

**Technology, Media & Telecom: Semiconductor Manufacturing**

Important disclosures may be found on the last two pages of the report.

MEMC ELECTRONIC MATERIALS, INC. (WFR: \$11.62*)St. Peters, MO
April 29, 2005**Market Perform**Price Target \$11.50
Update**STOCK DATA**

52 Week Range	\$14.95-\$7.33
ADTV - 3 Month	2.0
Market Cap	\$2,427.3
Shares	223.9
Outstanding (Diluted)	

EARNINGS DATA

EPS (FD Operating)			
Dec.	2004A	2005E	2006E
1Q	\$0.17	\$0.23A	\$0.26
2Q	0.16	0.25	0.28
3Q	0.27	0.27	0.30
4Q	0.26	0.31	0.30
FY	\$0.86	\$1.05	\$1.14
P/E	15.4x	11.0x	10.2x

FY	2004A	2005E	2006E
Revenue	1,028.0	1,100.3	1,195.8

FINANCIAL DATA

	1Q05
Cash & Equivalents	\$116.32
Accounts Receivable	\$130.53
Inventories	\$135.27
Current Assets	\$410.34
Total Assets	\$1,067.97
Total Current Liabilities	\$223.76
Long-Term Debt	\$113.35
Total Debt	\$136.40
Total Stockholder Equity	\$519.71

Financial Values In Millions

WFR: 1Q Miss; Slower First Half--Maintain Market Perform Rating**Summary and Recommendation**

Reported 1Q revenue of \$258M and EPS of \$0.23 were below our respective estimates of \$269M and \$0.24 as well as below the company's guidance range, although a lower than expected effective tax rate somewhat minimized the downside to EPS. Additionally, the 2Q revenue guidance range of \$263M-\$271M is below our estimate of \$278M. MEMC attributed the 1Q revenue shortfall to a slower than anticipated market recovery, and the lower than expected 2Q revenue guidance, in our view, reflects the sluggish wafer start among customers. Given the slower start in '05, we are lowering our '05 estimates, although a lower tax rate is somewhat limiting the downside. We are introducing our '06 EPS estimate of \$1.14, which is making us increase our price target to \$11.50. Net/net, we have been on the sidelines on this name since we launched coverage in September due to the uncertain demand environment as well as the ownership structure.

Although the ownership structure has improved, we remain on the sidelines due to lack of conviction on revenue and earnings growth prospects due to uncertainties surrounding: 1) the extent of QoQ wafer start growth in 2H05; and 2) the impact of an insufficient supply of polysilicon material.

Key Points

- **Results and guidance below expectations.** 1Q revenue/EPS of \$258M/\$0.23 were below our estimates of \$269M/\$0.24 as well as the company's guidance range. 2Q revenue guidance range of \$263-\$271M is below our estimate of \$278M.
- **Lowering operating profit estimates.** Given the slower start in 2005, we lower our overall '05 revenue and EPS estimates to \$1100M from \$1136M and to \$1.05 from \$1.08, respectively. Our respective '06 estimates are \$1196M and \$1.14.
- **What could make us more aggressive?** Although the ownership structure has improved and FCF growth prospects look brighter, we still require increased conviction that the insufficient supply of polysilicon material (which WFR could manufacture internally) will help the company realize higher profits, as well as increased confidence on the overall wafer demand environment for 2H05.

1Q Results: A Story of Sluggish Sales and Pricing Pressure

Last night after the close, MEMC reported 1Q revenues of \$257.9 million, down 3.9% sequentially, and below our estimate of \$269 million (which was slightly above the consensus estimate of \$267 million and at the midpoint of the company's guidance of \$262 million-\$275 million). The 1Q revenue shortfall is attributed to a slower than anticipated market recovery, increased pricing pressure on 200mm-and-below wafer sizes, and product quality issues resulting in lower unit demand. Gross margin and operating margin of 36% and 15%, respectively, came in below our estimates of 37% and 16%. The lower operating margin, though somewhat offset by a lower than expected tax rate, resulted in operating earnings of \$0.23, a penny below our and the consensus estimate of \$0.24.

