the fiscal year to 1/31/06) and we are now forecasting a 17% revenue gain in 2006. Earnings per share are estimated to have almost tripled in 2005, to $1.55 per share, with a further 30% gain to $2.00 per share forecast for 2006 and a preliminary $2.50 for 2007. Actually we think revenue could grow faster than our projections and earnings could as well; we think it possible for our 2007 estimate to be reached in 2006. **This is an exciting stock and very much a Strong Buy despite the already strong performance of the stock.** We are thinking $50 preliminarily.

It may be important to footnote that the PC industry outlook is not terribly relevant in the time frame we are discussing, although there should be some tailwind for the industry late-2006 and 2007 due to *Windows Vista* and *Office 12* as discussed earlier.

To understand what's going on at nVidia, we have developed the table shown below on the breakdown of revenue:

nVidia Revenue Breakdown
(in $ millions, fiscal years ending 1/31 of following year)

	2005E	**2006E**	**% Change**
Desktop GPU's	$1,100	$1,200	+9.1%
Notebook GPU's	150	280	+86.7
Chipset	381	550	+44.4
Workstation	360	425	+18.1
Phone/hand-held	50	75	+50
Microsoft X-Box	120	0	n/c
Sony Playstation3	45	60	+33.3
Memory (pass thru)	165	185	+12.1
Total	**$2,371**	**$2,775**	**+17.0%**

Source: Nutmeg Securities Limited

In **desktops**, nVidia is coming in with the second year of high growth replacing ATI of Canada sockets. nVidia's current generation is superior in performance, in multi-

processor technology, and in other technical features such as shaders. With market share in the 60-70% range, nVidia has gone about as far as it can go (modest growth looks as good as can be for next year). Very profitable.
In **notebooks**, nVidia has traditionally been behind ATI; nVidia chips have tended to be too large and power consumptive. The current line of nVidia does not have these drawbacks and high growth can be expected as nVidia has very superior performance.
In **chipsets,** nVidia enjoys a rapid growth consuming market and an increasing share of it. AMD microprocessors have been growing rapidly and carrying nVidia with them. nVidia has been broadening its line to capture a larger share. *nForce 4* is winning in the workstation and server market, in high performance desktops with single and dual (SLI) processor offerings, while the low end two-chip pairs (*nForce 400, 6100)* have been successful. These are all integrated graphics solutions, and nVidia is the only vendor with a complete line. Up to now, no one can supply the Intel integrated graphics market because of Intel bus patents. However, that will change later this year as nVidia comes out with a line of such chips – nVidia signed a patent cross-license some months ago.
In **telephone/handset** markets, nVidia is a relative newcomer. It has a large contract with Motorola, but these are only $10 chips and we doubt very profitable.
In the **gaming** market, nVidia lost the follow-on contract to supply Microsoft, but gained the potentially far more profitable Sony Playstation3 business. This business is nearly all profit because it is all **royalty –** this should have some growth and be around for many years to come.

The issues we hear most about now, are COMPETITION and NEXT GENERATION product. Our views on these subjects are:

- ATI of Canada for all practical purposes is the sole competitor. ATI fell behind this generation and is struggling to catch up. It is only now beginning to introduce some chips that are in the nVidia *GeForce* performance range, and recently introduced its *CrossFire* products to compete with nVidia SLI technology for dual processors. The reviews have not been favorable. ATI still does not have 32-bit floating point or Shader 3.0 as nVidia does. The closest we can see a competitive lineup is mid-2006 – and this is too late.
- nVidia is preparing to launch its next generation products in the spring of 2006. This is reputed to be the **biggest** generation change in history, and perhaps the most **revolutionary.** Needless to say, it will support the Microsoft Direct-X 10 (DX-10) which will be the Microsoft graphics for *Windows Vista.* The combination spells leadership for nVidia, incredible difficulty for competition.

nVidia is traditionally a high-multiple stock because of growth prospects, technology leadership, powerful financial ratios and proven, quality management. We expect this to continue.

