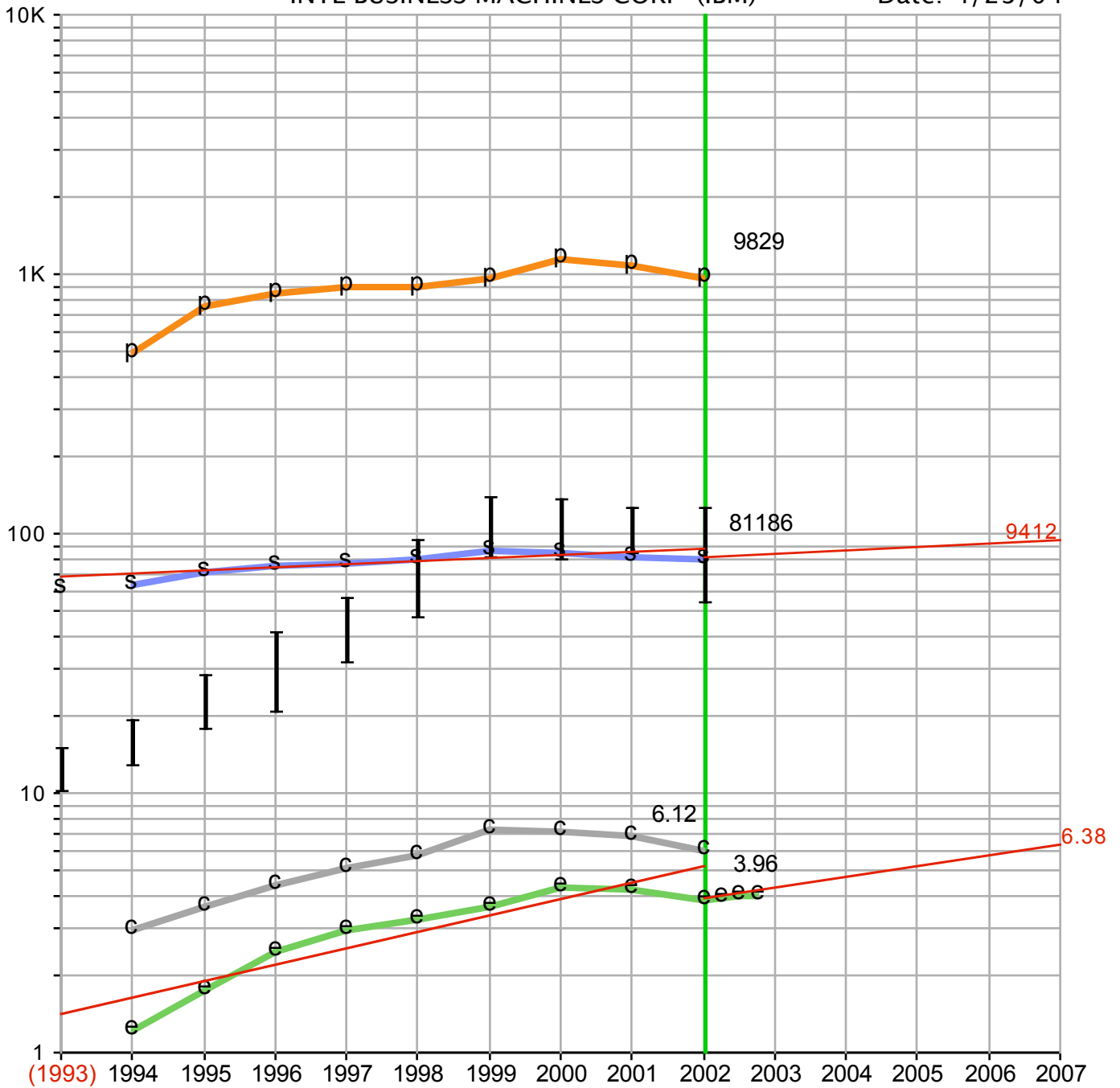


INTL BUSINESS MACHINES CORP (IBM)

