

Abbott Laboratories ABT [NYSE] | ★★★★★

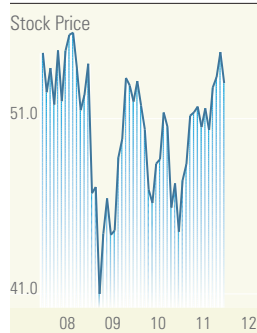
Last Price	Fair Value	Consider Buy	Consider Sell	Uncertainty	Economic Moat™	Stewardship	Morningstar Credit Rating	Industry
54.26 USD	68.00 USD	54.40 USD	85.00 USD	Low	Wide	C	UR-	Drug Manufacturers - Major

Abbott Posts In-Line 4Q and Remains on Track to Split Into Two Companies

by Damien Conover, CFA
Associate Director
Analysts covering this company do not own its stock.

Pricing data through February 01, 2012.
Rating updated as of February 01, 2012.

Currency amounts expressed with "\$" are in U.S. dollars (USD) unless otherwise denoted.



Analyst Note Jan. 25, 2012

Abbott Laboratories reported fourth-quarter results and issued 2012 guidance in line with our expectations, and we don't expect any changes to our fair value estimate. In the quarter, total sales increased 4% year over year, led by strong growth from immunology drug Humira. Earnings per share growth outpaced sales growth, up 11.5% from the prior-year period, as higher gross margins contributed the rapid growth. Abbott issued 2012 EPS guidance of \$4.95-\$5.05, in line with our expectations.

Humira continues to drive the sales growth for the pharmaceutical segment. The drug grew operationally 16% versus the prior-year period. Based on its leading efficacy and side effect profile, we continue to expect double-digit growth for the drug over the next three years, despite new competition likely from Pfizer's tofacitinib. Further, we expect Humira's growth will help mitigate the 2012 patent losses on cardiovascular drug Tricor.

Outside the pharmaceutical group, the majority of Abbott's segments posted steady gains. Second only to the drug group in size, the nutritional division generated 8% operational growth year over year. We believe the 2010 manufacturing issues for infant formula are largely behind the company and we expect steady growth for the division over the long term.

Efficiency improvements are driving margin improvement. As a percentage of total sales, operating costs fell more than 200 basis points year over year, largely driven by gross margin improvements. While we expect this trend to continue, we expect a deceleration in margin gains in 2012 because of the patent loss on the high-margin drug Tricor.

Abbott remains on track to complete its separation into two pieces by the end of the year. While we continue to believe the breakup will not likely cause a change to our

fair value estimate, we expect it could increase investor attention to undervalued segments of the company, potentially causing the stock price to reach our fair value more quickly.

Thesis Nov. 04, 2011

On the foundation of a wide lineup of patent-protected drugs, a leading diagnostics business, a strong nutritional division, and a top-tier vascular group, Abbott Laboratories has dug a wide economic moat. We expect these operating lines will continue to generate strong returns and drive growth. Further, the company's decision to split itself into two is likely to result in two well-positioned companies (a drug company and a diversified health-care company) with strong competitive advantages.

Existing drugs and new pipeline products should propel long-term growth. Abbott's pharmaceutical division contains a diverse set of growing blockbusters across many therapy groups. Autoimmune agent Humira, HIV/AIDS drug Kaletra, and cardiovascular treatments Tricor and Trilipix lead the group with more than \$8 billion in annual sales (27% of total sales). Humira continues to be the workhorse of the group with 19% growth in 2010, as new indications help propel the drug. The company's active research and development efforts are creating the next potential blockbusters with several hepatitis C drugs and kidney disease drug bardoxolone showing particularly strong clinical data.

Outside the pharmaceutical group, Abbott runs top-tier diagnostic and nutritional segments that generate more than 25% of total sales, helping to insulate the company from patent losses in the drug group. The diagnostic group is well positioned as disease therapy becomes more patient-specific.