2Q Guidance: Cautious with Likely Continued Pricing Pressure

The company's guidance of revenues improving 2% to 5% sequentially (\$263 million-\$271 million) was in line with our growth estimate, although below our prior revenue estimate of \$278 million (due to the lower base). The lower than expected 2Q revenue guidance, in our view, reflects sluggish quarter-over-quarter wafer start growth among customers. The company's comments indicated that the industry's inventory correction is nearly complete, which is consistent with our current belief and previous commentary. The company believes that its increased cost-reduction activities should offset any potential wafer pricing weakness; therefore, 2Q margins should be flat to up as a percentage of sales and operating expenses should decline in absolute dollar terms. Although we believe that the company's 1Q ASP-driven contracts that have expired will be renewed for lower ASPs, the company's gross margin guidance is in line with our original estimate.

Our '05 Estimates Are Lowered Due to an Uncertain Demand Environment; '06 Estimates Are Introduced and Our Price Target Is Raised to \$11.50

Based on the current 200mm-and-below wafer starts (around 80% of MEMC's revenues), we believe that the company will end up reporting 2Q revenues that are slightly below the midpoint of the company's guidance range, which is where our estimate is (\$266 million). Given the slower start in '05, we are lowering our overall 2005 revenue and EPS estimates. Although we have significantly lowered our operating profit estimate for 2005 (due to a lower top-line and gross margin guidance), this is somewhat offset by a lower tax rate for 2005 (15% rather than our previous 20% estimate). Based on this, we have lowered our 2005 revenue and EPS estimates to \$1100 million from \$1136 million and to \$1.05 from \$1.08, respectively.

Finally, we are introducing our 2006 estimates and a lower than anticipated 2006 tax rate (our estimate was lowered to 20% from 25% based on company guidance). Our 2006 revenue and EPS estimates for the company are \$1196 million and \$1.14 per share, respectively. In addition, we have increased our price target to \$11.50, or about 10x our '06 EPS estimate.

Risks

Given the current inventory overhang, we expect near-term risks to current estimates, as a more prolonged inventory correction could affect wafer starts over the next six months. MEMC recently extended the useful lives of certain assets to better reflect their economic life. This reevaluation resulted in a 2% favorable impact on gross profit, which somewhat affects comparisons. Accordingly, we would look for ongoing improvement in gross margin through better asset utilization and turnover to determine management's effectiveness.

Although Texas Pacific Group's (TPG) ownership in MEMC has been reduced from 90% to its

current level of about 60%, we believe that this is still an overhang on the stock that has nothing to do with fundamentals. We expect further reduction in TPG's ownership in the future.

Although the industry has consolidated, mitigating the risk of wafer supply overcapacity, we believe that the risk of overcapacity remains as Japan-based competitors, with deep pockets, could flood the market with 300mm capacity aimed at increasing market share. Given MEMC's facility loans and the indenture for its senior subordinated secured notes, the company is required to fulfill a number of restrictive covenants. In the event of violation, the loan commitments under the revolving credit facility may terminate; thus, the loan and accrued interest outstanding would be lost.

Company Profile

Incorporated in 1984, MEMC Electronic Materials, Inc., is engaged in the design, manufacture, and sale of electronic-grade wafers for the semiconductor industry. The company provides wafers in sizes ranging from 100 millimeters (4 inches) to 300 millimeters (12 inches), including three general categories of wafer: prime polished, epitaxial, and test/monitor. Its principal customers are semiconductor device manufacturers, including major memory, microprocessor, and application-specific integrated circuit (ASIC) manufacturers and foundries. MEMC's wafers are used as a starting material for the manufacture of various types of semiconductor devices, including microprocessor, memory, logic, and power devices. The company operates manufacturing facilities in Europe, Malaysia, Japan, South Korea, the United States, and Taiwan.

