

The Merriam Report HD 1/30/11 HOME DEPOT INC

All amounts in millions except for earnings per share

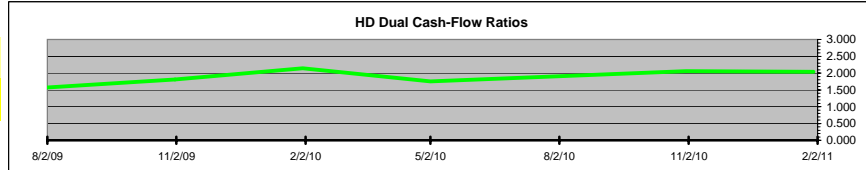
Quarterly period ending:	2 8/2/09	3 11/1/09	4 1/31/10	1 5/2/10	2 8/1/10	3 10/31/10	4 1/30/11	Averages	
Earnings Per Share (Incl. Ext. Items)	\$ 0.660	\$ 0.410	\$ 0.200	\$ 0.430	\$ 0.72000	\$ 0.510	\$ 0.360	\$ 0.470	
% Change in E.P.S. (from prev. qtr.)		-37.9%	-51.2%	-115.0%	67.4%	-29.2%	-29.4%	-32.5%	
Total Revenues	1907100.0	1636100.0	1456900.0	1686300.0	1941000.0	1659800.0	1512600.0	1685685.7	
% Change in Revenues (from prev. qtr.)		-14.2%	-11.0%	15.7%	15.1%	-14.5%	-8.9%	-2.9%	
Cost of Revenues	1268300.0	1080000.0	956000.0	1106900.0	1282800.0	10913000.0	9883000.0	9473900.0	
Accounts Receivable:	122500.0	118800.0	96400.0	134200.0	121800.0	129500.0	108500.0	118814.3	
% Change in Receivables (from prev. qtr.)		-3.0%	-18.9%	39.2%	-9.2%	6.3%	-16.2%	-0.3%	2.27%
DSO's (# of days it took customers to pay)	5.8	6.6	6.0	7.2	5.7	7.1	6.5	6.4	-0.20%
Inventories:	1079700.0	1081700.0	1018800.0	1147900.0	1075900.0	1099300.0	1062500.0	1080828.6	
% Change in Inventory (from prev. qtr.)		0.2%	-5.8%	12.7%	-6.3%	2.2%	-3.3%	-0.1%	0.47%
Inventory as a % of Sales	56.6%	66.1%	69.9%	68.1%	55.4%	66.2%	70.2%	64.66%	
Prepaid Expenses:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Other Current Assets:	142800.0	116900.0	132100.0	138300.0	138500.0	136300.0	122400.0	132471.4	
Property, Plant & Equip. (net):	2585100.0	2558100.0	2555000.0	2540400.0	2519000.0	2505000.0	2506000.0	2538371.4	
% Change in P,P& E (from prev. qtr.)		-1.0%	-0.1%	-0.6%	-0.8%	-0.6%	0.0%	-0.5%	
Accounts Payable:	601800.0	582900.0	486300.0	705100.0	591900.0	571400.0	471700.0	573014.3	
% Change in Payables (from prev. qtr.)		-3.1%	-16.6%	45.0%	-16.1%	-3.5%	-17.4%	-1.9%	0.022
Quarterly period ending:	8/2/09	11/1/09	1/31/10	5/2/10	8/1/10	10/31/10	1/30/11		-1.137
Total Liabilities:	2482900.0	2367000.0	2148400.0	2424800.0	2309000.0	2262600.0	2123600.0	2302614.3	
Shareholder equity:	1916900.0	1938000.0	1939300.0	1937100.0	1944500.0	1911500.0	1888900.0	1925171.4	
Retained Earnings (Accum. Deficit)	1295800.0	1326500.0	1322600.0	1355200.0	1435000.0	1479300.0	1272600.0	1355285.7	
Operating Cash Flow (OCF)	3095533.5	3147836.0	3144442.6	3172731.2	3260440.5	3272439.6	3072443.2	3162266.7	
OCF as % of Revenues	162.3%	192.4%	215.8%	188.1%	168.0%	197.2%	201.1%	189.28%	0.008
Balance Sheet Cash Flow (BSCF)	2482813.3	2366918.1	2148328.5	2424702.2	2308914.8	2262516.3	2123529.7	2302531.9	
BSCF as % of Revenues	130.2%	144.7%	147.5%	143.8%	119.0%	136.3%	140.4%	137.39%	-0.003
Spread between OCF & BSCF	612720.2	780917.9	996114.1	748028.9	951525.7	1009923.3	918913.4	859734.8	-0.003
Ratios									
Spread to Revenues	32.13%	47.73%	68.37%	44.36%	49.02%	60.85%	60.75%	0.519	
Spread to OCF	1.247	1.330	1.464	1.309	1.412	1.446	1.433	1.377	
MR Dual Cash-Flow Figure	1.568	1.807	2.147	1.752	1.902	2.055	2.040	1.896	

