

Pomeroy IT Solutions, Inc.

(PMRY:NASDAQ)

Market Perform 3

Based in Hebron, KY, Pomeroy IT Solutions, Inc. sells, installs, services and leases computer equipment for commercial, health care, financial, educational and government customers. The company, which generated 2002 revenues of \$702.8 million, employs approximately 1,600 individuals, more than half of whom are technical personnel, and maintains 28 regional offices throughout the Southeast and Midwest regions of the U.S.

Pomeroy 2Q EPS of \$0.17 In-line With Our Estimate

- ◆ Pomeroy reported 2Q:03 EPS of \$0.17 (excluding a litigation settlement for \$150,000), in-line with our revised EPS estimate. Revenues of \$147.4 million were slightly ahead of our revised estimate of \$146.8 million, declining 25.0% versus last year, but increasing 13.4% sequentially. Our original 2Q revenue and EPS estimates were \$132.2 million and \$0.12, respectively.
- ◆ Regarding 3Q:03, management indicated that revenues and EPS should be higher sequentially, as July tracked in line with April and the quarter has gotten off to a reasonably healthy start. For 3Q:03, we are raising our revenue and EPS estimates to \$148.5 million and \$0.18, respectively from \$139.5 million and \$0.13, respectively. We are raising our 2003 and 2004 EPS estimate to \$0.67 and \$0.76 from \$0.59 and \$0.66, respectively.
- ◆ The company reported decent results after three quarters of difficulties and guidance suggests continued modest improvement, which is encouraging. We are still concerned about pricing pressure, however, as product gross margins are down nearly 70 basis points versus last year. Maintain **Market Perform** rating. Downside is to tangible book of \$11.25, or 16%.

FY=	EPS Dec	Q1 Mar	Q2 Jun	Q3 Sep	Q4 Dec	Full Year
Old	2002A	\$0.36	\$0.38	\$0.30	\$0.21	\$1.26
Old	2003E	0.12A	0.17	0.13	0.17	0.59
New	2003E	0.12A	0.17A	0.18	0.20	0.67
Old	2004E	UR	UR	UR	UR	0.66
New	2004E	UR	UR	UR	UR	0.76

Notes: Rows may not add due to rounding.

EQUITY RESEARCH

August 14, 2003
Technology Distribution
Company Comment

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Current Price
(8/13/03) \$13.27
Projected 12-Month Target Price: NM

52-Week Range \$14.23-\$6.44
Dividend/Yield \$0.00/0.0%
Book Value (06/03) \$16.54
Suitability Aggressive Growth

Shares Out. (mil.) 12.4
Market Cap. (mil.) \$164.5
Avg. Daily Vol. (10 day) 38,104

Proj. 3-Yr EPS Growth Rate NM
ROE (06/03) 3.9%
LT Debt (mil.)/% Cap. \$0.7/0.0%

P/E Ratios
2003E 19.8x
2004E 17.5x

Operating Margins
2002A 3.6%
2003E 2.3%
2004E 2.4%

Revenues (mil.)

	Old	New
2002A	\$702.8	\$702.8
2003E	\$562.4	\$577.6
2004E	\$581.0	\$596.2

Please read Investment Risks/Analyst Certification on page 3 and disclosure information on page 6.

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RAYMOND JAMES
& ASSOCIATES, INC.
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Pomeroy 2Q EPS of \$0.17 In-line With Our Estimate

Pomeroy reported 2Q:03 EPS of \$0.17 (excluding a litigation settlement of \$150,000), in-line with our revised EPS estimate. This compares to EPS of \$0.38 (excluding charges) last year. Revenues of \$147.4 million were slightly ahead of our revised estimate of \$146.8 million, declining 25.0% versus last year, but increasing 13.4% sequentially. Recall that in July, the company pre-announced revenue and EPS upside. Our original 2Q revenue and EPS estimates were \$132.2 million and \$0.12, respectively. Product gross margins were weaker-than-expected, at 7.66%, versus our estimate of 7.75%, and service gross margins were also lower-than-expected, at 27.0%, versus our estimate of 27.5%. However, lower-than-expected operating expenses (9.5% vs. our estimate of 9.6%) led to EPS of \$0.17, in-line with our previously raised estimate.

Outlook

Regarding 3Q:03, management indicated that revenues and EPS should be higher sequentially, as July tracked in line with April and the quarter has gotten off to a reasonably healthy start. For 3Q:03, we are raising our revenue and EPS estimates to \$148.5 million and \$0.18, respectively, from \$139.5 million and \$0.13, respectively. We are raising our 2003 and 2004 EPS estimate to \$0.67 and \$0.76 from \$0.59 and \$0.66, respectively.

The company reported decent results after three quarters of difficulties and guidance suggests continued modest improvement, which is encouraging. We are still concerned about pricing pressure, however, as product gross margins are down nearly 70 basis points versus last year. Service gross margins are down over 400bps year-over-year. Maintain **Market Perform** rating. Downside is to tangible book of \$11.25, or 16%.