Date: 4/23/04



(1) Historical Sales Growth = 2.90%
 (2) Estimated Sales Growth = 3.00%

(3) Historical EPS Growth = 15.64%
 (4) Estimated EPS Growth = 10.00%
 ACE 5-year EPS Growth Estimate: 10.00%

Stock Prices

Current Price = \$89.66
 52 Week Range = \$73.17 to \$94.54
 Exchange: NYSE
 Industry: Computer Hardware

Latest Quarterly Performance

	Earnings	Sales
Last Quarter	1.02	21522.00
1 Year Ago	0.99	19821.00
Percent Change	3.03%	8.58%

Share Data

	Authorized	Issued	
Preferred:		0.000	
Common:	1930.39	1930.39	Dilution: 27.697

Preferred Stock Dividend:

2 EVALUATING MANAGEMENT INTL BUSINESS MACHINES CORP (IBM)

	(1993)	1994	1995	1996	1997	1998	1999	2000	2001	2002	5 Yr Ave	Trend
% Pretax Profit on Sales (Net Before Tax/Sales)	-14.31	7.82	10.70	11.27	11.50	11.07	11.31	13.57	13.19	12.11	12.25	■
% Earned on Invested Capital (EPS/Book Val)	-43.73	13.06	17.41	23.81	29.43	31.36	32.67	37.98	31.74	29.94	32.74	■

3 PRICE & EARNINGS HISTORY

Current Price: 89.66

52 Week High= 94.54

52 Week Low= 73.17

Year	High Price	Low Price	EPS	PE High	PE Low	Dividend	Payout	High Yield
1998	94.970	47.810	3.29	28.91	14.55	0.430	13.1	0.9
1999	139.190	80.875	3.71	37.52	21.80	0.470	12.7	0.6
2000	134.940	80.060	4.44	30.39	18.03	0.510	11.5	0.6
2001	124.700	83.750	4.35	28.67	19.25	0.550	12.6	0.7
2002	126.390	54.010	3.96	31.92	13.64	0.590	14.9	1.1
TOTAL		346.50						
AVE		69.30		31.48	17.46		13.0	
Average Price Earnings Ratio: 24.5					Current Price Earnings Ratio: 21.8			

Current PE Ratio Base on Current EPS [\$4.12]

Projected PE Ratio of [19.8] Base on Projected EPS [\$4.53]

4 EVALUATING BUY, HOLD, & SELL

A. CALCULATED HIGH PRICE - 5 YEARS

Ave High PE 31.48 X Estimated High Earnings/Share 6.38 Projected High Price = \$ 200.84

B. CALCULATED LOW PRICE - 5 YEARS

(a) Avg. Low P/E 17.46 X Estimated Low Earnings/Share 3.960 = \$ 69.14

(b) Avg. Low Price of Last 5 Years = \$69.30

(c) Recent Market Low = \$54.01

(d) Dividend Price Support = \$53.64

Selected Estimated Low Price \$ 54.00

C. BUY/HOLD/SELL ZONES

Selected High of \$200.84 minus Selected Low of \$54.00 = \$146.84 Range. 1/3 of Range = \$48.947

Lower 1/3 = \$54.00 To \$102.95 (Buy)

Center 1/3 = \$102.95 To \$151.89 (Hold)

Upper 1/3 = \$151.89 To \$200.84 (Sell)

D. UPSIDE RISK ANALYSIS

High Price 200.84 - Current Price 89.66 = **3.1 to 1**

Current Price 89.66 - Low Price 54.00

Current price of \$89.66 is in the BUY zone

Relative Value = 88.8%

Proj Rel Value = 80.8%

5 YIELD ANALYSIS

Current Yield = (100 * Current Dividend)/Current Price = 100 * 0.64 / 89.66 = 0.71%

5 Yr. Yield = (Ave. EPS (5 Yrs) * Ave. Payout) / Current Price = (5.03 / 13.0)/89.66 = 0.73%

Total Appreciation = 17.50%

Total Return = 18.23%