The Merriam Report

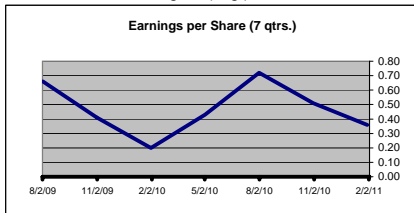
HOME DEPOT INC	HD	1/30/11							
Quarterly period ending:	8/2/09	11/1/09	1/31/10	5/2/10					
MR Dual Cash-Flow Figure	1.568	1.807	2.147	1.752	1.902	2.055	2.040	-1	1

Merriam Report Signals:

- Recent Bearish
- Confirmed Bearish
- Recent Bullish
- Confirmed Bullish



MR Dual Cash-Flow Figure (avg.) 1.896



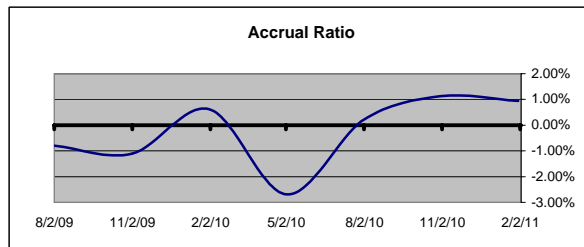
	08/02/09	11/01/09	01/31/10	05/02/10	08/01/10	10/31/10	01/30/11	
P/E	18.8	18.72	17.73	20.72	16.2	16.61	18.08	18.1229
P/S	0.65	0.64	0.72	0.89	0.71	0.75	0.88	0.749
P/FCF	18.2086	14.8005	17.9928	20.2756	18.3483	28.335	31.0803	21.2916
PEG	-0.6244	-0.7327	1.0328	1.0976	0.584	0.4365	0.6451	0.348
Earnings Yield	0.0532	0.0534	0.0564	0.0483	0.0617	0.0602	0.0553	0.056
Cash-to-Total-Asse	0.0708	0.0633	0.0349	0.056	0.0563	0.0341	0.0136	0.047
Debt-to-Assets	0.2598	0.2422	0.2369	0.2223	0.2292	0.2342	0.243	0.238

	8/2/09	11/1/09	1/31/10	5/2/10	8/1/10	10/31/10	1/30/11	
Accrual Ratios	-0.80%	-1.11%	0.61%	-2.69%	0.21%	1.13%	0.94%	0.15
Average Accruals								-0.24%

Revenue Metrics (as % of Sales)

	Recent Qtr.	Combined Avg.
Research & Development	0.00%	0.00%
Cost of Sales	65.34%	65.88%
S/G/A	25.17%	23.48%
Payables	31.18%	33.99%

	Recent Qtr.	Combined Avg.
Inventory / Revenues	\$ 0.702	\$ 0.641
Receivables / Revenues	\$ 0.0717	\$ 0.0705
Inventory & Receivables / Revenues	\$ 0.774	\$ 0.712
P,P&E / Revenues	\$ 1.657	\$ 1.506



