

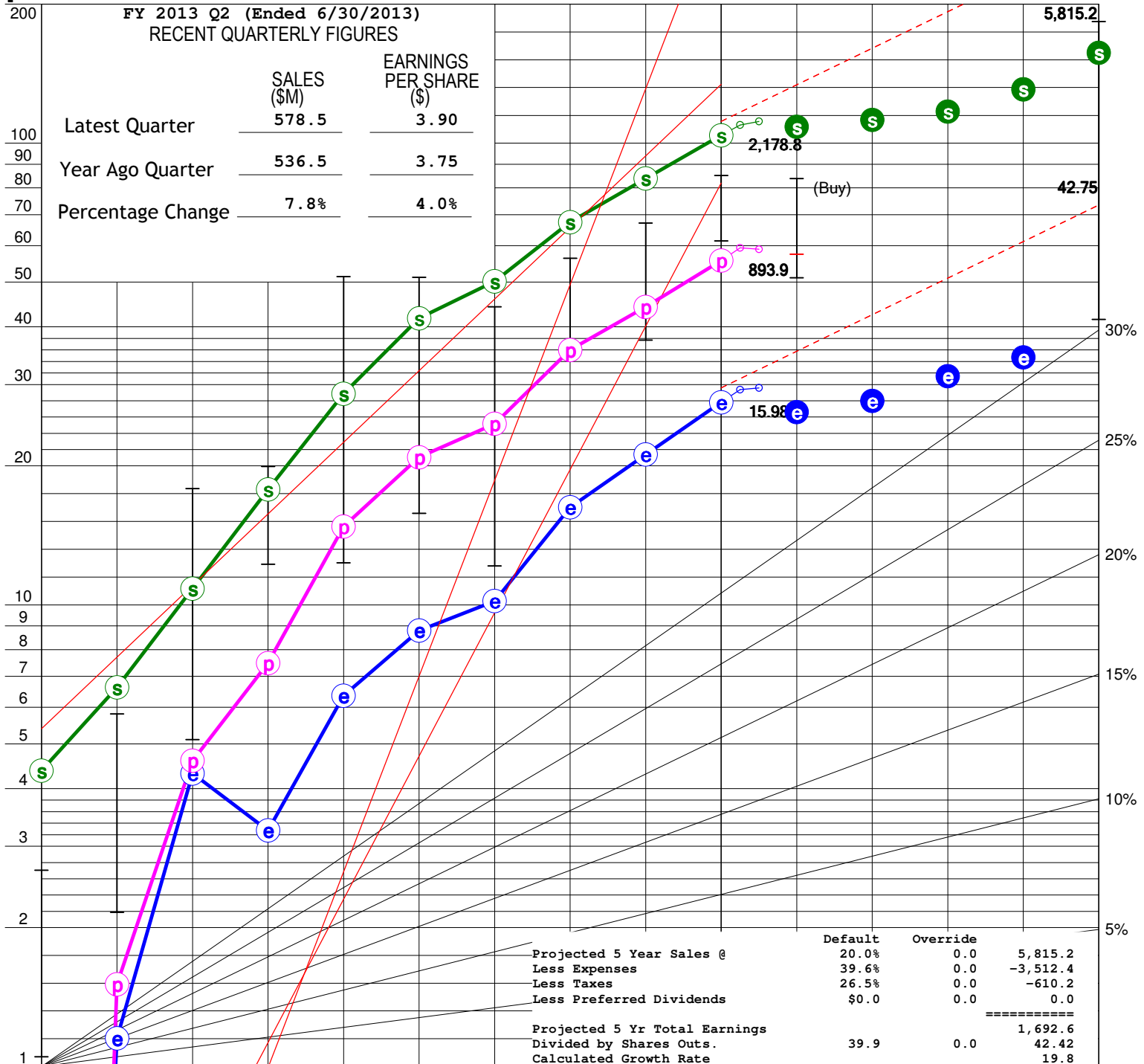


Stock Selection Guide

Company	Intuitive Surgical 10..	Price Date	10/14/13
Study by	S Patterso	Data Date	10/14/13
Sector	Healthcare	Data Source	StkCntrl
Industry	Medical Instruments & Su	Reference	Morningsta
Preferred(\$M)	0.0		
Common(M Shares)	39.9	% Insiders	1.0
Debt(\$M)	0.0	% Institutions	95.7
% Debt to Tot.Cap.	0.0	Quality	8.9 (Take Stock)