(FY/DEC)	28 Apr 05	MAR04A	JUN04A	SEP04A	DEC04A	FY04	MAR05A	JUN05E	SEP05E	DEC05E	FY05	MAR06E	JUN06E	SEP06E	DEC06E	FY06
REVENUE		228.8	255.5	275.3	268.4	1028.0	257.9	265.6	278.9	298.0	1100.3	283.1	297.3	306.2	309.2	1195.8
% Change Y/Y		215%	33.2%	40.5%	31.6%		12.7%	3.9%	1.3%	11.0%	7.0%	9.8%	11.9%	9.8%	3.8%	8.7%
% Change Q/Q		11.6%	11.7%	7.7%	-2.5%		-3.9%	3.0%	5.0%	6.9%		-5.0%	5.0%	3.0%	1.0%	
TOTAL COGS		155.4	168.4	164.5	170.2	658.5	164.6	169.0	175.0	183.2	691.8	178.0	183.3	186.5	187.5	735.3
GROSS PROFIT		73.3	87.2	110.7	98.2	369.4	93.3	96.6	103.9	114.8	408.5	105.1	113.9	119.7	121.7	460.4
% Total Revenue		32.1%	34.1%	40.2%	36.6%	35.9%	36.2%	36.4%	37.2%	38.5%	37.1%	37.1%	38.3%	39.1%	39.4%	38.5%
R&D		8.9	9.3	9.4	10.4	38.0	11.4	10.5	10.5	10.5	42.9	10.0	10.5	10.7	10.8	42.0
% Total Revenue		3.9%	3.6%	3.4%	3.9%	3.7%	4.4%	4.0%	3.8%	3.5%	3.9%	3.5%	3.5%	3.5%	3.5%	3.5%
SG&A		17.2	17.8	17.8	19.2	71.9	18.2	18.2	18.5	20.3	75.1	19.8	21.4	22.0	22.3	85.5
% Total Revenue		7.5%	7.0%	6.5%	7.1%	7.0%	7.0%	6.9%	6.6%	6.8%	6.8%	7.0%	7.2%	7.2%	7.2%	7.2%
OPERATING PROFIT		47.2	60.0	83.6	68.6	259.5	63.7	67.9	74.9	84.0	290.5	75.3	82.0	86.9	88.6	332.9
% Total Revenue		20.7%	23.5%	30.4%	25.6%	25.2%	24.7%	25.6%	26.8%	28.2%	26.4%	26.6%	27.6%	28.4%	28.7%	27.8%
% Change Y/Y		44.4%	78.2%	128.9%	72.9%	81.9%	34.9%	13.1%	-10.4%	22.4%	12.0%	18.1%	20.8%	16.1%	5.5%	14.6%
% Change Q/Q		19.0%	27.1%	39.2%	-17.9%		-7.2%	6.5%	10.3%	12.2%		-10.4%	8.9%	6.0%	2.0%	
OTHER		6.5	19.1	10.4	2.4	10.6	11.3	10.5	10.5	10.5	12.8	10.5	10.5	10.5	10.5	12.0
PRETAX PROFIT		53.7	51.0	83.2	71.1	258.9	62.4	67.4	74.4	83.5	287.7	74.8	81.5	86.4	88.1	330.9
% Total Revenue		23.5%	19.9%	30.2%	26.5%	25.2%	24.2%	25.4%	26.7%	28.0%	26.2%	26.4%	27.4%	28.2%	28.5%	27.7%
% Change Y/Y		83.2%	47.5%	70.9%	64.0%	66.1%	16.2%	32.2%	-10.6%	17.6%	11.1%	19.8%	21.0%	16.2%	5.5%	15.0%
% Change Q/Q		24.0%	-5.1%	63.1%	-14.6%		-12.1%	7.9%	10.4%	12.3%		-10.5%	9.0%	6.0%	2.0%	
