

# International Business Machine (IBM)

## Technology Sector / Computer Services Industry

Market Capitalization: (\$Mil): \$160,626.9 / 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 March, 2010

	IBM	Universe	Sector	Industry
Price/Sales	1.7	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: lightgreen;">●</span>
Price/Operating Income	9.5	<span style="color: yellow;">●</span>	<span style="color: green;">●</span>	<span style="color: lightgreen;">●</span>
Price/Cash Flow	7.8	<span style="color: yellow;">●</span>	<span style="color: lightgreen;">●</span>	<span style="color: lightgreen;">●</span>
Price/Free Cash Flow	12.2	<span style="color: yellow;">●</span>	<span style="color: lightgreen;">●</span>	<span style="color: lightgreen;">●</span>
Price/Earnings	12.2	<span style="color: lightgreen;">●</span>	<span style="color: green;">●</span>	<span style="color: lightgreen;">●</span>
Price/Book Value	-110.9			

### Growth Characteristics: 3 Years Ending March, 2010

	IBM	Universe	Sector	Industry
Sales Growth	1.8	<span style="color: yellow;">●</span>	<span style="color: red;">●</span>	<span style="color: red;">●</span>
Operating Income Growth	11.8	<span style="color: lightgreen;">●</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>
Cash Flow Growth	15.9	<span style="color: lightgreen;">●</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>
Free Cash Flow Growth	22.9	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>
Earnings Growth	17.7	<span style="color: lightgreen;">●</span>	<span style="color: lightgreen;">●</span>	<span style="color: yellow;">●</span>

### Forecasted Valuation and PEG Ratios

	IBM	Universe	Sector	Industry
Price/2010 Earnings	11.1	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Price/2011 Earnings	10.2	<span style="color: lightgreen;">●</span>	<span style="color: lightgreen;">●</span>	<span style="color: green;">●</span>
PE To 2010 Growth	0.9	<span style="color: red;">●</span>	<span style="color: red;">●</span>	<span style="color: red;">●</span>
PE To 2011 Growth	1.2	<span style="color: red;">●</span>	<span style="color: red;">●</span>	<span style="color: red;">●</span>
PE To Long Term Growth	1.0	<span style="color: lightgreen;">●</span>	<span style="color: lightgreen;">●</span>	<span style="color: lightgreen;">●</span>

### Growth Characteristics: LTM Ending March, 2010

	IBM	Universe	Sector	Industry
Sales Growth	-3.9	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: red;">●</span>
Operating Income Growth	9.4	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>
Cash Flow Growth	12.8	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>
Free Cash Flow Growth	18.1	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>
Earnings Growth	14.5	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>

### Balance Sheet Characteristics: As Of March, 2010

	IBM	Universe	Sector	Industry
LT Debt/Equity	-1445.4			
LT Debt/Total Capital	85.8	<span style="color: red;">●</span>	<span style="color: red;">●</span>	<span style="color: red;">●</span>
Pretax Income/LT Capital	93.4	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>

### Forecasted Growth:

	IBM	Universe	Sector	Industry
2010 Earnings Growth	12.6	<span style="color: yellow;">●</span>	<span style="color: red;">●</span>	<span style="color: yellow;">●</span>
2011 Earnings Growth	8.9	<span style="color: red;">●</span>	<span style="color: red;">●</span>	<span style="color: red;">●</span>
Long Term Growth	10.9	<span style="color: lightgreen;">●</span>	<span style="color: red;">●</span>	<span style="color: red;">●</span>

### Profitability Characteristics: LTM Ending March, 2010

	IBM	Universe	Sector	Industry
Gross Profit Margin	45.7	<span style="color: lightgreen;">●</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>
Operating Profit Margin	17.7	<span style="color: lightgreen;">●</span>	<span style="color: green;">●</span>	<span style="color: lightgreen;">●</span>
Net Profit Margin	14.2	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: lightgreen;">●</span>
Return On Equity	-931.6	<span style="color: red;">●</span>	<span style="color: red;">●</span>	<span style="color: red;">●</span>
Return On Assets	16.9	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: lightgreen;">●</span>
Return On Total Capital	55.3	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>

### Forecasted Return Characteristics

	IBM	Universe	Sector	Industry
Median Forecasted Return: Low	22.4	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: lightgreen;">●</span>
Median Forecasted Return: High	32.1	<span style="color: lightgreen;">●</span>	<span style="color: lightgreen;">●</span>	<span style="color: lightgreen;">●</span>

### Technical Characteristics: As Of May, 2010

	IBM	Universe	Sector	Industry
Relative Strength: 26W	0.0	<span style="color: red;">●</span>	<span style="color: red;">●</span>	<span style="color: yellow;">●</span>
Relative Strength: 52W	0.0	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>

### Dividend Characteristics

	IBM	Universe	Sector	Industry
Dividend Yield	2.1	<span style="color: red;">●</span>	<span style="color: red;">●</span>	<span style="color: red;">●</span>
3-Year Dividend Growth	23.8	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>

### Composite Calculation / Note: Dividend Yield is 2.1%

	Universe	Sector	Industry
Valuation Composite	<span style="color: lightgreen;">●</span>	<span style="color: green;">●</span>	<span style="color: lightgreen;">●</span>
Growth Composite	<span style="color: lightgreen;">●</span>	<span style="color: yellow;">●</span>	<span style="color: red;">●</span>
Profitability Composite	<span style="color: lightgreen;">●</span>	<span style="color: lightgreen;">●</span>	<span style="color: lightgreen;">●</span>
Balance Sheet Composite	<span style="color: lightgreen;">●</span>	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>
Value/Profit Composite	<span style="color: lightgreen;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Value/Profit/Growth Composite	<span style="color: lightgreen;">●</span>	<span style="color: green;">●</span>	<span style="color: lightgreen;">●</span>
Dividend Composite	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Technical Composite	<span style="color: red;">●</span>	<span style="color: red;">●</span>	<span style="color: yellow;">●</span>
Expected Return Composite	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: lightgreen;">●</span>
Total Composite x Technicals	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>
Total Composite w/ Technicals	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>

### 3 Year Monthly Price History