Quarter Summary

Pomeroy reported 2Q revenues of \$147.4 million, a decline of 25.0% year-over-year, but an increase of 13.4% sequentially. Total gross margins were 11.75%, versus 12.60% last quarter and 12.26% last year. Our gross margin estimate was 12.03%. Total operating expenses were 9.5% of sales, versus 10.7% in 1Q and 8.3% in 2Q:02. Our operating expense estimate was 9.6% of sales.

By month, management indicated that sales in April were flat versus March with May being flat versus April. However, management noted sales trends picking up nicely in June, with strength across all products, vendors and verticals.

Products

Pomeroy reported \$116.2 million in product revenues, slightly above our estimate of \$115.0 million. Product revenues, which accounted for 78.9% of total sales, declined 28.7% versus last year, but increased 16.2% sequentially. The sequential strength in product revenues was primarily due to aggressive pricing to gain market share. In terms of products, management indicated strength in desktops, servers, mobile, storage and infrastructure, with emphasis on storage and infrastructure products. Management noted that unit volumes were up this quarter with ASPs declining at a slower rate than 1Q.

In terms of customers, not one accounted for more than 5% of sales this quarter. Management indicated relative strength in government and financial services verticals and relative weakness in education. The top five vendors for the quarter were HP (HPQ/\$21.05), Cisco (CSCO/\$17.59/Market Perform), IBM (\$81.20), EMC (\$11.25) and Sun Microsystems (SUNW/\$3.55), with particular strength noted in Cisco and EMC products. Product gross margins declined to 7.66%, from 7.92% in the previous quarter and 8.34% in the same period last year. Management attributed weakness in margins to some product availability issues, as the company sourced more through distribution. We are modeling product gross margins of 7.75% in 3Q and 7.65% in 4Q.

Services

Service revenues totaled \$31.2 million, and accounted for 21.1% of total sales. Our revised estimate was \$31.8 million. Service revenues decreased 7.4% versus last year, but increased 3.9% sequentially. Service gross margins were 27.0%, versus 28.2% last quarter and 31.3% in the same period last year. Our estimate was 27.5%. Management attributed weakness in margins to aggressive pricing and lower utilization. Given that service margins are much higher than product margins, this segment accounted for approximately

48.6% of consolidated gross profits in the quarter, down from 51.7% in the previous quarter and up from 43.7% in the same period last year.

Operating expenses of \$13.9 million were 9.5% of revenues, down from 10.7% in the previous quarter and up from 8.3% last year. The sequential decline of operating expenses as a percentage of sales was primarily attributed to higher sales.

During the quarter, the company recorded a litigation charge of \$150,000 cash related to the preferential payment of a previous customer that filed for bankruptcy.

Balance Sheet and Returns

Pomeroy ended the quarter with cash and equivalents of \$57.9 million, or \$4.68 per share. During the quarter, the company repurchased approximately 205,000 shares at an average price of just under \$10 (approximately \$2.05 million) pursuant to its one million share May 2003 repurchase program. Year-to-date, the company has purchased approximately 286,000 shares.

Accounts receivable DSOs decreased to 54 days from 58 days in the prior quarter. The company ended the quarter with only eight days of inventory, flat versus the previous quarter. Accounts payable days of 29 were also flat versus the previous quarter. Debt as a percentage of total capital was 0.9% versus 3.1% last year. At quarter-end, book value was \$16.54 per share and tangible book value was \$11.25 per share.

During the quarter, Pomeroy announced that it would pay a one-time dividend of \$10 million, or \$0.80 per share. The dividend was paid on August 7th to shareholders of record as of July 28th.

Specific Investment Risks related to the Industry or Issuer

Industry Risks

Risks include continued softness in the IT spending environment.

Company-specific risks

Risks include continued weakness in spending for IT products in the major account space (i.e. Fortune 1000 companies) and a concentrated customer base.

<p>The views expressed in this report (which include the actual rating assigned to the company as well as the analytical substance and tone of the report) accurately reflect the personal views of the analyst(s) covering the subject securities. No part of said person's compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research report.</p>
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POMEROY IT SOLUTIONS, INC.

INCOME STATEMENT (\$Mil.)