Dell Computer ($34.20 – Hold)

This is the most excited we have been about Dell in a long, long time. What has changed is the September 27 announcement of a new PC computer line, the *XPS.*

This is a new brand, and is referred to as a "luxury" line, the "Lexus" of the Dell line or simply as a "premium" brand. Prices will be higher (and margins too!) than the Dell regular line of *Dimension* PC's and *Inspiron* laptops. Prices begin at $2,700 for the laptop and $1,100 for the desktop models. Key to the program is service, with a guarantee of no more than a five-minute wait to talk to a service representative. Dell has assigned a sales force and customer service team to this program.

What has us excited is that this is **an underserved market** and potentially large, maybe larger than people think. Gateway, which perhaps at one time occupied this market, has kind of made a de facto withdrawal now that it has merged with eMachines.

Dell is so big it is hard for anything to have an impact, but this could. We are doing some background work to see if this qualifies Dell as a candidate for a ratings upgrade.

Meanwhile, we consider the short-term outlook cloudy to dull. We had a shortfall last quarter and a tepid outlook given on the conference call. We are not looking for much the next couple of quarters. But by the second half of 2006 when *Windows Vista* and *Office 12* are out and the *XPS* brand is established, earnings momentum could develop. For now, we keep the **Hold** rating.

Lexmark International ($61.05 – Strong Buy)

This Great Value Stock continues to wallow in the mud and can't get unstuck for the life of it. More patience is going to be required than we ever thought, but we stick by our guns and leave estimates and ratings unchanged.

One neat thing occurred in the month, and that was the introduction of the Lexmark *P450.* Did you ever see a new product and say "Gee, why didn't I think of that?" Well the P450 is just such a product.

It is a 4 x 6 inch inkjet photo printer, but has the industry's first built-in CD photo burner. Users have a complete photo processing center now, and an easy to use digital image archiving system ----- all **without intervention of the PC.** Available in October at an estimated street price of $199.

A wide variety of activities is supported (some requiring additional equipment and expense). Users can:

- save photos to CD (basic capability of the system)
- print photos directly through a Bluetooth technology cell phone (needs an adapter)
- print photos from virtually any digital camera through a port or memory cards
- View photos on the TV (cable needed)

- See and edit photo images with a large 2.4 inch color LCD screen
- Produce photo-quality prints for 29 cents each when used with a Lexmark Photo Printing kit

A nice device and some good innovation. Maybe Lexmark isn't dead yet.

Gateway ($2.70 – Hold)

Nothing new at Gateway, really. Maybe we need to get close to *Windows Vista* to get more interested. Meanwhile, no change in estimates or rating.

DATA SERVICES

Unisys Corporation ($6.64 – Hold)

No news items caught our fancy this month, and we have no news to report. We are waiting for time to pass so that Unisys can solve its internal contract problems and we get more into product cycle demand for large computers. For now, carry as a Long term Buy.

PERFORMANCE AND RATING CHANGES

We made no rating changes this month. The principal estimate change was at nVidia, where during the month we raised next year's estimate from $1.85 to $2.00 per share. Readers are reminded that our annual and quarterly estimates are kept up to date and appear on First Call.

Not much went on in the market this past month. The market as measured by the S&P 500 was up 1%, the NASDAQ Composite was absolutely flat.

In that environment, EMC was up 1% and Net App flat. In the server group, Hewlett was up 6%, Sun 4%, and IBM flat. The PC and related space had a big winner (nVidia up 12%) and some losses – Lexmark down 3%, Dell down 4%, and Gateway down 11%. In the Services group, Unisys was up 1%.

REGULATORY COMPLIANCE

Nutmeg Securities, Ltd. has implemented rules that conform to published SEC rules to address analyst conflicts. Accordingly, we note for the record that we have not acted as manager or co-manager for any equity offering, nor received investment banking fees from, any of the companies mentioned in this review. Further, we have footnoted in

Table II where the analyst has a position in any of these securities. Next, we have some kind of Buy rating on 7 stocks (41%) and 1 sell rating (6%). We consider this somewhat unusual, but not in a case of an attractive investment sector. Finally, we note our investment performance can be gauged by comparing our recommendations which appear in Table I along with the prices at the time, with the NASDAQ Composite Index, which also appears in Table I.