Complementing the pharmaceutical, diagnostic, and nutritional segments, the firm's recently expanded vascular line is poised for rapid growth. Favorable clinical data on the company's new drug-coated stent Xience versus entrenched Boston Scientific stent Taxus has

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Close Competitors	Currency(Mil)	Market Cap	TTM Sales	Oper Income	Net Income
Abbott Laboratories	USD	84,526	38,442	5,499	4,551
Johnson & Johnson	USD	179,389	64,419	16,291	11,396
Pfizer Inc	USD	163,809	68,785	11,402	11,460
Baxter International Inc.	USD	31,774	13,797	2,844	2,184

Morningstar data as of February 01, 2012.

resulted in fast market uptake.

In addition to strong internal operating lines, Abbott has a successful record of acquisitions and partnerships. The favorable acquisitions of Knoll and Kos Pharmaceuticals brought in Humira and Niaspan along with pipeline products. The acquisition of Guidant's vascular business opened the door to a new operating segment and Xience, a drug-eluting stent superior to an in-house stent. Additionally, the recent acquisitions of Advanced Medical Optics and the drug units from Solvay and Piramal should add value over the long term. The strong record and ample cash flow raise our confidence that external growth opportunities will probably augment internal growth.

Valuation, Growth and Profitability

Despite the company's decision to split itself into two pieces, we're maintaining our fair value estimate of \$68 per share, which implies a 2011 price/earnings multiple of 15 times. The current forward-year industry price/earnings multiple is 10 times, and we believe Abbott's industry-leading growth continues to warrant a premium multiple valuation for the company. We incorporated the recent acquisition of Piramal's drug unit into our valuation model, but acquired sales largely offset the high purchase price. Humira represents the most important driver in Abbott's valuation--we project it contributes more than 20% to our estimate of the firm's total value. While competing drugs lurk in the near future, we expect Humira to post double-digit annual growth during the next several years. Overall, during the next five

years, we project 6% average annual sales growth, led by Humira, Xience, and acquisitions. During the same period, we project slightly increasing operating margins as cost-containment initiatives offset patent losses on high-margin drugs. We estimate a 9% cost of equity and a similar weighted average cost of capital, which reflect the secure and robust cash flows derived from diverse operations.

Risk

While Abbott maintains diverse operations, it depends heavily on Humira and Xience for future growth. Further, the company's pipeline isn't as large as those of rivals, making any failures with late-stage candidates very costly. Also, the company faces typical industry risks including drug delays or nonapprovals, as well as an increasingly aggressive generic and managed-care industry.

Bulls Say

- Strong clinical data on safety and efficacy give Abbott's stent Xience a leg up in the drug-eluting stent market.
- Aggressive cost-cutting plans should propel Abbott's bottom-line growth much quicker than top-line growth.
- International markets and indications in Crohn's disease and psoriasis for Humira should further propel sales growth for the company's leading pharmaceutical product.
- The recent acquisition of Piramal's drug unit increases Abbott's exposure to the rapidly growing Indian market.
- The decision to split the company into two could increase the transparency of each unit, which could help investors see the value in the different operations.

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Bears Say

- Splitting the company into two could create distractions for management as well as reverse cost synergies such as increasing duplicative areas of operations.
- Lack of robust internal development casts a shadow on the company's ability to create blockbusters in-house.
- Clinical data on drug-eluting stents have recently presented unclear benefits versus bare-metal stents and other treatments. Stent operations and use of drug-eluting stents could fall without supportive new data.
- To prepare for more tuck-in acquisitions, Abbott is probably going to add cash to its balance sheet rather than pursue aggressive share buybacks. The investment community could react negatively toward decisions in favor of acquisitions over returning cash to shareholders via share repurchases.
- Pfizer's JAK-3 inhibitor for rheumatoid arthritis has shown strong efficacy in Phase III trials relative to Humira. If the drug holds up well in late-stage trials, it could take significant market share from Humira based on the drug's oral dosing. Also, Roche's RA drug Actemra is poised to reported head-to-head data versus Humira in late 2011 or early 2012. Strong Actemra data could translate into Humira market share losses.

Products include prescription drugs, coronary and carotid stents, and nutritional liquids for infants and adults. Following the Advanced Medical Optics acquisition, Abbott also markets eye-care products. Abbott generates slightly less than 60% of revenue from pharmaceuticals.

