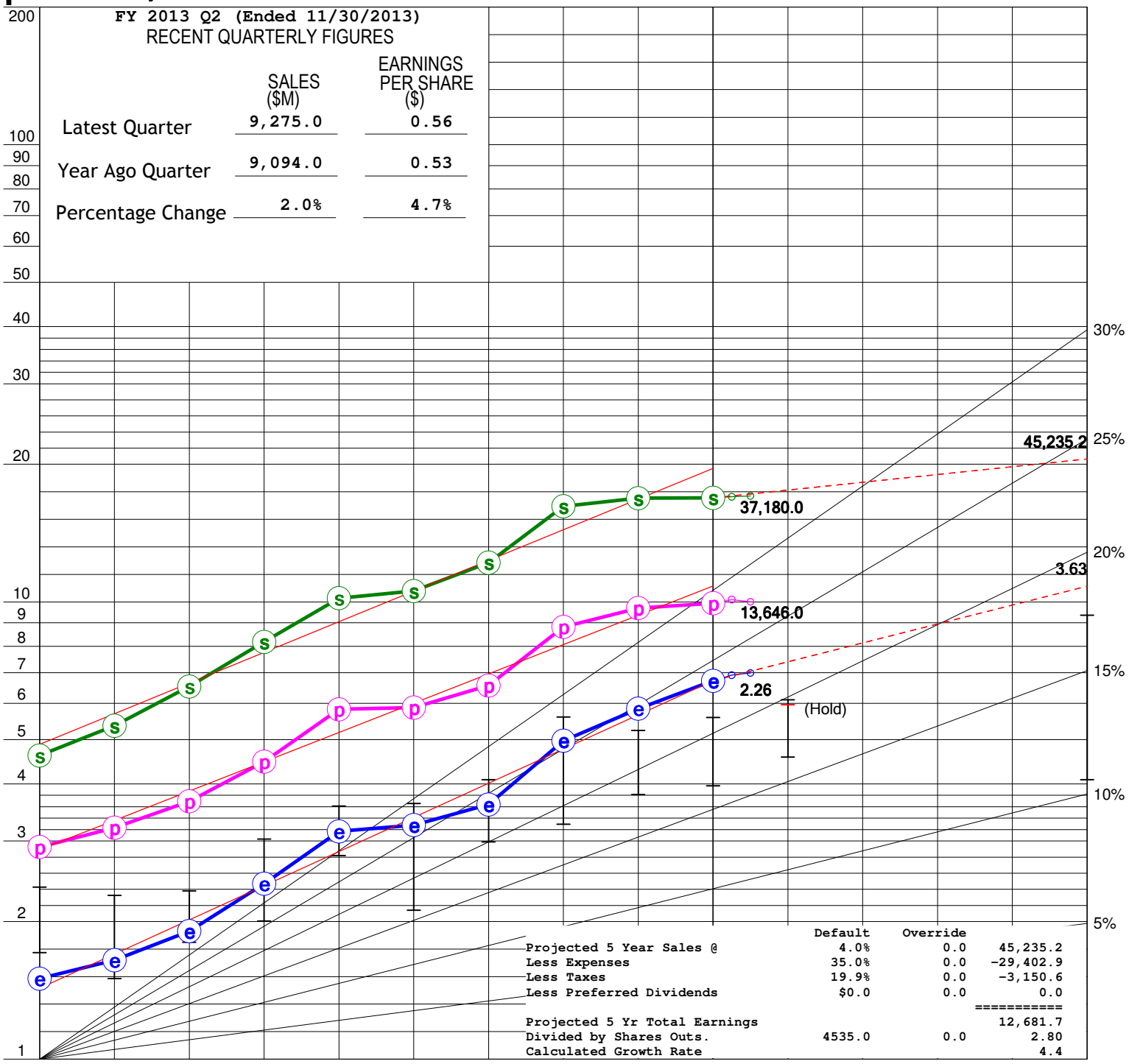
Stock Selection Guide

Company	Oracle 2014 March	Price Date	03/10/14
Study by	Dene Alden	Data Date	03/10/14
Sector	Technology	Last Judgment	03/11/14
Industry	Software - Infrastructur	Data Source	BI
Preferred($M)	0.0	Reference	Morningstar
Common(M Shares)	4,535.0	% Insiders	22.1
Debt($M)	24,166.0	% Institutions	64.3
% Debt to Tot.Cap.	35.7	Quality	