Table I - Price, P/E and Rating

		Price	52-week		E.P.S.			P/E		
Company (FY)	Symbol	9/30/2005	Range	2003A	2004A	2005E	2006P	2005E	2006E	Rating
S&P 500*	SPX	1229	1246 1090	$55.44	$67.10	$73.89	$78.75	17	16	
NASDAQ Composite	COMP	2152	2220 1888							
Storage										
EMC Corp. (Dec)	EMC	12.94	15 - 11	$0.19	$0.37	$0.51	$0.64	25	20	BUY
Network Appl. (Apr)	NTAP	23.74	35 - 23	$0.40	$0.62	$0.77	$1.01	31	24	STRONG BUY
Servers										
Hewlett-Packard (Oct)*	HPQ	29.20	30 - 18	$1.16	$1.34	$1.56	$1.82	19	16	STRONG BUY
IBM Corp. (Dec)*	IBM	80.22	99 - 72	$4.34	$4.50	R $4.96	$5.47	16	15	STRONG BUY
Sun Micro. (Jun)*	SUNW	3.93	6 - 3	($0.24)	$0.01	$0.04	$0.09	98	44	SELL
Personal Computers										
ATI Technologies (Aug.)*	ATYT	13.94	21 - 10	$0.27	$0.78	$0.26	$0.35	54	40	HOLD
Dell (Jan fol.)	DELL	34.20	43 - 33	$1.01	$1.28	$1.55	$1.80	22	19	HOLD
Gateway (Dec)	GTW	2.70	7 - 2	($0.96)	($0.40)	$0.12	$0.19	23	14	HOLD
Lexmark (Dec)	LXK	61.05	91 - 60	$3.34	$4.13	$4.20	$4.87	15	13	STRONG BUY
nVidia (Jan fol.)	NVDA	34.28	34 - 13	$0.50	$0.57	$1.55	$1.85	22	19	STRONG BUY
Wireless										
palmOne (May)*[3]	PALM	28.33	47 - 21	($0.11)	$1.54	$1.58	$1.71	18	17	HOLD
PalmSource (May)*[3]	PSRC	18.05	23 - 7	$0.10	$0.26	$0.04	$0.21	451	86	HOLD
Res. in Motion (Feb)*[2]	RIMM	68.30	104 - 60	$0.48	$2.10	$2.57	$3.41	27	20	HOLD
Services										
Accenture (Aug)*	ACN	25.46	28 - 21	$1.05	$1.23	$1.44	$1.61	18	16	HOLD
Affiliated Computer (June)*	ACS	54.60	61 - 46	$2.62	$3.12	$3.40	$3.91	16	14	HOLD
First Data (Dec)*	FDC	40.00	44 - 37	$1.96	$2.16	$2.29	$2.62	17	15	HOLD
Unisys (Dec)[4]	UIS	6.64	12 - 6	$0.78	$0.31	$0.34	$0.60	20	11	L.T. BUY

Notes: [1]Globix now trading post-bankruptcy. New Symbol GBXX. [2]Research in Motion split 2-for-1 on June 4, 2004.
[3]Palm became palmOne and PalmSource started trading October 29, 2003.
[4]Unisys estimates non-GAAP and exclude pension accounting.
* First Call consensus estimates.
u/r = under review
Source: Nutmeg Securities estimates, except as noted.