Management: Miles White took the helm as CEO in 1998 and chairman of the board the following year. His tenure with the company dating back to 1984 provides the experience needed in handling the many operating lines of the company. Under his leadership, the company executed several value-enhancing acquisitions. After the split, Miles White will continue as the CEO of the diversified company and longtime Abbott executive Richard Gonzalez will take the CEO spot at the pharmaceutical-focused firms. We believe both executives have strong records that bode well for future leadership.

Overall, the company promotes solid stewardship. We like the policy of cumulative voting rights in the election of directors, as this gives more clout to minority shareholders. Compensation for top executives is well balanced between cash and equity and in line with industry practices. However, we would like the company to take a page from the major European pharmaceutical companies and split the roles of CEO and chairman.

Financial Overview

Financial Health: Thanks to its acquisitions, Abbott holds less cash than its peers. However, Abbott's robust and relatively stable cash flows should easily meet interest expenses with ample reserves left for share repurchases, increases to dividends, and small acquisitions.

Company Overview

Profile: Abbott manufactures and markets pharmaceuticals, medical devices, blood glucose monitoring kits, and nutritional health-care products.

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Oct. 19, 2011

Abbott Announces Breakup Into Two Companies, In-Line 3Q Results

In tandem with releasing in-line third-quarter results, Abbott announced plans to divide itself into two: a research-based pharmaceutical company and a diversified medical product company. We believe Abbott is splitting up to offer investors distinct and focused investment opportunities as well as to increase the strategic focus of each firm. Based on our sum-of-the-parts analysis, we don't expect to significantly change our fair value estimate as a result of the breakup. However, we believe the breakup should serve as a catalyst for the stock as the investment community will probably appreciate the value of the separate firms more, given the increased clarity of each

unit as a stand-alone company.

Abbott will issue new stock in a tax-free distribution for the research-based pharmaceutical company, which is likely to occur by the end of 2012. It expects the combined companies in total will pay a dividend that will equal Abbott's total dividend at the time of separation, which we expect is probably based on typical dividend payout ratios of these two industries. Abbott's current CEO, Miles White, will remain CEO of the diversified medical product group and Richard Gonzalez, the executive vice president of Abbott's current pharmaceutical group, will become CEO of

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Analyst Notes (continued)

the research-based pharmaceutical company, which we believe makes sense, given the strong backgrounds of each executive.

Third-quarter results were largely in line with our expectations, with total sales increasing 8% operationally year over year, driven by strong growth from immunology drug Humira and sales in emerging markets. We continue to expect strong growth from Humira over the next couple of years based on the drug's leading efficacy and acceptable side-effect profile. We expect emerging markets will further add to growth over the next several years as Abbott's leading position in India will benefit from this fast-growing emerging market. Earnings per share increased 12% from the prior-year period as a lower tax

rate helped increase earnings quicker than sales. Abbott confirmed its 2011 earnings per share range of \$4.64-\$4.66, narrowed slightly from previously issued guidance of \$4.58-\$4.68. We expect the firm will meet its target.

We are placing our credit rating under review with a negative outlook, as one of the pillars of Abbott's creditworthiness--diversity of operations--is set to decline based on this reorganization. Since we don't expect the firm's capital structure to change much for the splitting entity based on our initial take on the division, we'd still expect the two entities to display very low-risk credit profiles.

Disclaimers & Disclosures

No Morningstar employees are officers or directors of this company. Morningstar Inc. does not own more than 1% of the shares of this company. Analysts covering this company do not own its stock. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security.

Abbott Laboratories ABT

Sales USD Mil 38,442 **Mkt Cap USD Mil** 84,526 **Industry** Drug Manufacturers - Major **Sector** Healthcare

Abbott manufactures and markets pharmaceuticals, medical devices, blood glucose monitoring kits, and nutritional health-care products. Products include prescription drugs, coronary and carotid stents, and nutritional liquids for infants and adults. Following the Advanced Medical Optics acquisition, Abbott also markets eye-care products. Abbott generates slightly less than 60% of revenue from pharmaceuticals.

