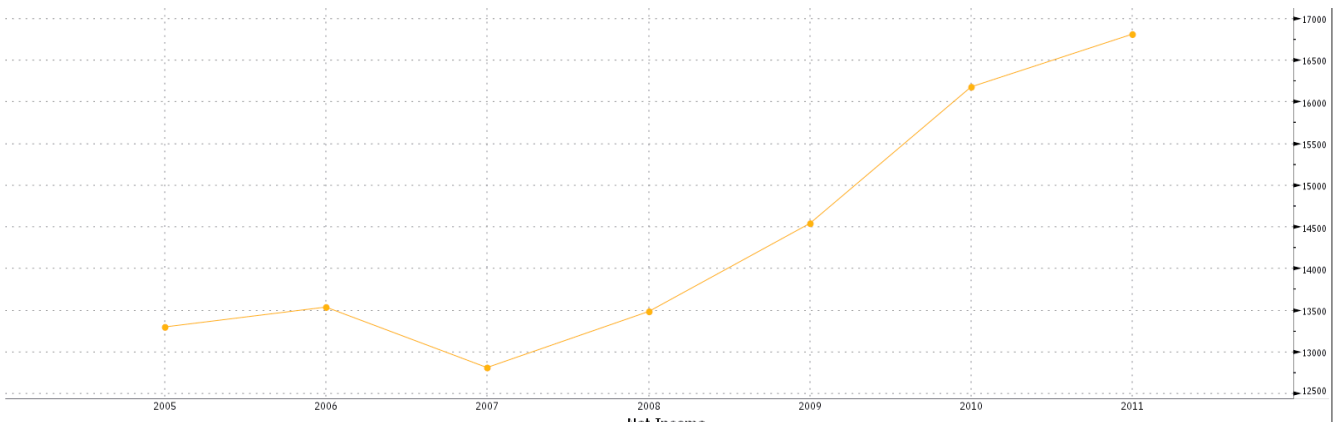


Annual Revenue



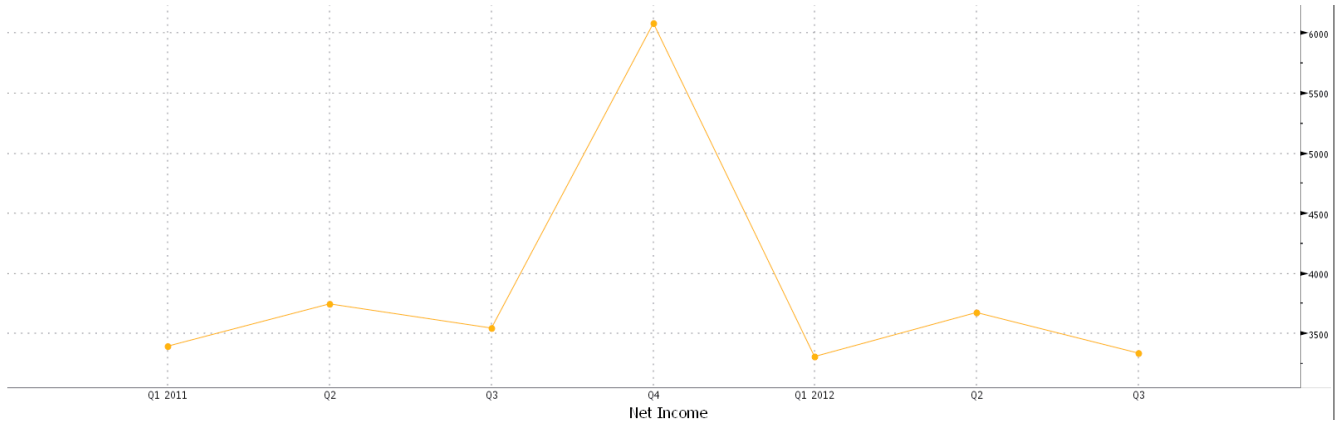
Quarterly Revenue



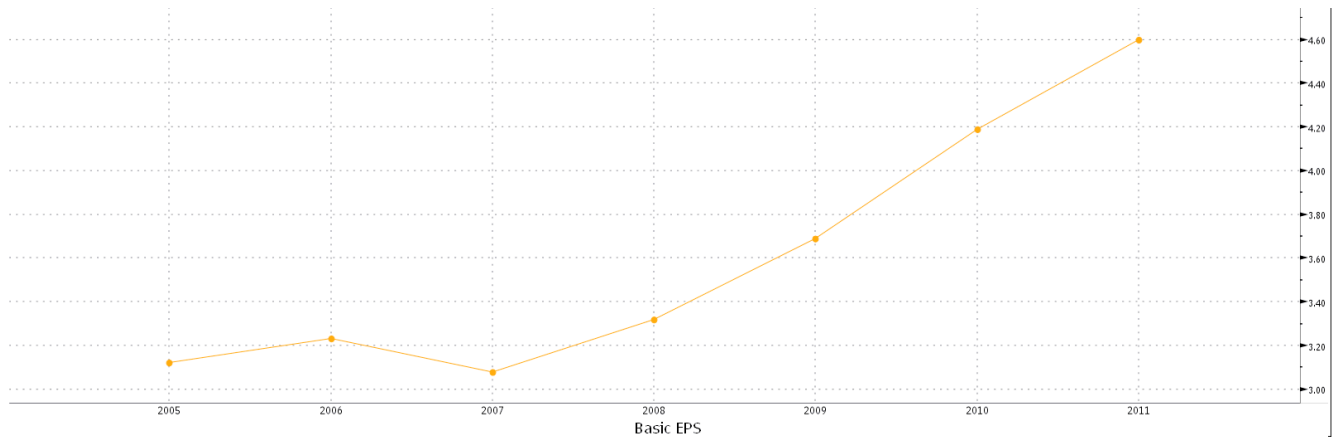
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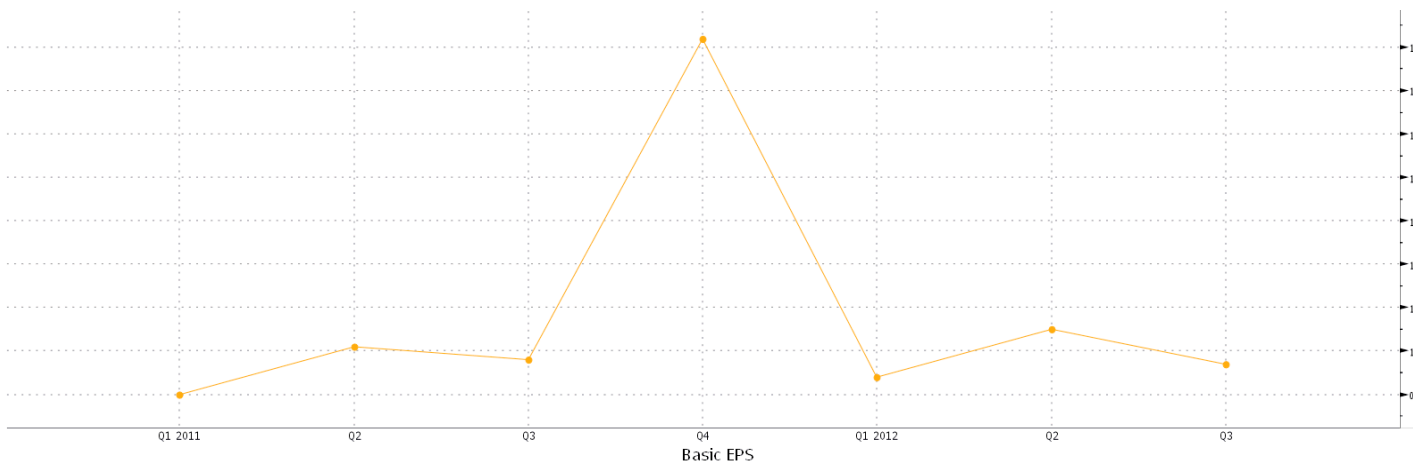
Annual Net Income



Annual EPS



Quarterly EPS



FUNDAMENTAL RATIO ANALYSIS

Wal-Mart's P/E ratio coupled with a 2.4% dividend makes WMT a relatively cheap buy - Industry peers average a P/E of approximately 16. WMT's price to book and ROA are at the industry average. Wal-Mart's gross margin is similar to its peers, except for Target – with a gross margin of 30.5%. The company's debt/equity ratio carries no cause for concern, as maturing debt is evenly distributed over the next 40 years.

