Suncoast Equity Management, Inc.

January 7, 2004

Dear Client,

Suncoast Equity Management's (SEM) performance results versus the Standard & Poor's 500 Index for various periods ended December 31, 2003:

Time Period(Ended 12/31/03)	SEM % Return*	S&P 500 % Return	SEM - Value of $1,000,000	S&P 500 - Value of $1,000,000
One-Year (2003)	20.22%	28.62%	$ 1,202,200	$ 1,286,200
Three-Year	2.22%	-4.10%	$ 1,068,000	$ 882,100
Five-Year	6.76%	-0.61%	$ 1,387,200	$ 969,800
Since Inception (6 Years)	9.77%	3.75%	$ 1,749,800	$ 1,247,000

* Composite results of all SEM managed accounts, net of all fees.

Note: Performance results for three-year, five-year and since inception periods represent the annual average rates of return.

Our portfolio returns were quite satisfactory on an absolute basis although we under performed the S&P 500 in 2003. Against the backdrop of an improving economy, less uncertainty with Iraq and a sense of confidence in homeland security during the holiday period, the stock market experienced a strong and very broad rally. How strong was last year's rally? Approximately 450 of the 500 stocks in the S&P 500 gained in price during 2003.

We try hard never to explain why we either significantly outperformed (as we did in each of three years ended 2002) or under-performed the general stock market in the short-term. Why? Though our answer may be sincere, it would be a guess at best, and consequently not of any value to you as a long term investor.

We do however enjoy sharing why we believe our investment discipline and approach will generate above market average returns while taking less risk over the long-term. Our focus is on identifying and then owning a small collection of good to great businesses that exhibit rock-solid financial strength and are offered to us at a reasonable price.

Our belief is that the business world is divided into a tiny number of great businesses and a small number of good businesses worth investing in. There also exist a huge number of bad and mediocre businesses that are never attractive as long-term investments.

Good to great businesses have the following common characteristics:

1. Above average returns on equity and total capital

2. Abundant free cash profits available for reinvestment in the business or to return to us

3. A strong balance sheet

4. An easily understood business

5. Possess strategic franchise and business advantages

6. Operated by owner oriented management

As part owners of these businesses, we also understand that they are living organisms with a heart, lungs, bones, muscles and nervous systems. Whether it is Hershey Foods or AT&T, the underlying business reality and potential investment prospects have everything to do with its customers, products, employee relations, business condition of its plant, inventory, research & development, strength of its franchise, financial cash position and capital committed to run the business. This is quite a different cry from the noise you often hear each morning on CNBC about what groups, for example "techs" or "retailers", are "driving Wall Street", what is in favor versus out of favor, and if a company missed or beat consensus by a penny.

We have a lot of confidence in our portfolio. Much to our delight, our portfolio of business organisms, merged together as if they were a single business, experienced earnings growth of 13% in 2003 and we expect similar growth in 2004. The average return on equity of 21% for the businesses in our portfolio is well above the 11% average for the businesses in the stock market overall. Furthermore, our portfolio of above average companies is currently selling at just about the same valuation as the market, which we believe is putting us in a very good relative position.

Our approach to achieving long term investment success is sound. We are patient. Portfolio changes were minimal in 2003 because we were satisfied with the business results. Our very low portfolio turnover of 9% is confirmation of our satisfaction. Located in Tampa, "certainly not the hot-bed of money management", we avoid any significant distractions and think independently. We are very good at understanding what we don't know and we don't need to have an opinion about every business available in the stock market. We also believe that to earn very good results for you, we only have to make a few very good selections and minimize the poor selections. We have done just that as is evident by the results shown on the first page.

Most of all, we really enjoy our work and serving you. In addition, we share a common goal of growing and preserving wealth as our families own the same investments as you do and nothing else. We look forward to 2004 and beyond and are making no predictions but rather focusing on the steady progress of our portfolio by way of the increasing intrinsic value of our businesses.

Thank you for your confidence and I look forward to speaking with you soon.

Sincerely,
Don Jowdy
President