

# INVESTOR'S BUSINESS DAILY®

Thursday, March 27, 2003

## THE STABLE SEVENTY

### Tough Test Divides Best From Rest

**BY CHRISTINA WISE**  
INVESTOR'S BUSINESS DAILY

This year's Stable 70 list was gleaned from IBID's database of over 2,700 publicly held companies with share prices of 12 or higher.

To make the cut, companies had to have a five-year earnings growth rate of 10% or higher.

They had to have logged annual earnings growth rates of at least 10% during each of the last five fiscal years. Their year-over-year earnings and sales growth rates had to be 10% or higher in the most recently reported quarter.

In addition, they had to have earnings stability rates of 20% or less. The figure shows how a firm's annual earnings compare with the trend of its earnings over the last five years. The lower the percentage, the more consistent its profit, year after year.

The firms were then ranked according to their stability rates, then by five-year earnings growth rates and finally by Earnings Per Share Rating. The top 70 companies appear in the table on page A12. Data are current as of Monday.

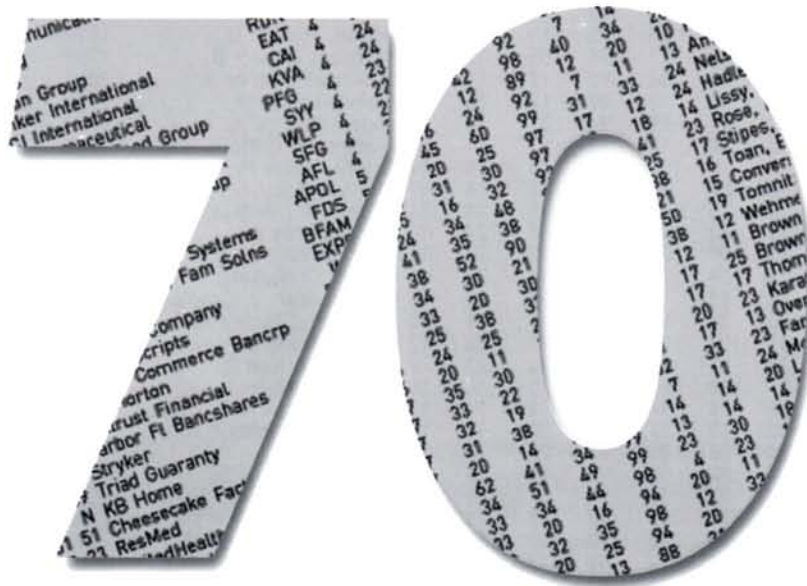
A comparison with last year's winners shows just how tough the business environment has been. Of the 70 stocks on the 2002 list, 36 didn't make the cut this time around.

Some fell victim to slow business spending. Others, such as education provider DeVry, which ranked No. 2 last year, saw their sales slump along with the tech industry.

Still, 34 of the firms on the '02 Stable 70 list returned this time. They include Patterson Dental, No. 1 both years, and the 11 other companies heading this year's list. And there's fresh meat; 36 of the firms this year are newcomers.

Although in many cases their industries aren't the sexy variety that captured the market's interest in years past, they've shown they know how to keep business humming during a downturn.

These firms saw their earnings rise 27% on average in the latest fiscal year. Their five-year earnings growth rate averaged 28%. Their sales also held up during the recession. These companies' average sales growth the latest fiscal year was 22%.



Rank	Company	EPS 5 year stability factor	EPS 5 year growth rate	EPS Rank	EPS growth last quarter	Sales growth last quarter	ROE 5 year average
1	<b>Patterson Dental</b> Medical/Dental-Supplies	1%	23%	92	19%	18%	19
2	<b>Walgreen</b> Retail-Drug Stores	1	18	90	13	13	17
3	<b>Biomet</b> Medical-Products	1	17	92	22	16	20
4	<b>Jacobs Engineering Group</b> Bldg-Heavy Construction	1	17	88	15	19	15
5	<b>Matthews International</b> Funeral Svcs & Rel	1	17	87	16	28	22
6	<b>Corvel</b> Comm'l Svcs-Healthcare	1	15	88	15	25	22
7	<b>Kohl's</b> Retail-Department Stores	2	34	97	19	17	17
8	<b>Capital One Financial</b> Finance-Consumer/Cml Lns	2	31	99	31	21	22
9	<b>Bed Bath &amp; Beyond</b> Retail-Home Furnishings	2	31	99	39	23	22
10	<b>Harley-Davidson</b> Leisure-Products	2	28	98	26	13	24

Data through Monday

Complete list on A12