Revenue Growth	ROE	Current Ratio
3.37%	23.58%	0.89
Gross Margin	ROA	Quick Ratio
25.26%	9.34%	0.21
P/E	Debt/Equity	Price to Book
13.46	82.66	3.04

CASH FLOW ANALYSIS

The price/cash flow suggests that the stock is trading at a discount to its peers. WMT has experienced significant dividend growth of 16.9% over the past 5 years. WMT is a very liquid company with a solid cash flow despite a current ratio of less than 1. Unfortunately it is unlikely that we will be receiving a dividend, as the predicted ex-dividend date is sometime in March and the declaration date is beyond our holding period. However, the dividend growth signifies that this is a strong stable company that continues to grow and can hopefully provide the Club with a modest return during our holding period.

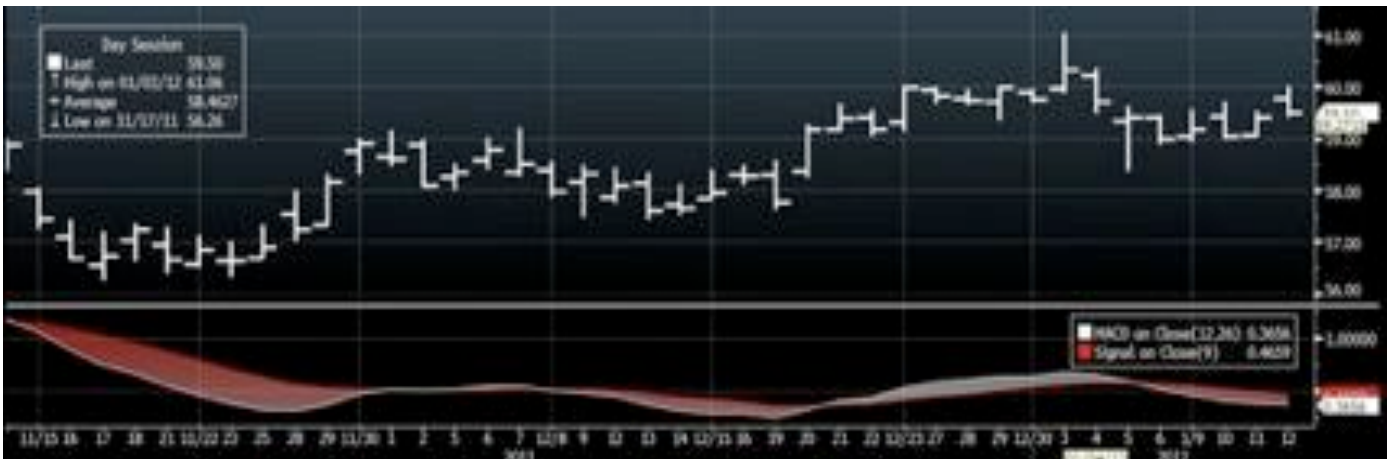
Cash Flow (operating activities)	Dividend(12 Mnth)	Div. Growth Rate (5 yr)	Price/Cash Flow
\$23,643,000	\$1.46	16.857	18.26
FCF Per Share	Dividend Yield		
\$ 2.99	2.36%		
FCF Yield			
5.34%			

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TECHNICAL ANALYSIS



The MACD has shown a downwards cross over the signal indicating a bearish price movement. We want to look at an entry point where the MACD shows an upward cross over the signal line with upward momentum signalling a bullish price. We want to look at buying the stock when the MACD crosses the signal.



The RSI appears to be stable around the 50-55 range. If there is any movement towards the 70 level it signals that the stock is overbought – on the other hand if we see the RSI moving towards 30 it means the stock is becoming oversold and undervalued.

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The price touched a resistance level in the middle of December and appears to be approaching the resistance level again. The support level is indicating a level of 57.73, which is a more appropriate entry point for the club. This support level should be monitored, if the price touches the support we should be buyers of the stock.

SELECTION METHODOLOGY

Wal-Mart has a history of beating expectations - their earnings increased at a compound annual growth rate of 13.5% over the past 20 years, consistently outperforming. Wal-Mart is one of the rare stocks that delivered on earnings estimates during the 2001 and 2008 economic downturns. Analysts expect earnings to grow 11% annually for the next 5 years. Wal-Mart has a positive outlook for our holding period, a handsome dividend, and low volatility – as we are fairly risk averse as a club, WMT is a defensive play making it a great addition to the portfolio with limited foreseeable downside. Ideally the Club would hold until the end of our investing session, however in the case that the stock price reaches 63.00 I recommend we sell – as a 10.5% gain in such a short time frame would be an outstanding trade.

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