

Microsoft Corporation

NASDAQ: MSFT [? Definition in glossary](#)

\$25.50

Strong Buy

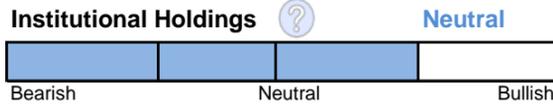
Strong Buy

\$28.85

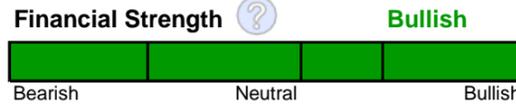
Fair Value

MSFT trades at a discount to its shorter-term fair value price and looks to represent a good buying opportunity given that the current fundamental and technical factors support the bullish view.

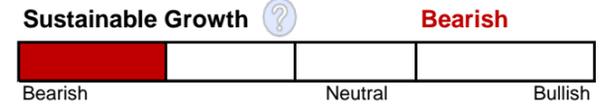
Industry Application Software	Sector Technology	Market Cap 223.43 Bil	Revenue 59.5 Bil	Earnings per Share \$1.94
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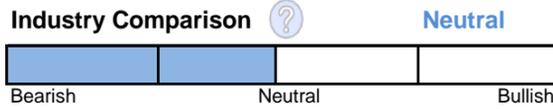
Quarterly change in institutional ownership was positive. Total institutional ownership is up and now at 62.86%. The considerable amount of inst. ownership is bullish.



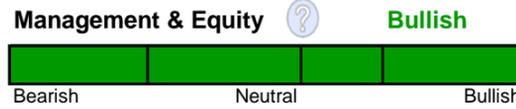
With a bullish strength rating, the company shows considerable ability to grow and make investment returns for investors going forward, adding a bullish bias to valuation.



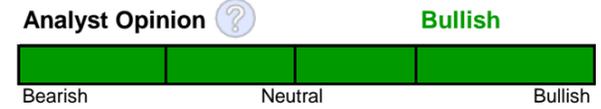
The real growth of the company has lagged share growth. The difference between the two metrics is -25.01%. This suggests that the fair value trade price is \$19.12.



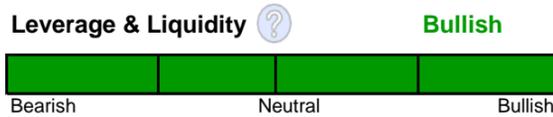
Price-to-Earnings is below the industry average. Price-to-Book is above the industry average. Price-to-Sales is above the industry average.



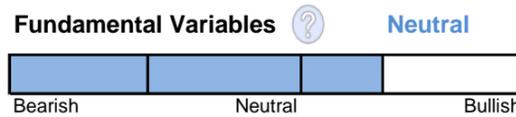
Management added equity year-over-year, adding a bullish bias to the company's valuation outlook. Mgt increased equity year-over-year by 15.55%.



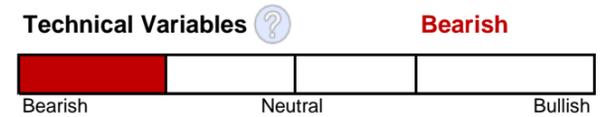
At least two out of three major analysts have a buy rating on the stock, adding a bullish bias to valuation. The average analyst fair value is higher than the current price.



The company has more than adequate cash and equity reserves to meet unforeseen circumstances and events. Goodwill & Intangibles comprise 30.97% of total equity.