TAXES		13.4	12.7	20.8	10.6	57.6	9.4	10.1	11.2	12.5	43.2	15.0	16.3	17.3	17.6	66.2
Tax Rate		25.0%	25.0%	25.0%	15.0%	22.2%	15.0%	15.0%	15.0%	15.0%	15.0%	20.0%	20.0%	20.0%	20.0%	20.0%
OTHER AFTER TAX		1.7	(17.5)	-	(11.0)	(26.8)	(25.0)	-	-	-	(25.0)	-	-	-	-	-
MINORITY INTERESTS		2.7	3.0	2.7	2.4	10.7	1.8	2.0	2.0	2.0	7.8	2.0	2.0	2.0	2.0	8.0
NET INCOME - CONT OPS		35.9	43.1	59.7	59.0	197.7	51.3	55.3	61.2	69.0	236.8	57.8	63.2	67.1	68.5	256.7
% Total Revenue		15.7%	16.9%	21.7%	22.0%	19.2%	19.9%	20.8%	22.0%	23.2%	21.5%	20.4%	21.3%	21.9%	22.2%	21.5%
% Change Y/Y		81.9%	57.9%	69.7%	71.4%	69.5%	42.9%	28.3%	2.5%	17.0%	19.8%	12.7%	14.3%	9.7%	-0.7%	8.4%
% Change Q/Q		4.4%	20.0%	38.6%	-1.2%		-13.0%	7.7%	10.7%	12.7%		-16.2%	9.3%	6.2%	2.1%	
NET INCOME - TOTAL		35.9	60.6	59.7	70.0	226.2	76.3	55.3	61.2	69.0	261.8	57.8	63.2	67.1	68.5	256.7
% Total Revenue		15.7%	23.7%	21.7%	26.1%	22.0%	29.6%	20.8%	22.0%	23.2%	23.8%	20.4%	21.3%	21.9%	22.2%	21.5%
% Change Y/Y		81.9%	122.2%	69.7%	103.4%	94.0%	112.5%	-8.8%	2.5%	-1.4%	15.7%	-24.2%	14.3%	9.7%	-0.7%	-2.0%
% Change Q/Q		4.4%	68.8%	-1.5%	17.2%		9.1%	-27.6%	10.7%	12.7%		-16.2%	9.3%	6.2%	2.1%	
SHARES		22.1	22.0	22.0	22.1	221.4	223.9	224.3	224.7	225.1	224.5	225.5	225.9	226.3	226.7	226.1
EPS - CONT OPS		\$ 0.16	\$ 0.19	\$ 0.27	\$ 0.27	\$ 0.89	\$ 0.23	\$ 0.25	\$ 0.27	\$ 0.31	\$ 1.05	\$ 0.26	\$ 0.28	\$ 0.30	\$ 0.30	\$ 1.14
% Change Y/Y		72.5%	55.6%	72.3%	72.1%	67.5%	41.8%	26.4%	0.5%	15.4%	18.1%	11.9%	13.5%	8.9%	-1.4%	7.6%
% Change Q/Q		4.8%	20.6%	39.0%	-2.0%		-13.7%	7.5%	10.5%	12.5%		-16.3%	9.1%	6.0%	1.9%	
EPS - TOTAL		\$ 0.16	\$ 0.27	\$ 0.27	\$ 0.32	\$ 1.02	\$ 0.34	\$ 0.25	\$ 0.27	\$ 0.31	\$ 1.17	\$ 0.26	\$ 0.28	\$ 0.30	\$ 0.30	\$ 1.14
% Change Y/Y		72.5%	118.9%	72.3%	104.2%	91.7%	110.8%	-10.1%	0.5%	-2.7%	14.1%	-24.8%	13.5%	8.9%	-1.4%	-2.7%
% Change Q/Q		4.8%	69.6%	-1.2%	16.3%		8.2%	-27.7%	10.5%	12.5%		-16.3%	9.1%	6.0%	1.9%	
Proprietor to Friedman, Billings, Ramsey and Co., Inc. - Mehdi Hosseini - 415-248-2931																