Morningstar Rating ★★★★★ **Last Price** 54.26 **Fair Value** 68.00 **Uncertainty** Low **Economic Moat™** Wide **Stewardship Grade** C
per share prices in USD

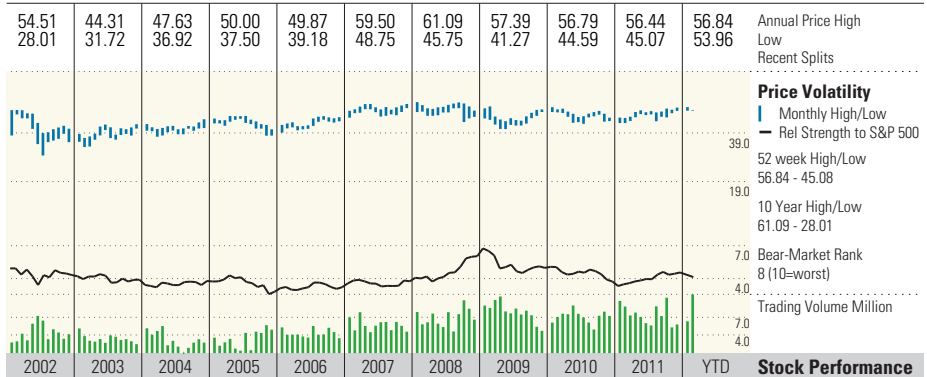
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Phone: 1 847 937-6100 Website: http://www.abbott.com

Growth Rates Compound Annual					
Grade: B	1 Yr	3 Yr	5 Yr	10 Yr	
Revenue %	14.3	10.7	9.5	9.8	
Operating Income %	-2.4	10.0	6.9	6.0	
Earnings/Share %	-19.8	8.6	6.5	5.2	
Dividends %	10.3	10.6	9.7	8.8	
Book Value/Share %	-1.8	8.0	9.3	10.1	
Stock Total Return %	24.2	2.4	3.3	2.2	
+/- Industry	9.7	-11.7	0.7	0.0	
+/- Market	22.9	-14.6	5.1	1.3	

Profitability Analysis				
Grade: B	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	19.8	22.3	18.7	22.4
Return on Assets %	7.8	9.4	8.7	9.5
Fixed Asset Turns	4.8	3.9	3.8	7.5
Inventory Turns	4.8	4.2	2.7	15.9
Revenue/Employee USD K	427.1	413.4*	—	1048.4
Gross Margin %	59.0	57.0	71.6	38.3
Operating Margin %	14.3	16.7	22.5	16.6
Net Margin %	11.8	14.0	16.5	11.1
Free Cash Flow/Rev %	21.8	18.8	22.2	0.1
R&D/Rev %	11.3	0.1	—	9.8

Financial Position		
Grade: A	12-10 USD Mil	09-11 USD Mil
Cash	3648	5049
Inventories	3189	3269
Receivables	7184	7044
Current Assets	22318	23094
Fixed Assets	7971	7977
Intangibles	28082	27024
Total Assets	59462	59628
Payables	3524	2817
Short-Term Debt	6395	3625
Current Liabilities	17262	15414
Long-Term Debt	12524	13097
Total Liabilities	37074	35024
Total Equity	22388	24604

Valuation Analysis				
	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	18.6	18.4	15.6	14.4
Forward P/E	10.2	—	—	13.7
Price/Cash Flow	8.6	11.4	9.9	7.3
Price/Free Cash Flow	10.1	14.4	11.7	16.9
Dividend Yield %	3.5	—	3.8	2.0
Price/Book	3.4	4.0	2.8	1.9
Price/Sales	2.2	2.7	2.5	1.2
PEG Ratio	1.1	—	—	1.5



2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	YTD	Stock Performance
-26.6	18.9	8.8	-13.2	26.5	17.9	-2.5	4.1	-8.1	21.3	-2.6	Total Return %
-3.2	-7.5	-0.2	-16.2	12.9	14.4	36.0	-19.3	-20.9	21.3	-7.9	+/- Market
-8.0	3.2	13.0	-15.5	12.3	14.5	14.9	-11.2	-11.4	5.8	-2.2	+/- Industry
2.3	2.1	2.2	2.8	2.4	2.3	2.6	2.9	3.6	3.3	3.5	Dividend Yield %
58736	68459	72652	61165	74763	86767	82808	83748	74116	87595	84526	Market Cap USD Mil