Table II - Price History

Company (FY)	12/31/2003	12/31/2004	5/31/2005	Prices 6/30/2005	7/29/2005	9/30/2005	% chg September	2005 year to date
S&P 500	1112	1212	1191	1234	1220	1229	0.7%	1.4%
NASDAQ Composite	2003	2175	2057	2185	2152	2152	0.0%	-1.1%
Storage								
EMC Corp. (Dec)	12.92	14.87	13.71	13.69	12.86	12.94	0.6%	-13.0%
Network Appl. (Apr)	20.44	33.22	28.27	25.51	23.73	23.74	0.0%	-28.5%
Servers								
Hewlett-Packard (Oct) (1)	22.97	20.97	23.51	24.62	27.76	29.20	5.2%	39.2%
IBM Corp. (Dec)	92.68	98.58	74.20	83.46	80.62	80.22	-0.5%	-18.6%
Sun Micro. (Jun)	4.47	5.39	3.73	3.84	3.80	3.93	3.4%	-27.1%
Personal Computers								
ATI Technologies (Aug)	15.12	19.39	11.85	12.58	12.18	13.94	14.4%	-28.1%
Dell (Jan)	33.98	42.14	39.46	40.47	35.60	34.20	-3.9%	-18.8%
Gateway (Dec)	4.60	6.01	3.30	3.98	3.04	2.70	-11.2%	-55.1%
Lexmark (Dec) (1)	78.64	85.00	64.83	62.70	62.98	61.05	-3.1%	-28.2%
nVidia (Jan)	23.20	23.56	26.72	27.06	30.68	34.28	11.7%	45.5%
Wireless								
palmOne (May)	11.75	31.55	29.77	28.54	34.18	28.33	-17.1%	-10.2%
PalmSource (May)	21.77	12.74	8.50	7.80	9.95	18.05	81.4%	41.7%
Res. in Motion (Feb)	33.42	82.42	73.79	70.66	78.30	68.30	-12.8%	-17.1%
Services								
Accenture (Aug)	26.32	27.00	22.67	25.04	24.40	25.46	4.3%	-5.7%
Affiliated Computer (June)	54.46	60.19	51.10	49.97	51.95	54.60	5.1%	-9.3%
First Data (Dec)	41.09	42.54	40.14	41.14	41.55	40	-3.7%	-6.0%
Unisys (Dec)	14.85	10.18	6.33	6.47	6.65	6.64	-0.2%	-34.8%

Palm Had a 20-1 reverse split in October 2002. *Globix stock quoted is post-bankruptcy stock.*
Research in Motion split 2-for-1 on June 4, 2004.
Palm became palmOne and PalmSource started trading October 29, 2003.
Notes: (1) The author has a position in the common stock. (2) The author has a position in the debentures.
Source: Reuters.

DEFINITION OF OUR RATING SYSTEM

In general, we have three basic ratings of followed securities: Buy, Sell and Hold (Not Rated is a term we use where a security is not followed, or if followed, where not enough information is currently available to base an opinion).

BUY – is our rating for a stock that we consider currently attractive for purchase for most technology investors. It is a stock that we believe will outperform the market, as measured by the NASDAQ Composite, in a six to eighteen month timeframe. The recommendation could be based on industry or company fundamentals, on equity prices, or any one of a host of other factors, as assessed by the analyst.

We have also formed additional sub-categories of "BUY" rated stocks to make more clear our position. The most common of these are listed below:

- STRONG BUY – where the analyst feels a stock is especially attractive, in some cases due to recent price declines, in some where conventional wisdom on prospects is viewed as wrong, in some where there is a visible catalyst that will call attention to the security.

- LONG-TERM BUY – where the analyst considers the stock as fundamentally attractive but where fruition appears extended over a longer than normal period of time, or where the stock price currently is higher than levels where the analyst would rate the stock "BUY".

- SPECULATIVE BUY – where the analyst considers the stock as very attractive on the price and the fundamentals but where well above average risk must be assumed by the investor.

HOLD – is our rating for a stock where prospects appear more or less in line with the market, or where we feel a compelling case cannot be made either for Buy or for SELL.

SELL – is our rating for a stock that in our opinion is likely to underperform the market as measured by the NASDAQ Composite in a six to eighteen month time frame.

Additional information on subjects in this report is available upon request.