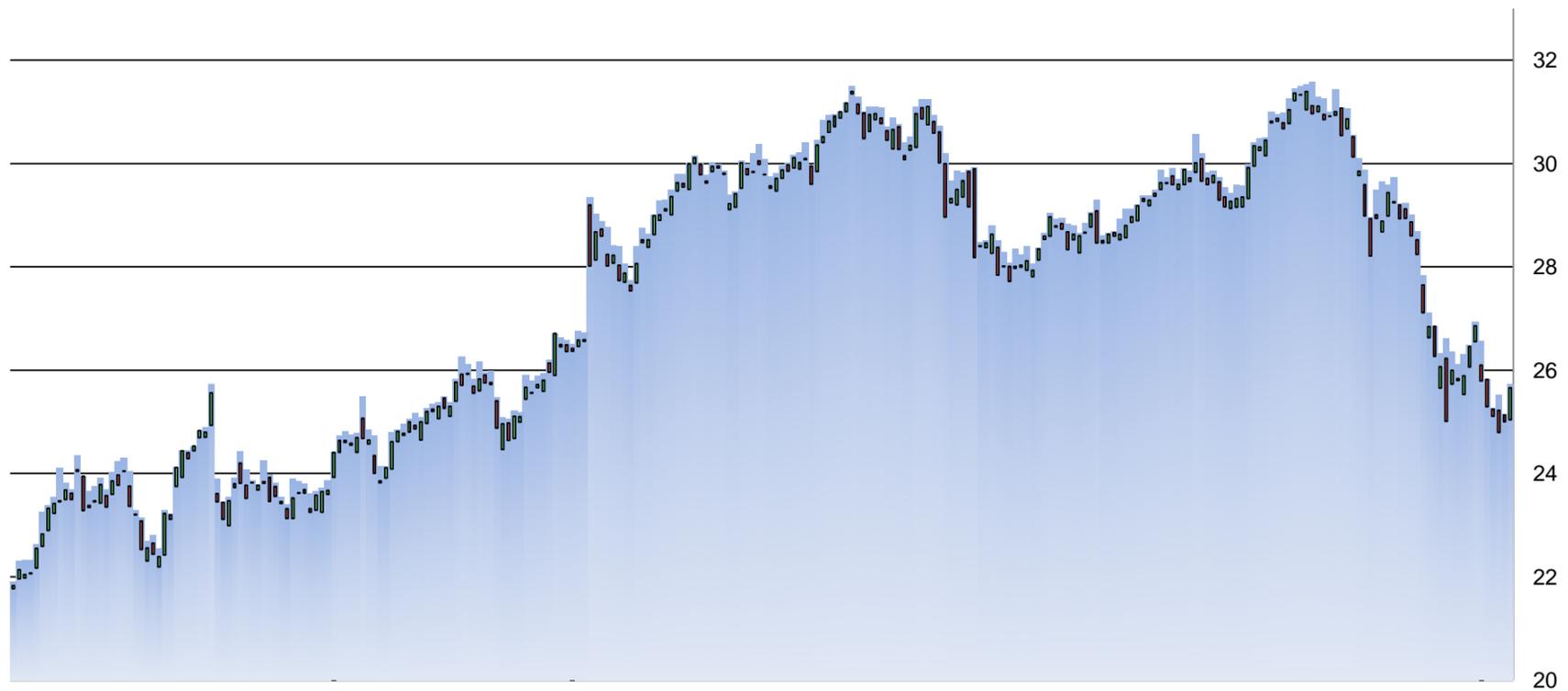
Price-to-Earnings ratio is trading 41.24% away from its 3 yr low, and Price-to-Book ratio 24.38% away from its 3 low. No strong consensus on direction can be inferred from this.



The company trades below both its 200 and 50 day MAs. This signals strong selling pressure and the company could likely continue to experience such downward pressure.

Ticker	Company Name	Overall Rating	Price	Fair Value	Financial Strength	Price-to-Earnings	Inst. Holdings
MSFT	Microsoft Corporation	Strong Buy	\$25.50	\$28.85	22	13.30	62.86%
AAPL	Apple Incorporated	Hold	\$250.04	\$238.74	16	21.30	71.00%
HPQ	Hewlett Packard Company	Strong Buy	\$46.77	\$50.70	10	13.70	77.12%
GOOG	Google Incorporated Class A	Buy	\$488.56	\$606.12	27	22.10	79.46%

Microsoft Corporation



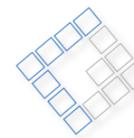
Price Data

	Return	Up Days	Down Days	Standard Deviation	Price High	Price Low
1 year	19.79%	142	108	1.51%	\$27.71	\$14.77
2 year	-20.81%	115	132	3.44%	\$35.11	\$25.76
3 year	-6.14%	120	127	1.79%	\$29.37	\$20.58
4 year	43.88%	138	109	1.12%	\$26.03	\$20.03
5 year	-14.29%	113	132	1.23%	\$25.02	\$21.91
Total	9.80%	628	608	2.00%	N/A	N/A

*Not including dividends

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\$25.50**Strong Buy****CAPITAL FORTRESS RATINGS****GLOSSARY**

Capital Fortress Ratings: Capital Fortress Ratings (C.F.R) covers approximately 1,700 stocks using a proprietary quantitative model that evaluates the securities based on nine different key criteria and the calculation of a fair value trade price. C.F.R publishes five ratings recommendations including Strong Buy, Buy, Hold, Sell and Strong Sell. The ratings are reflective of individual company variables and are best used as absolute comparisons; wherein a company is bought or sold based on the nine key criteria and relative valuation to the calculated fair value price. All calculations are made using rolling periods, insuring that the most recent and relevant data is included in the calculations.

Strong Buy: The company trades at a discount to its short-term fair value price and may represent a good buying opportunity given the current fundamental and technical factors supporting the bullish view.

