

STOCK TRADERS PRESS

A Corporate Communications Corp. Publication ---- All Rights Reserved

Short-Term Report

February 25, 2003

Update – Strong Buy

Ohio Casualty Corp. (NASD) OCAS \$12.26

Company Data

52-Week Range	\$11-\$22
Market Cap	\$740.6M
Shares Outstanding	60.7M
Book Value	\$17.23
Price/Book	0.77
Average Daily Vol.	607,000
Dividend/Yield	none
Target Price	\$25.00
Target Percentage	103.9%
Stop Price	\$11.00



Ohio Casualty is an insurance holding company primarily engaged in property and casualty insurance and insurance premium finance. The company provides auto and homeowners insurance as well as commercial property and casualty insurance.

Ohio Casualty is a turnaround story and is an attractive investment for the following reasons:

- **Over the past year the company has sharply focused its efforts on profitability** by exiting unprofitable product lines, territories and agents. This has resulted in the company reporting an operating profit of about \$0.90 per share or \$54 million.
- **The company's financial condition has improved dramatically and is quite strong.** During the past year Ohio Casualty added significantly to its reserves particularly during the third quarter. The increased reserves were required for those businesses that the company has exited and which were unprofitable.
- **The company has instituted an across the board price increase of 15-17%** on its insurance products. This increase will stick because of shrinkage in overall insurance indemnity capacity as a result of the World Trade Center attack in September 2001. It should be noted that this price increase is inline with the overall insurance industry.
- **At the present time, Ohio Casualty is selling at \$12.29, which is about 30% less than its book value of \$17.23 per share.**

Given the recent company initiatives of an improved product mix coupled with the recent price increases we estimate that the company will earn \$1.25 per share in 2003. **We believe Ohio Casualty is an especially undervalued company and consider it very attractive.**

QUOTE "You don't get to control any outcome, only every choice you make along the way"
– Stephen C. Paul

Update – Strong Buy Teledyne Technologies (NYSE) TDY \$13.00

Company Data

52-Week Range	\$12-\$22
Market Cap	\$424.3M
Shares Outstanding	32.0M
Book Value	\$5.37
Price/Book	2.46
Average Daily Vol.	135,000
Dividend/Yield	none
Target Price	\$21.00
Target Percentage	61.5%
Stop Price	\$11.50



Teledyne Technologies, Inc. is a diversified manufacturer of sophisticated electronic products and components to the wireless communications industry. Additionally, the company provides systems engineering for the space and defense industries as well as manufactures and services general aviation engines and components. **We are recommending Teledyne Technologies, Inc. for the following reasons:**

- **We anticipate a meaningful rebound in the short-cycle electronic segment** (i.e. wireless, telecom, and semiconductors) of the company's business during the second half of 2003. Recently, there has been an increase in telecom and wireless spending announced by Nokia and some of the regional Bell Telephone companies.
- **The company's defense business has been quite strong over the past couple of months** and recent contract awards should result in record breaking operating results in 2003 for this segment.
- Teledyne is the major supplier to the aviation industry of flight data acquisition equipment. Despite the slowdown in Boeing deliveries, the company has achieved new inroads in Airbus deliveries. This coupled with increasing retrofitting of a number of commercial aircraft should result in stronger results for 2003.
- **During 2002 the company completed an exhaustive restructuring and cost reduction program** to not only streamline operations but also to respond to the slowdown in the economy. As a result, Teledyne has increased gross profit margins by about 2.2%.
- For the year ending December 31, 2003 we expect the company to earn about \$0.85 per share, which is about 12 % higher than the 2002 earnings.
- **We consider Teledyne an attractively situated diversified technology company.**

--- --- --- ---

UPDATE: Home Depot (HD) Today Home Depot reported earnings for the most recent quarter. **The company beat analyst estimates** when it reported \$0.30 per share, 3 cents higher than the expected \$0.27 per share. We continue to be attracted to Home Depot at current levels.