0.54% -1.69%

Summary of Merriam Report Signals

Dual Cash-Flow Figures

Recent Bearish

Confirmed Bearish

Recent Bullish

Confirmed Bullish

Operating Cash-Flow Trend
Balance Sheet Cash-Flow Trend

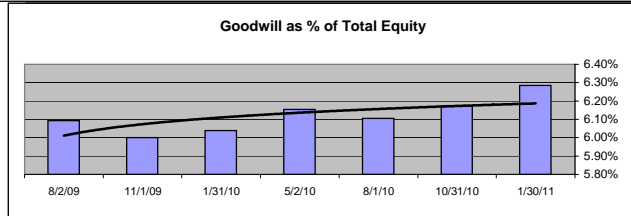
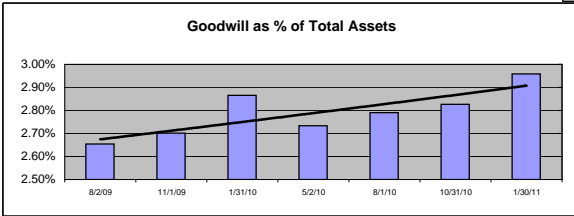
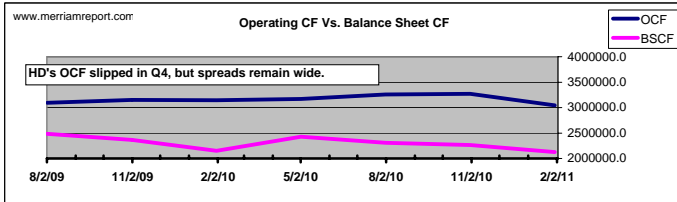


	8/2/09	11/1/09	1/31/10	5/2/10	8/1/10	10/31/10	1/30/11
OCF	3095533.5	3147836.0	3144442.6	3172731.2	3260440.5	3272439.6	3042443.2
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Comparison of Recent Quarter Changes to Average

EPS
Revenues
Accounts Receivable
Days Sales Outstanding
Inventory
Accounts Payable
Accrual Ratios

Neutral



	8/2/09	11/1/09	1/31/10	5/2/10	8/1/10	10/31/10	1/30/11	AVG.
Goodwill as % of Total Assets	2.65%	2.70%	2.86%	2.73%	2.79%	2.83%	2.96%	2.79%
Goodwill as % of Total Equity	6.09%	6.00%	6.04%	6.15%	6.10%	6.17%	6.28%	6.12%
	2.30	2.22	2.11	2.25	2.19	2.18	2.12	2.19

Dual Cash Flow Trend	0
Financial Ratios (conventional)	-6
Balance Sheet and Income Statement	4
Accrual Ratios	0.15
Revenue Metrics and Capital Productivity	-3
Goodwill Trends	-1
Merriam Report Score	-5.85

	1/30/11	3/18/11
HOME DEPOT INC		
Ending Period Share Price	36.7	\$ 36.00
Estimated Fair Value	\$ 38.99	
End Price to Est. FV	-0.91%	-7.67%

SHORT CANDIDATE

AVOID

HOLD

BUY

STRONG BUY

Valuation
UNDERVALUED

Retail (Home Improvement)
Services
Lumber and Other Building Materials Dealers

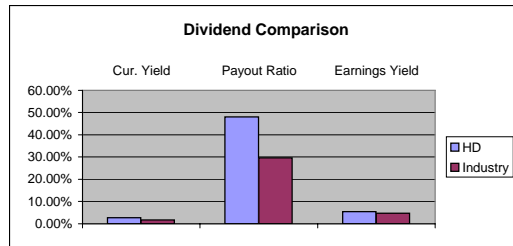
Earnings Quality

A+
A-
B+
B-
C+
C-

	HD	Industry
Cur. Yield	2.78%	1.66%
Payout Ratio	48.01%	29.58%
Earnings Yield	5.53%	4.77%

Adjustments (Payables)	\$	0.82
Adjustments (Receivables)	\$	0.84
Adjustments (DSO)	\$	(0.07)
Adjustments (OCF)	\$	0.31
Adjustments (BSCF)	\$	(0.12)
Adjustments (Inventory)	\$	0.17
Total Adjustments	\$	1.96

Next Earnings 5/17/11



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