

# International Business Machine (IBM)

## Technology Sector / Computer Services Industry

Market Capitalization: (\$Mil): \$216,724.3 / Fiscal Year Ends December

● Decile Ranking: 1 to 2     
 ● Decile Ranking: 3 to 4     
 ● Decile Ranking: 5 to 6     
 ● Decile Ranking: 7 to 10

### Valuation Characteristics: LTM Ending September, 2011

|                        | IBM   | Universe | Sector | Industry |
|------------------------|-------|----------|--------|----------|
| Price/Sales            | 2.1   | ●        | ●      | ●        |
| Price/Operating Income | 11.0  | ●        | ●      | ●        |
| Price/Cash Flow        | 11.2  | ●        | ●      | ●        |
| Price/Free Cash Flow   | 21.1  | ●        | ●      | ●        |
| Price/Earnings         | 14.6  | ●        | ●      | ●        |
| Price/Book Value       | -38.6 |          |        |          |

### Growth Characteristics: 3 Years Ending September, 2011

|                         | IBM  | Universe | Sector | Industry |
|-------------------------|------|----------|--------|----------|
| Sales Growth            | 2.0  | ●        | ●      | ●        |
| Operating Income Growth | 10.9 | ●        | ●      | ●        |
| Cash Flow Growth        | 9.9  | ●        | ●      | ●        |
| Free Cash Flow Growth   | 11.5 | ●        | ●      | ●        |
| Earnings Growth         | 16.4 | ●        | ●      | ●        |

### Forecasted Valuation and PEG Ratios

|                        | IBM  | Universe | Sector | Industry |
|------------------------|------|----------|--------|----------|
| Price/2011 Earnings    | 13.7 | ●        | ●      | ●        |
| Price/2012 Earnings    | 12.4 | ●        | ●      | ●        |
| PE To 2011 Growth      | 0.9  | ●        | ●      | ●        |
| PE To 2012 Growth      | 1.1  | ●        | ●      | ●        |
| PE To Long Term Growth | 1.3  | ●        | ●      | ●        |

### Growth Characteristics: LTM Ending September, 2011

|                         | IBM  | Universe | Sector | Industry |
|-------------------------|------|----------|--------|----------|
| Sales Growth            | 8.5  | ●        | ●      | ●        |
| Operating Income Growth | 13.2 | ●        | ●      | ●        |
| Cash Flow Growth        | 7.5  | ●        | ●      | ●        |
| Free Cash Flow Growth   | -2.6 | ●        | ●      | ●        |
| Earnings Growth         | 15.1 | ●        | ●      | ●        |

### Balance Sheet Characteristics: As Of September, 2011

|                          | IBM    | Universe | Sector | Industry |
|--------------------------|--------|----------|--------|----------|
| LT Debt/Equity           | -425.9 |          |        |          |
| LT Debt/Total Capital    | 98.3   | ●        | ●      | ●        |
| Pretax Income/LT Capital | 112.2  | ●        | ●      | ●        |

### Forecasted Growth:

|                      | IBM  | Universe | Sector | Industry |
|----------------------|------|----------|--------|----------|
| 2011 Earnings Growth | 16.2 | ●        | ●      | ●        |
| 2012 Earnings Growth | 10.9 | ●        | ●      | ●        |
| Long Term Growth     | 11.0 | ●        | ●      | ●        |

### Profitability Characteristics: LTM Ending September, 2011

|                         | IBM    | Universe | Sector | Industry |
|-------------------------|--------|----------|--------|----------|
| Gross Profit Margin     | 46.6   | ●        | ●      | ●        |
| Operating Profit Margin | 18.7   | ●        | ●      | ●        |
| Net Profit Margin       | 14.7   | ●        | ●      | ●        |
| Return On Equity        | -276.2 | ●        | ●      | ●        |
| Return On Assets        | 19.1   | ●        | ●      | ●        |
| Return On Total Capital | 63.8   | ●        | ●      | ●        |

### Forecasted Return Characteristics

|                                | IBM  | Universe | Sector | Industry |
|--------------------------------|------|----------|--------|----------|
| Median Forecasted Return: Low  | 14.1 | ●        | ●      | ●        |
| Median Forecasted Return: High | 30.1 | ●        | ●      | ●        |

### Technical Characteristics: As Of November, 2011

|                        | IBM  | Universe | Sector | Industry |
|------------------------|------|----------|--------|----------|
| Relative Strength: 26W | 12.0 | ●        | ●      | ●        |
| Relative Strength: 52W | 26.0 | ●        | ●      | ●        |

### Dividend Characteristics

|                        | IBM  | Universe | Sector | Industry |
|------------------------|------|----------|--------|----------|
| Dividend Yield         | 1.6  | ●        | ●      | ●        |
| 3-Year Dividend Growth | 18.1 | ●        | ●      | ●        |

Composite Calculation / Note: Dividend Yield is 1.6%

|                               | Universe | Sector | Industry |
|-------------------------------|----------|--------|----------|
| Valuation Composite           | ●        | ●      | ●        |
| Growth Composite              | ●        | ●      | ●        |
| Profitability Composite       | ●        | ●      | ●        |
| Balance Sheet Composite       | ●        | ●      | ●        |
| Value/Profit Composite        | ●        | ●      | ●        |
| Value/Profit/Growth Composite | ●        | ●      | ●        |
| Dividend Composite            | ●        | ●      | ●        |
| Technical Composite           | ●        | ●      | ●        |
| Expected Return Composite     | ●        | ●      | ●        |
| Total Composite x Technicals  | ●        | ●      | ●        |
| Total Composite w/ Technicals | ●        | ●      | ●        |

### 3 Year Monthly Price History