1 Growth Analysis

NYSE: ORCL



	Default	Override	
Projected 5 Year Sales @	4.0%	0.0	45,235.2
Less Expenses	35.0%	0.0	-29,402.9
Less Taxes	19.9%	0.0	-3,150.6
Less Preferred Dividends	$0.0	0.0	0.0
Projected 5 Yr Total Earnings			12,681.7
Divided by Shares Outs.	4535.0	0.0	2.80
Calculated Growth Rate			4.4

(1) Historical Sales Growth 16.7 %
(2) Estimated Future Sales Growth 4.0 %
(3) Historical Earnings Per Share Growth 18.8 %
(4) Estimated Future Earnings Per Share Growth 10.0 %
(5) Sales Growth R ² 0.97
(6) Earnings Per Share Growth R ² 0.99

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2 QUALITY ANALYSIS

Company: Oracle 2014 March (ORCL) 03/10/14

		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	5 YEAR AVG.	TREND UP / DOWN
A	% Pre-tax Profit on Sales	39.4	37.3	35.0	34.1	35.7	34.7	33.6	34.0	35.9	36.7	35.0	UP
B	% ROE (Beginning Yr)		35.9	30.3	28.8	31.9	24.3	24.0	27.2	25.0	25.3	25.2	EVEN
C	% Debt to Equity	2.0	1.5	39.2	36.4	44.5	36.2	37.5	37.3	30.3	40.4	36.3	UP

3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE (P/E) 38.86 (16.6) 52-WEEK HIGH (P/E) 39.85 (17.0) 52-WEEK LOW (P/E) 29.86 (12.8)

	Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1	2008	23.6	13.8	1.09	21.7	12.7	0.050	4.6	0.4
2	2009	26.6	19.5	1.21	22.0	16.1	0.200	16.5	1.0
3	2010	36.5	21.3	1.67	21.9	12.8	0.210	12.6	1.0
4	2011	34.1	24.7	1.96	17.4	12.6	0.240	12.3	1.0
5	2012	36.4	25.8	2.26	16.1	11.4	0.120	5.3	0.5
6	AVERAGE		21.0		19.8	13.1		10.3	

AVERAGE P/E RATIO	16.4	PROJECTED P/E RATIO	15.1	TTM EPS	2.34
CURRENT P/E RATIO	16.6	PEG RATIO	1.5	FTM EPS	2.57
RELATIVE VALUE	101.1	PROJ. RELATIVE VALUE	92.1	AVG TTM + FTM EPS	2.46

4 EVALUATING REWARD and RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS

Selected High P/E ~~19.8~~ 16.8 X Estimated High Earnings/Share 3.63 = Forecast High Price $ 61.0

B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS

(a) Sel. Low P/E ~~13.1~~ 12.4 (as adj.) X Estimated Low Earnings/Share 2.26 = $ 28.0

(b) Average 5-Year Low Price = 21.0

(c) Recent Severe Low Price = 24.7

(d) Price Dividend Will Support = Present Divd. ÷ High Yield = 0.480 ÷ 0.010 = 46.8

Selected Estimated Low Price = $ 26.6

C PRICE RANGES

Forecast High Price 61.0 - Estimated Low Price 26.6 = Range 34.4 25% of Range = 8.6

BUY (Lower 25% of Range) = 26.6 to 35.2

MAYBE (Middle 50% of Range) = 35.2 to 52.4

SELL (Upper 25% of Range) = 52.4 to 61.0

Current Price 38.860 is in the Hold Range

D UPSIDE/DOWNSIDE ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price 61.0 - Current Price 38.860) ÷ (Current Price 38.860 - Estimated Low Price 26.6) = 1.8 To 1

5 TOTAL RETURN ANALYSIS

A CURRENT YIELD

Present Full Year's Dividend $ 0.480 ÷ Current Price of Stock $ 38.860 = 1.2 % Present Yield or % Returned on Purchase Price

B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout 10.3 ÷ Forecast High P/E 16.8 = Avg. Yield 0.6

AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout 10.3 ÷ Forecast Avg P/E 14.6 = Avg. Yield 0.7

C % COMPOUND ANNUAL TOTAL RETURN - USING FORECAST HIGH P/E

Average Yield 0.6 % + Annual Appreciation 9.4 % = Compound Annual Total Return 10.1 %