Our recommendation changes on the securities mentioned in this report are as follow:

ATI Technologies
Hold 4/30/04 at $14.57

Celestica
Hold 8/30/02 at $22.97
Ended coverage 5/2/05 at $11.50

Dell
Hold 10/31/01 at $23.89
LT Buy 3/28/02 at $26.11
Buy 8/9/02 at $25.59
Hold 11/29/02 at $28.60
Sell on 7/1/05 at $39.46
Hold on 9/1/05 at $35.60

EMC
Buy 10/31/01 at $12.32
Strong Buy 3/28/02 at $11.92
Buy 8/1/05 at $13.69

Flextronics
Hold 8/30/02 at $9.47
Ended coverage 5/2/05 at $11.15

Gateway
Value Buy 10/31/01 at $5.65
Strong Buy 1/31/02 at $5.21
Buy 2/28/02 at $5.60
Strong Buy 3/25/02 at $6.45
Buy 12/31/02 at $3.14
Strong Buy 7/31/03 at $5.11
Buy 4/30/04 at $4.82
Speculative Buy 9/1/04 at $4.39
Hold 6/1/05 at $3.46

Globix
Spec. Buy 10/31/01 at $.0.56
Hold 1/31/02 at $0.06
Ended coverage 5/2/05 at $3.55

Hewlett-Packard
Sell 10/31/01 at $16.83
LT Sell 12/31/02 at $17.36
Hold 1/8/03 at $19.65
Buy 5/5/03 at $16.65
Strong Buy 5/30/03 at $19.50
Buy 8/2/04 at $20.15
Hold 9/1/04 at $$17.89
LT Buy 7/1/05 at $23.51
Strong Buy 8/1/05 at $24.62

IBM
Hold 10/31/01 at $108.77
Buy 1/5/05 at $98.58
Strong Buy 5/2/05 at $76.38

Jabil
Hold 8/30/02 at $18.71
Ended coverage 5/2/05 at $27.60

Lexmark International
Hold 1/5/04 at $78.64
Strong Buy 3/31/04 at $92.00

Network Appliance
Strong Buy 10/31/01 at $13.30
Buy 9/1/04 at $20.07
Strong Buy 6/1/05 at $28.76

nVidia
LT Buy 10/31/01 at $42.75
Buy 1/31/02 at $65.74
Strong Buy 2/28/03 at $52.01
u/r 6/28/02 at $17.18
Buy 7/25/02 at $15.07
Strong Buy 8/9/02 at $9.42
Buy 5/30/03 at $ 26.17
Strong Buy 6/30/03 at $22.91
Buy 8/29/03 at $18.17
Hold 9/30/03 at $15.91
Strong Buy 1/5/04 at $23.20
Hold 8/2/04 at $15.42
Buy 8/9/04 at $9.43
Hold 10/29/04 at $14.47
Buy 3/1/05 at $28.99
Strong Buy 4/1/05 at $23.76

palmOne
Sell 10/31/01 at $48.60
Hold 1/31/02 at $74.80
Sell 5/31/02 at $31.80
Hold 8/30/02 at $15.20

PalmSource
u/r 10/31/03 at $38.17

Res. In Motion
Buy 10/31/01 at $16.01
Strong Buy 2/28/02 at $23.89
LT Buy 4/15/02 at $20.39
Hold 2/28/03 at $12.70

Sun Microsystems
Hold/LT Sell 10/31/01 at $10.17
LT Buy 11/29/02 at $4.29
Buy 1/8/03 at $3.75
Hold 9/30/03 at $3.31
LT Buy 1/5/04 at $4.47
Hold 4/30/04 at $3.90
Sell 7/1/05 at $3.73

Taiwan Semi Mfg.
Hold 8/30/02 at $8.17
Ended coverage 5/2/05 at $8.61

Unisys
Value Buy 10/31/01 at $8.93
Buy 1/31/02 at $12.50
Strong Buy 8/9/02 at $7.82
Buy 7/31/03 at $12.26
Strong Buy 8/29/03 at $12.98
Buy 10/29/04 at $10.62
Long Term Buy 1/5/05 at $10.18
Buy 6/1/05 at $7.24
Long Term Buy 8/1/05 at $6.47

Accenture	Affiliated Computer	First Data
Hold 5/2/05 at $21.70	Hold 5/2/05 at $47.67	Hold 5/2/05 at $38.03