WFR Cash Flow Model	1Q04A	2Q04A	3Q04A	4Q04	1Q05	2Q05E	3Q05E	4Q05E	1Q06E	2Q06E	3Q06E	4Q06E
Net Income from Operations	35.91	60.60	59.72	69.97	76.31	55.28	61.21	69.01	57.83	63.21	67.13	68.52
Depreciation & Amortization	9.92	10.24	11.44	12.53	13.34	11.95	12.55	13.41	14.16	14.86	15.31	15.46
(Incr) Decr in Accounts Receivable	(16.23)	(19.61)	(13.00)	11.15	10.19	(19.17)	(16.99)	(10.06)	10.94	(7.29)	(14.59)	(15.81)
(Incr) Decr in Inventories	(13.56)	10.49	(7.22)	(7.79)	(7.70)	(7.35)	(4.07)	(0.27)	7.35	(6.98)	(4.40)	(1.51)
(Incr) Decr in Other Current Assets	(9.40)	10.10	1.32	(9.61)	1.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Incr (Decr) in Current Liab. (Excl. debt)	27.31	11.01	(6.26)	31.86	(20.31)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
=Cash from Operations	33.95	82.83	46.00	108.12	73.34	50.71	62.70	72.09	90.27	63.80	73.45	80.89
(Incr) Decr in Other Non-Current Assets	(57.23)	0.01	0.06	0.01	(0.03)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Spending (Net of sales)	(29.00)	(44.00)	(25.50)	(51.73)	(54.40)	(38.00)	(38.00)	(40.00)	(45.30)	(45.00)	(45.00)	(46.00)
=Cash from Investing	(186.23)	(43.99)	(25.44)	(51.72)	(54.43)	(38.00)	(38.00)	(40.00)	(45.30)	(45.00)	(45.00)	(46.00)
Incr (Decr) in Non-curr Liab. (Excl. debt)	(23.55)	(7.57)	(11.17)	(8.47)	5.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Additional Debt	83.42	(31.94)	(40.19)	(78.90)	(4.08)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Common Stock/Other Equity	(0.18)	5.78	0.80	18.06	1.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00
=Cash from Financing	59.68	(33.73)	(40.75)	(63.31)	2.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00
=Increase/(Decrease) in Cash	7.41	5.10	(20.20)	(12.91)	21.19	12.71	24.70	32.09	44.97	18.80	27.45	34.89
+Beginning Cash	130.70	140.62	128.49	103.31	92.31	116.32	129.03	153.73	195.82	230.79	249.59	277.04
+Adjustment	(0.40)	(13.79)	(5.94)	1.91	2.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00
=End Cash	137.70	131.93	103.35	92.31	116.32	129.03	153.73	185.82	230.79	249.59	277.04	311.93
FREE CASH FLOW												
Quarterly % YTD	4.95	38.83	20.50	56.39	18.94	12.71	24.70	32.09	44.97	18.80	27.45	34.89
% YTD	-53%	868%	133%	120%	282%	-67%	21%	-43%	137%	48%	11%	9%
% QTD	-81%	584%	-47%	175%	-66%	-33%	94%	-30%	40%	-58%	46%	27%
FY-End				\$ 121				\$ 88				\$ 126
% YTD				138.5%				-26.7%				42.6%
FCF Margin	2%	15%	7%	21%	7%	5%	9%	11%	16%	6%	9%	11%
YE-FCF Margin				12%				8%				11%
ASSETS												
Cash & equivalents	140.62	129.49	103.31	92.31	116.32	129.03	153.73	185.82	230.79	249.59	277.04	311.93
Accounts receivable, net	119.25	138.86	151.87	140.73	130.53	139.71	146.69	156.76	145.82	153.11	157.70	159.28
Inventories, net	123.05	112.56	119.78	127.56	135.27	142.62	146.69	146.96	139.61	146.59	150.99	152.50
Other current assets	31.94	16.44	20.12	23.72	28.22	28.22	28.22	28.22	28.22	28.22	28.22	28.22
Total Current Assets	414.45	397.36	395.08	390.33	410.34	439.57	475.33	517.75	544.44	577.51	613.95	651.93
PPE	361.55	392.71	387.28	444.67	476.34	502.39	527.84	554.43	595.57	615.71	646.40	676.94
Other non-current assets	76.06	106.74	98.94	147.54	181.29	181.29	181.29	181.29	181.29	181.29	181.29	181.29
Total Assets	852.06	896.81	881.29	982.54	1,067.97	1,123.25	1,184.46	1,253.47	1,311.30	1,374.51	1,441.64	1,510.15
LIABILITIES & SHAREHOLDERS' EQUITY												
Short term debt	86.90	57.45	21.87	24.40	23.06	23.06	23.06	23.06	23.06	23.06	23.06	23.06
Other current liabilities	166.88	179.12	187.63	191.23	200.71	200.71	200.71	200.71	200.71	200.71	200.71	200.71
Total Current Liabilities	263.78	236.57	189.50	215.62	223.76	223.76	223.76	223.76	223.76	223.76	223.76	223.76
Long term debt	127.61	125.12	120.51	116.08	113.35	113.35	113.35	113.35	113.35	113.35	113.35	113.35
Other non-current liabilities	241.33	239.40	217.22	208.76	211.15	211.15	211.15	211.15	211.15	211.15	211.15	211.15
Total Liabilities	622.72	601.08	527.24	540.46	548.26	548.26	548.26	548.26	548.26	548.26	548.26	548.26
Total Shareholders' Equity	229.34	295.73	354.05	442.08	519.71	574.99	636.20	705.21	763.03	826.24	893.37	961.89
Total Liabilities & Shareholders' Equity	852.06	896.81	881.29	982.54	1,067.97	1,123.25	1,184.46	1,253.47	1,311.30	1,374.51	1,441.64	1,510.15
Proprietary to Friedman, Billings, Ramsey and Co., Inc. - Mehdi Hosseini	415-248-2931											