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	TTM	Financials
16285	17685	19681	19680	22338	22476	25914	29528	30765	35167	38442	Revenue USD Mil
52.4	51.9	51.9	54.9	52.4	56.3	55.9	57.3	57.1	58.3	59.0	Gross Margin %
1894	3530	3323	3898	4362	2042	4579	5694	6236	6088	5499	Oper Income USD Mil
11.6	20.0	16.9	19.8	19.5	9.1	17.7	19.3	20.3	17.3	14.3	Operating Margin %
1550	2794	2753	3236	3372	1717	3606	4881	5746	4626	4551	Net Income USD Mil
—	1.78	1.75	2.06	2.16	1.12	2.31	3.12	3.69	2.96	2.91	Earnings Per Share USD
—	0.92	0.97	1.03	1.09	1.16	1.27	1.41	1.56	1.72	1.84	Dividends USD
—	1573	1572	1571	1564	1537	1560	1561	1547	1556	1562	Shares Mil
6.83	8.36	9.20	9.29	9.16	11.51	11.27	14.73	14.47	15.79	15.79	Book Value Per Share USD
3567	4183	3746	4408	5174	5329	5184	7344	7275	8736	9885	Oper Cash Flow USD Mil
-1164	-1296	-1247	-1292	-1207	-1338	-1656	-1288	-1089	-1015	-1508	Cap Spending USD Mil
2403	2887	2500	3116	3967	3991	3528	6056	6186	7721	8377	Free Cash Flow USD Mil

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	TTM	Profitability
—	11.8	10.8	11.7	11.7	5.3	9.5	11.9	12.1	8.3	7.8	Return on Assets %
—	28.3	23.2	23.6	23.5	12.1	22.7	27.7	28.5	20.4	19.8	Return on Equity %
9.5	15.8	14.0	16.4	15.1	7.6	13.9	16.5	18.7	13.2	11.8	Net Margin %
—	0.74	0.77	0.71	0.77	0.69	0.68	0.72	0.65	0.63	0.66	Asset Turnover
—	2.3	2.0	2.0	2.0	2.6	2.2	2.4	2.3	2.7	2.4	Financial Leverage

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	09-11	Financial Health
492	2120	2651	3909	3971	-669	4939	5451	10264	5055	7680	Working Capital USD Mil
4335	4274	3452	4788	4572	7010	9488	8713	11266	12524	13097	Long-Term Debt USD Mil
9059	10665	13072	14326	14415	14054	17779	17480	22856	22388	24604	Total Equity USD Mil
—	0.40	0.26	0.33	0.32	0.50	0.53	0.50	0.49	0.56	0.53	Debt/Equity

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	TTM	Valuation
22.6	26.7	23.1	18.3	43.5	24.3	17.6	14.6	16.2	19.3	18.6	Price/Earnings
—	—	—	—	—	—	—	—	—	1.1	1.3	P/E vs. Market
3.6	3.7	3.7	2.8	3.3	3.4	2.8	2.7	2.1	2.3	2.2	Price/Sales
5.9	5.6	5.1	4.2	5.3	4.9	4.7	3.7	3.3	3.6	3.4	Price/Book
15.1	19.6	16.6	11.9	14.1	16.9	11.3	11.5	8.5	8.9	8.6	Price/Cash Flow

Quarterly Results						
Revenue USD Mil	Dec 10	Mar 11	Jun 11	Sep 11		
Most Recent Period	9967.9	9040.9	9616.3	9816.7		
Prior Year Period	8790.1	7698.4	8826.0	8674.5		
Rev Growth %	Dec 10	Mar 11	Jun 11	Sep 11		
Most Recent Period	13.4	17.4	8.9	13.2		
Prior Year Period	10.6	14.6	17.8	11.8		
Earnings Per Share USD	Dec 10	Mar 11	Jun 11	Sep 11		
Most Recent Period	0.93	0.55	1.23	0.19		
Prior Year Period	0.99	0.64	0.83	0.57		

Industry Peers by Market Cap				
	Mkt Cap USD Mil	Rev USD Mil	P/E	ROE%
Abbott Laboratories	84526	38442	18.6	19.8
Johnson & Johnson	179389	64419	16.0	19.2
Pfizer Inc	163809	68785	16.7	12.9

Major Fund Holders		% of shares
		—
		—
		—

*3Yr Avg data is displayed in place of 5Yr Avg

TTM data based on rolling quarterly data if available; otherwise most recent annual data shown.