D % PROJECTED AVERAGE RETURN - USING FORECAST AVERAGE P/E

Average Yield 0.7 % + Annual Appreciation 6.4 % = Projected Average Total Return 7.1 %

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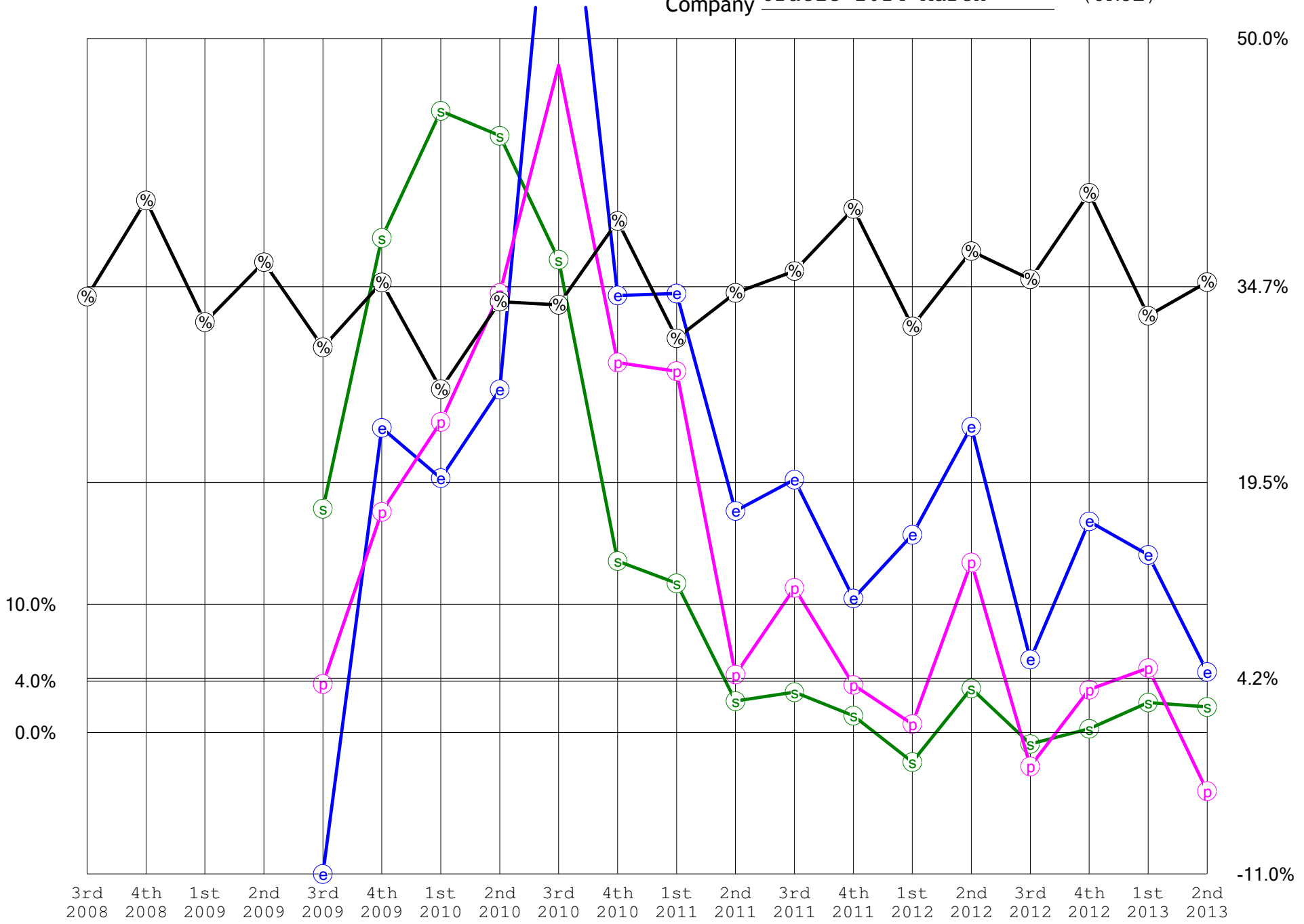
Quarterly Data Points

PERT-A Graph

Company Oracle 2014 March (ORCL)



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