IMPORTANT INFORMATION CONCERNING FRIEDMAN, BILLINGS, RAMSEY & CO., INC.

Company Specific Disclosures

Specific disclosures are applicable to tickers indicated.

MEMC ELECTRONIC MATERIALS, INC. (WFR)

<http://www.fbrcorp.com/d.asp?GVKEY=060992&IID=01>

General Disclosures

Information about the research analyst responsible for this report:

The analyst(s) whose name(s) appear with an ** on the front page of this report certifies that the views expressed herein accurately reflect the analyst's personal views as to the subject securities and issuers, and further certifies that no part of such analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the analyst in the report. The analyst(s) responsible for this research report has received and is eligible to receive compensation, including bonus compensation, based on Friedman, Billings, Ramsey & Co. Inc.'s ("FBRC") overall operating revenues, including revenues generated by FBRC's investment banking department.

Information about our investment banking department:

In the normal course of its business, FBRC seeks to perform investment banking and other services for various companies and to receive compensation in connection with such services. As such, investors should assume that FBRC intends to seek investment banking or other business relationships with the companies.

Information about our recommendations, holdings and investment decisions:

Our brokers and analysts may make recommendations to their clients, and our affiliates may make investment decisions that are contrary to the recommendations contained in a research report. Such recommendations or investment decisions are based on the particular investment strategies, risk tolerances, and other investment factors of that particular client or affiliate. From time to time, FBRC, its affiliated entities, and their respective directors, officers, employees, or members of their immediate families may have a long or short position in the securities mentioned in this report.

Information about our rating system:

FBRC instituted the following three-tiered rating system on October 11, 2002 for securities it covers:

- Outperform — FBRC expects that the subject company will outperform similar companies within its industry over the next 12–18 months. We recommend that investors buy the securities at the current valuation.
- Market Perform — FBRC expects that the subject company will perform in line with similar companies within its industry. We recommend that investors maintain their current positions and add on weakness as the valuation or fundamentals become more favorable.
- Underperform — FBRC expects that the subject company will underperform similar companies within its industry. We recommend that investors reduce their positions until the valuation or fundamentals become more compelling.

Rating	FBRC Research Distribution ¹	FBRC Banking Services in the past 12 months ¹
Buy (Outperform)	49.7 %	21.9 %
Hold (Market Perform)	43.7 %	5.9 %
Sell (Underperform)	6.6 %	0.0 %

⁽¹⁾As of midnight on the business day immediately prior to the date of this publication.