Morningstar's Approach to Rating Stocks

Our Key Investing Concepts

- ▶ Economic Moat™ Rating
- ▶ Discounted Cash Flow
- ▶ Discount Rate
- ▶ Fair Value
- ▶ Uncertainty
- ▶ Margin of Safety
- ▶ Consider Buying/Consider Selling
- ▶ Stewardship Grades

At Morningstar, we evaluate stocks as pieces of a business, not as pieces of paper. We think that purchasing shares of superior businesses at discounts to their intrinsic value and allowing them to compound their value over long periods of time is the surest way to create wealth in the stock market.

We rate stocks 1 through 5 stars, with 5 the best and 1 the worst. Our star rating is based on our analyst's estimate of how much a company's business is worth per share. Our analysts arrive at this "fair value estimate" by forecasting how much excess cash--or "free cash flow"--the firm will generate in the future, and then adjusting the total for timing and risk. Cash generated next year is worth more than cash generated several years down the road, and cash from a stable and consistently profitable business is worth more than cash from a cyclical or unsteady business.

Stocks trading at meaningful discounts to our fair value estimates will receive high star ratings. For high-quality businesses, we require a smaller discount than for mediocre ones, for a simple reason: We have more confidence in our cash-flow forecasts for strong companies, and thus in our value estimates. If a stock's market price is significantly above our fair value estimate, it will receive a low star rating, no matter how wonderful we think the business is. Even the best company is a bad deal if an investor overpays for its shares.

Our fair value estimates don't change very often, but market prices do. So, a stock may gain or lose stars based

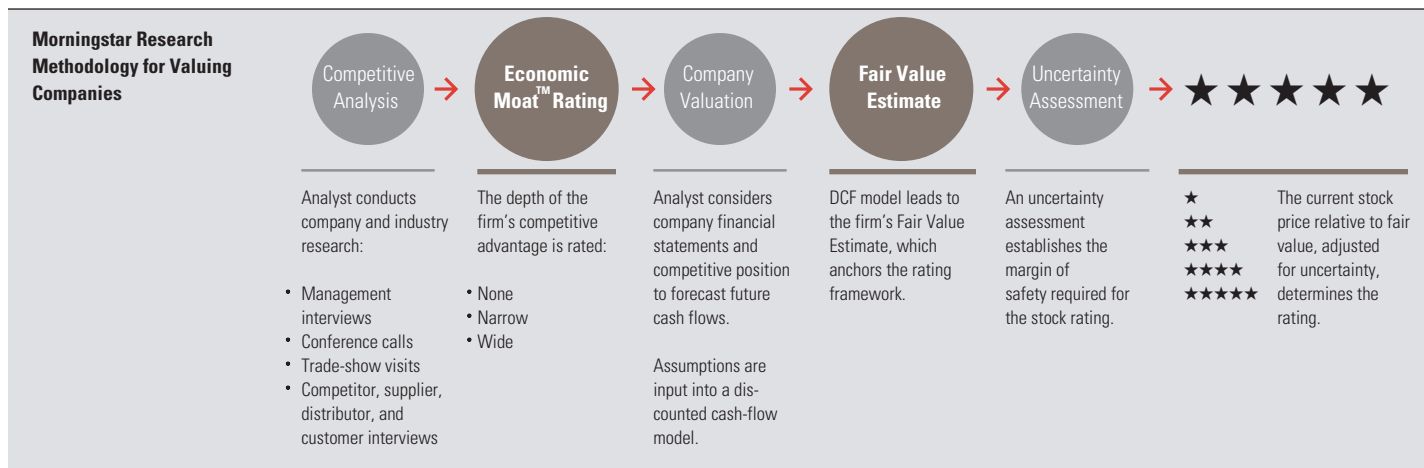
just on movement in the share price. If we think a stock's fair value is \$50, and the shares decline to \$40 without much change in the value of the business, the star rating will go up. Our estimate of what the business is worth hasn't changed, but the shares are more attractive as an investment at \$40 than they were at \$50.