1 Growth Analysis

NAS: ISRG



- | | | | | |
|-----------------------------------|--------|--|---------|--|
| (1) Historical Sales Growth | 42.9 % | (3) Historical Earnings Per Share Growth | 104.3 % | www.iclub.com |
| (2) Estimated Future Sales Growth | 20.0 % | (4) Estimated Future Earnings Per Share Growth | 20.0 % | |
| (5) Sales Growth R ² | 0.97 | (6) Earnings Per Share Growth R ² | 0.59 | |

2 QUALITY ANALYSIS

Company Intuitive Surgical 10-14-13

(ISRG)

10/14/13

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	5 YEAR AVG.	TREND UP / DOWN
A % Pre-tax Profit on Sales	-10.5	17.4	32.5	32.2	39.5	38.3	37.6	40.5	40.4	41.0	39.6	UP
B % ROE (Beginning Yr)	7.7	7.7	27.1	15.1	23.2	22.0	18.3	23.7	23.5	23.7	22.3	UP
C % Debt to Equity	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	EVEN

3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE (P/E) 401.68 (23.4) 52-WEEK HIGH (P/E) 585.67 (34.1) 52-WEEK LOW (P/E) 357.02 (20.8)

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1 2008	358.0	110.4	5.12	69.9	21.6	0.000	0.0	0.0
2 2009	309.1	84.9	5.93	52.1	14.3	0.000	0.0	0.0
3 2010	393.9	246.1	9.47	41.6	26.0	0.000	0.0	0.0
4 2011	469.3	261.8	12.32	38.1	21.2	0.000	0.0	0.0
5 2012	594.9	429.3	15.98	37.2	26.9	0.000	0.0	0.0
6 AVERAGE		226.5		47.8	22.0		0.0	
AVERAGE P/E RATIO		34.9	PROJECTED P/E RATIO		19.5	TTM EPS		17.18
CURRENT P/E RATIO		23.4	PEG RATIO		1.0	FTM EPS		20.62
RELATIVE VALUE		67.0	PROJ. RELATIVE VALUE		55.8	AVG TTM + FTM EPS		18.90

4 EVALUATING REWARD and RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS

Selected High P/E ~~47.8~~ 30.0 X Estimated High Earnings/Share 42.75 = Forecast High Price \$ 1,282.5

B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS

(a) Sel. Low P/E ~~22.0~~ 16.9 X Estimated Low Earnings/Share ~~15.98~~ 17.18 = \$ 290.3

(b) Average 5-Year Low Price = 226.5

(c) Recent Severe Low Price = 261.8

(d) Price Dividend Will Support = Present Divd. + High Yield = 0.000 + 0.000 = 0.0

Selected Estimated Low Price = \$ 290.3

C PRICE RANGES

Forecast High Price 1,282.5 - Estimated Low Price 290.3 = Range 992.2 25% of Range = 248.1

BUY (Lower 25% of Range) = 290.3 to 538.4

MAYBE (Middle 50% of Range) = 538.4 to 1,034.4

SELL (Upper 25% of Range) = 1,034.4 to 1,282.5

Current Price 401.680 is in the Buy Range

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

(Forecast High Price 1,282.5 - Current Price 401.680) ÷ (Current Price 401.680 - Estimated Low Price 290.3) = 7.9 To 1

5 TOTAL RETURN ANALYSIS

A CURRENT YIELD

Present Full Year's Dividend \$ 0.000 ÷ Current Price of Stock \$ 401.680 = 0.0 % Present Yield or % Returned on Purchase Price

B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout 0.0 ÷ Forecast High P/E 30.0 = Avg. Yield 0.0

AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout 0.0 ÷ Forecast Avg P/E 23.5 = Avg. Yield 0.0

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

Average Yield 0.0 % + Annual Appreciation 26.1 % = Compound Annual Total Return 26.1 %

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

Average Yield 0.0 % + Annual Appreciation 20.1 % = Projected Average Total Return 20.1 %