A description of the five-tiered rating system used prior to October 11, 2002, can be found at <http://www.fbrcorp.com/disclosurespre10702.asp>.

General information about this research report:

Additional information on the securities mentioned in this report is available upon request. This report is based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. This report should not be construed as advice designed to meet the particular investment needs of any investor, nor as an offer or solicitation to buy or sell the securities mentioned herein, and any opinions expressed herein are subject to change.

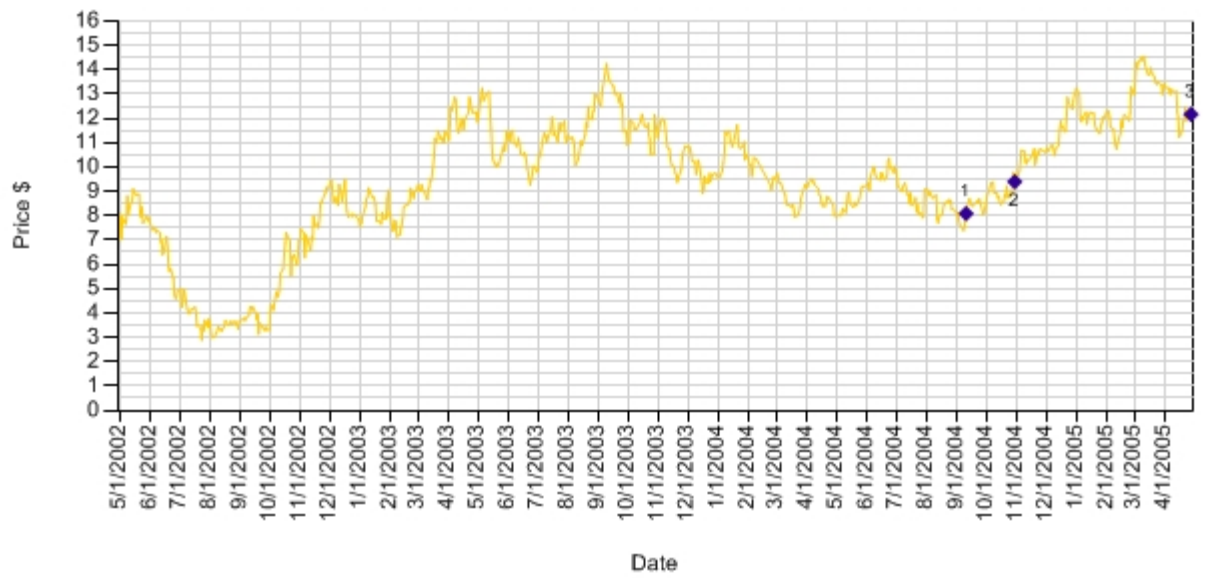
These securities may be sold to or purchased from customers or others by FBRC acting as principal or agent. This publication has been issued and approved by FBRC under a compliance routine approved by Friedman, Billings, Ramsey, International Ltd., its U.K. FSA Regulated affiliate, for distribution to U.K. and European non-private clients.

Commentary regarding the future direction of financial markets is illustrative and is not intended to predict actual results, which may differ substantially from the opinions expressed herein. References to "median," "consensus," "Street," etc., estimates of economic data refer to the median estimate of economists polled by Bloomberg L.P.

If any hyperlink is inaccessible, call 800.846.5050 and ask for Editorial.
Copyright 2005 Friedman, Billings, Ramsey & Co., Inc.

* Closing price of last business day immediately prior to the date of this publication.

WFR Performance



- | | | |
|-------------------------------|----------------------------|-----------------------------|
| Close | Sell (incl. Underperform) | 2: \$10.00 p/t H - 10/29/04 |
| Buy (incl. Outperform, Accum) | Split | 3: \$11.50 p/t H - 04/29/05 |
| Hold (incl. Mkt Perform) | 1: \$9.00 p/t H - 09/09/04 | |