Buy: The company trades at a large discount to its short-term fair value, representing a potential opportunity in order to capture the upside as it moves closer in proximity to its fair value.

Hold: The company trades at a reasonable price to its short-term fair value, either because of the proximity of it to the actual value or because of the mixed factors standing behind the company's fundamental and technical snapshot.

Sell: The company trades at a large premium to its short-term fair value price, representing a potential opportunity to capture the excess pricing as profit as the company moves done closer in proximity to its fair value price.

Strong Sell: The company trades at a premium to its short-term fair value price and may represent a good selling opportunity given the current fundamental and technical factors supporting the bearish view

Institutional Holdings: Institutional holdings looks at the short-term historic trends and current state of ownership in a stock by big Wall Street firms. It identifies whether or not institutions look to be buying up shares of the company or selling them off. A bullish indication signals that institutions look to be picking up more and more shares of the company. A bearish indication signals that institutions look to be selling the shares or the upside to additional buying pressures is very limited.

Financial Strength: Based on a proprietary model that evaluates the different fundamental perspectives of a company. This includes but is not limited to Asset Composition, Asset Strength, Revenue Growth, Return on Investment and Profit Margins. The score is presented as a whole number with the scale ranging from -50 to +50. Companies that achieve a rating of more than 15 retain a bullish indication, while companies with a score of less than -15 retain a bearish indication. The scale is exponential in nature, signaling that a company with a 30 rating is significantly better positioned than a company with a rating of 20. Vice versa for the negative scaling.

Sustainable Growth: Based on a proprietary model that evaluates the difference between what is termed Real Growth versus Share Growth. Real Growth represents the actual growth of the company and expansion of operational branches. Share growth represents the change in stock price over that same period. There are two period of calculation: 1 year and 5 year. Values that retain a N/A value are companies in which either the earnings string is not available 5 years back or the company historical had a negative earnings year during the period. A bullish indication signals that actual growth is higher than share growth, supporting a potential rise in the stock price to cover this gap. A bearish indication signals that shares have risen faster than the company has grown; unsustainable and excessive growth until the company confirms the overvaluation that shareholders expect.

Industry Compare: Comparison of the company against its peers. Categories of comparison include Price-to-Earnings, Price-to-Book, Price-to-Sales and Price-to-Cash Flow. The company is rated on both an industry and sector wide orientation on the four different categories. A bearish indication means that a majority of the companies fundamental ratios are above that of its peers and could signal an overvaluation. A bullish indication signals below average industry and sector fundamental valuation ratios and a potential discount to fair value trading price.

Management & Equity: Based on a proprietary model that evaluates not only the direction of short-term historic equity changes but also the quality of those equity additions/subtractions. A bullish indication means that equity has been added by management quarter-over-quarter and year-over-year; a positive sign for the company. A bearish indication means that the company has either failed to add equity or has failed to add equity consecutively over quarterly and annual performance.

Analyst Opinion: Relays the consensus opinion of major wall street analysts and research firms. A bullish indication signals that the average analyst consensus is positive for the future and the fair value price they calculate is also higher than the current price. A bearish indication signals that both the consensus and fair value are negative or one of the two metrics is unfavorable.

Leverage & Liquidity: Based on a proprietary model that evaluates whether the company is financial sound enough to take on extraneous and extreme events or economic conditions. Some of the factors that go into evaluating the company's current position is cash reserves, current assets, current liabilities and the reliance on vendors for future and expected cash flows. A bearish indication signals that the company may not be able to amply survive and thrive in extraneous circumstances. A bullish indication signals that given unforeseen circumstances the company looks to be able to not only easily weather the set back, but also grow in the process.

Fundamental Variables: Based on a proprietary model that evaluates the current level of the company's fundamental ratios to the historic short and long term trading ranges. A bullish stance means that the company's major fundamental ratios are trading close to its lower range as compared to its short-term trading history. A bearish stance means that the company's ratios are at the upper end of its historic trading range.

Technical Variables: Based on a proprietary model that evaluates the historic price movements and relative technical levels around the current trading price. A bullish indication signals that price may be ready for continual moves up or a possible reversal of the current downtrend. A bearish indication signals that price may be in for retrenchment or continued selling pressure by investors.

Fair Value: Based on a proprietary model that evaluates the historic price trends of the equity as compared to the company's fundamental and technical 'soundness'. Fair value projections infer a price that on average is set to project out on a 3 to 6 month timeframe. Factors contributing to the fair value calculation include fundamental ratios, technical price trends, market sentiments, performance projections and the ability of the company so far to achieve and meet its operational goals. All factors are combined and transformed into an inference of price and what the company should reasonably be trading at.

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