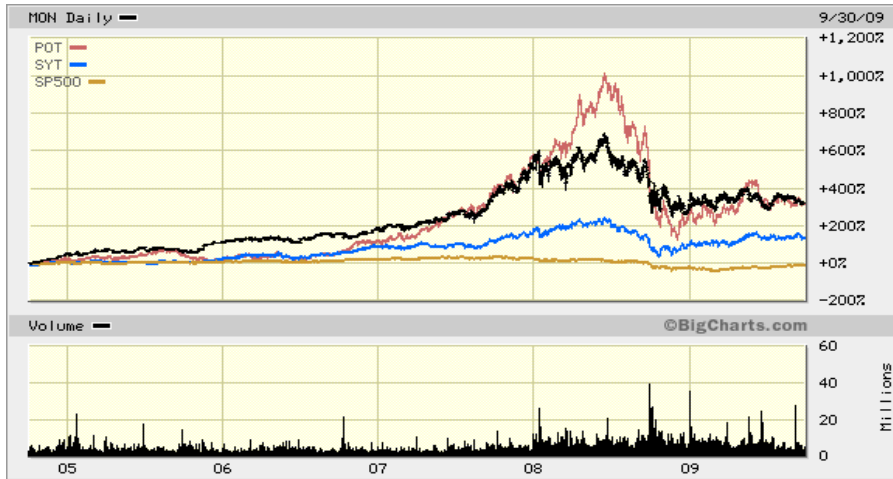


Monsanto Co. (MON) 9/30/09

MON operates as a supplier to the agriculture industry by selling products such as seeds, fertilizers, and pesticides. The company is segmented into two divisions, Seeds and Genomics with 69% of profits and Chemicals with 31% of profits. MON offers products under various brand names including; Roundup, Bollgard, Dekalb, and Seminis. The company sells its products through distributors, retailers, dealers, co-ops, and directly to customers. MON was founded in 2000 and is headquartered in St. Louis, Missouri.

Current Price	\$77.40
52 Week High	\$101.71
52 Week Low	\$63.47
One Yr Target	\$92.00
Market Cap (in billions)	\$42.25
P/E (Trailing)	20.00
P/E(1 Yr Forward)	22.52
P/E/G	1.46
ROA	12.32%
ROE	20.52%
EPS	\$3.87
Beta	0.88
Annualized Dividend	\$1.06
Dividend Yield	1.37%
Analyst Consensus	2.50
Debt to Equity	0.67



Annual EPS

2005	\$0.35	
2006	\$1.22	248.57%
2007	\$1.65	35.25%
2008	\$3.59	117.58%
2009E	\$3.87	7.80%

Annual Revenue (in millions)

2005	\$6,275.00	
2006	\$7,065.00	12.59%
2007	\$8,349.00	18.17%
2008	\$11,365.00	36.12%

Annual Net Income (in millions)

2005	\$255.00	
2006	\$689.00	170.20%
2007	\$993.00	44.12%
2008	\$2,024.00	103.83%

Free Cash Flows (in millions)

2005	\$1,456.00	
2006	\$1,304.00	-10.44%
2007	\$1,345.00	3.14%
2008	\$1,881.00	39.85%

Required Rate of Return

9.43%

Dividend Growth Model

Present Value of 2014 Price	n/a
Holding Period Return (5 years)	n/a

Expected Annualized Return Model

Present Value of 2014 Price	\$229.24
Holding Period Return (5 years)	29.09%

Residual Income Model

Intrinsic Stock Price	\$7.91
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Analysis

Positives

Company has a high organic growth rate while still having a great dividend growth rate
Stock price is greatly undervalued according to the EAR valuation model

Negatives

Higher than desirable P/E ratio, but can be attributed to high expected growth
Stock price is overvalued according to the RI valuation model

Financial Statements

Impressive Balance Sheet numbers across the past 4 years
Very nice Income Statement numbers, especially Net Income
Cash Flows are hugely volatile, but are positive for most recent year

Industry Analysis

Company is the largest in its industry
Company has average financial ratios compared to competitors

Summary

MON is a very solid company, and a good stock. It has good financial ratios, but nothing really outstanding. Its financial statements are generally great, except for maybe the large swings in Cash Flows. Only the EAR valuation model has the stock price as being overvalued, but the DG model is not applicable because MON's dividends have such a high growth rate which is a great thing. MON's revenues are reliant on a number of factors, some of which have a great outlook. The world's population has increased 12% in the past decade and arable land is pretty stagnant, leading to an increased demand in crop production. MON is highly dependant on sale of its corn seeds, which could see an increase in demand if Ethanol returns as a viable alternative fuel to oil and gas. MON is hurt though by some governments banning the use of its genetic seeds for growing crops. MON should continue to grow as a company and build revenues, resulting in an increasing stock price. This would make MON a great buy, but much of this optimism is already priced into MON's current stock price making it fairly expensive. MON could be either a buy or a hold depending on one's portfolio.