Because we focus on the long-term value of businesses, rather than short-term movements in stock prices, at times we may appear out of step with the overall stock market. When stocks are high, relatively few will receive our highest rating of 5 stars. But when the market tumbles, many more will likely garner 5 stars. Although you might expect to see more 5-star stocks as the market rises, we find assets more attractive when they're cheap.

We calculate our star ratings nightly after the markets close, and issue them the following business day, which is why the rating date on our reports will always be the previous business day. We update the text of our reports as new information becomes available, usually about once or twice per quarter. That is why you'll see two dates on every Morningstar stock report. Of course, we monitor market events and all of our stocks every business day, so our ratings always reflect our analyst's current opinion.

Economic Moat™ Rating

The Economic Moat™ Rating is our assessment of a firm's ability to earn returns consistently above its cost of capital in the future, usually by virtue of some competitive advantage. Competition tends to drive down such



Morningstar's Approach to Rating Stocks (continued)

economic profits, but companies that can earn them for an extended time by creating a competitive advantage possess an Economic Moat. We see these companies as superior investments.

Discounted Cash Flow

This is a method for valuing companies that involves projecting the amount of cash a business will generate in the future, subtracting the amount of cash that the company will need to reinvest in its business, and using the result to calculate the worth of the firm. We use this technique to value nearly all of the companies we cover.

Discount Rate

We use this number to adjust the value of our forecasted cash flows for the risk that they may not materialize. For a profitable company in a steady line of business, we'll use a lower discount rate, also known as "cost of capital," than for a firm in a cyclical business with fierce competition, since there's less risk clouding the firm's future.

Fair Value

This is the output of our discounted cash-flow valuation models, and is our per-share estimate of a company's intrinsic worth. We adjust our fair values for off-balance sheet liabilities or assets that a firm might have--for example, we deduct from a company's fair value if it has issued a lot of stock options or has an under-funded pension plan. Our fair value estimate differs from a "target price" in two ways. First, it's an estimate of what the business is worth, whereas a price target typically reflects what other investors may pay for the stock. Second, it's a long-term estimate, whereas price targets generally focus on the next two to 12 months.

Uncertainty

To generate the Morningstar Uncertainty Rating, analysts consider factors such as sales predictability, operating leverage, and financial leverage. Analysts then classify their ability to bound the fair value estimate for the stock into one of several uncertainty levels: Low, Medium, High,

Very High, or Extreme. The greater the level of uncertainty, the greater the discount to fair value required before a stock can earn 5 stars, and the greater the premium to fair value before a stock earns a 1-star rating.

Margin of Safety

This is the discount to fair value we would require before recommending a stock. We think it's always prudent to buy stocks for less than they're worth. The margin of safety is like an insurance policy that protects investors from bad news or overly optimistic fair value estimates. We require larger margins of safety for less predictable stocks, and smaller margins of safety for more predictable stocks.

Consider Buying/Consider Selling

The consider buying price is the price at which a stock would be rated 5 stars, and thus the point at which we would consider the stock an extremely attractive purchase. Conversely, consider selling is the price at which a stock would have a 1 star rating, at which point we'd consider the stock overvalued, with low expected returns relative to its risk.

Stewardship Grades

We evaluate the commitment to shareholders demonstrated by each firm's board and management team by assessing transparency, shareholder friendliness, incentives, and ownership. We aim to identify firms that provide investors with insufficient or potentially misleading financial information, seek to limit the power of minority shareholders, allow management to abuse its position, or which have management incentives that are not aligned with the interests of long-term shareholders. The grades are assigned on an absolute scale--not relative to peers--and can be interpreted as follows: A means "Excellent," B means "Good," C means "Fair," D means "Poor," and F means "Very Poor."