(\$ MIL)	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4	
	2001A	MAR 02A	JUN 02A	SEP 02A	DEC 02A	2002A	MAR 03A	JUN 03A	SEP 03E	DEC 03E	2003E	2004E				
Revenue:																
Product Revenue	\$668.75	\$153.45	\$162.92	\$136.98	\$118.16	\$571.51	\$99.99	\$116.20	\$116.50	\$118.83	\$451.51	\$465.06				
% of total revenue	82.6%	82.3%	82.9%	80.1%	79.3%	81.3%	76.9%	78.9%	78.5%	78.3%	78.2%	78.0%				
Service Revenue	\$140.47	\$32.90	\$33.66	\$33.95	\$30.80	\$131.29	\$29.99	\$31.16	\$32.00	\$32.96	\$126.11	\$131.15				
% of total revenue	17.4%	17.7%	17.1%	19.9%	20.7%	18.7%	23.1%	21.1%	21.5%	21.7%	21.8%	22.0%				
TOTAL REVENUE	\$809.21	\$186.35	\$196.58	\$170.92	\$148.95	\$702.80	\$129.98	\$147.35	\$148.50	\$151.79	\$577.62	\$596.21				
COST OF SALES	\$705.94	\$162.53	\$172.48	\$149.47	\$130.66	\$615.14	\$113.60	\$130.04	\$131.18	\$133.86	\$508.68	\$524.61				
Gross Profit:																
Product	\$62.67	\$13.62	\$13.58	\$11.20	\$8.87	\$47.27	\$7.92	\$8.90	\$8.68	\$8.91	\$34.41	\$34.88				
% of product revenue	9.37%	8.87%	8.34%	8.18%	7.51%	8.27%	7.92%	7.66%	7.45%	7.50%	7.62%	7.50%				
Service	\$40.61	\$10.20	\$10.52	\$10.25	\$9.42	\$40.40	\$8.46	\$8.41	\$8.64	\$9.01	\$34.53	\$36.72				
% of service revenue	28.91%	31.02%	31.26%	30.20%	30.58%	30.77%	28.21%	27.00%	27.00%	27.35%	27.38%	28.00%				
TOTAL GROSS PROFIT	\$103.28	\$23.82	\$24.10	\$21.45	\$18.29	\$87.67	\$16.38	\$17.32	\$17.32	\$17.93	\$68.94	\$71.60				
% of total revenue	12.76%	12.78%	12.26%	12.55%	12.28%	12.47%	12.60%	11.75%	11.66%	11.81%	11.94%	12.01%				
TOTAL OPER. EXPENSE	\$72.00	\$16.17	\$16.32	\$15.75	\$13.85	\$62.10	\$13.86	\$13.94	\$13.80	\$14.10	\$55.70	\$57.30				
% of total revenue	8.9%	8.7%	8.3%	9.2%	9.3%	8.8%	10.7%	9.5%	9.3%	9.3%	9.6%	9.6%				
OPER INCOME	\$31.27	\$7.65	\$7.78	\$5.70	\$4.44	\$25.57	\$2.51	\$3.38	\$3.52	\$3.83	\$13.24	\$14.30				
% of total revenue	3.9%	4.1%	4.0%	3.3%	3.0%	3.6%	1.9%	2.3%	2.4%	2.5%	2.3%	2.4%				
INT (net)	\$2.54	\$0.12	\$0.19	\$0.07	\$0.09	\$0.48	\$0.07	(\$0.07)	(\$0.07)	(\$0.07)	(\$0.15)	(\$0.25)				
Restructuring/Reserves	\$15.93				\$3.33	\$3.33	(\$0.02)	\$0.15								
PRE-TAX	\$28.74	\$7.53	\$7.59	\$5.64	\$4.34	\$25.09	\$2.47	\$3.30	\$3.59	\$3.90	\$13.26	\$14.55				
% of total revenue	3.6%	4.0%	3.9%	3.3%	2.9%	3.6%	1.9%	2.2%	2.4%	2.6%	2.3%	2.4%				
TAX-RATE %	39.0%	38.0%	39.0%	9.6%	38.1%	31.0%	39.0%	39.0%	39.0%	39.0%	39.0%	39.0%				
NET INCOME	\$17.53	\$4.66	\$4.63	\$5.09	\$0.63	\$15.01	\$1.51	\$2.01	\$2.19	\$2.38	\$8.09	\$8.88				
% of total revenue	2.2%	2.5%	2.4%	3.0%	0.4%	2.1%	1.2%	1.4%	1.5%	1.6%	1.4%	1.5%				
EPS (diluted)	\$0.62	\$0.36	\$0.36	\$0.40	\$0.05	\$1.17	\$0.12	\$0.16	\$0.18	\$0.20	\$0.66	\$0.76				
EPS (x gain/charge)	\$1.43	\$0.36	\$0.38	\$0.30	\$0.21	\$1.26	\$0.12	\$0.17	\$0.18	\$0.20	\$0.67	\$0.76				
PRIOR YR EPS	\$2.44	\$0.28	\$0.33	\$0.40	\$0.41	\$1.43	\$0.36	\$0.38	\$0.30	\$0.21	\$1.26	\$0.67				
SHARES OUT (MIL)	12.70	12.79	12.87	12.77	12.62	12.76	12.47	12.38	12.18	11.98	12.25	11.75				
Y/Y% CHG.																
Product Revenue	-14.9%	-5.3%	-4.2%	-18.4%	-30.0%	-14.5%	-34.8%	-28.7%	-14.9%	0.6%	-21.0%	3.0%				
Service Revenue	0.7%	-2.5%	-4.5%	-5.1%	-13.9%	-6.5%	-8.8%	-7.4%	-5.7%	7.0%	-3.9%	4.0%				
TOTAL REVENUE	-12.5%	-4.8%	-4.3%	-16.1%	-27.2%	-13.2%	-30.2%	-25.0%	-13.1%	1.9%	-17.8%	3.2%				
TOTAL GROSS PROFIT	-16.3%	-3.7%	-4.1%	-19.2%	-31.8%	-15.1%	-31.2%	-28.2%	-19.3%	-2.0%	-21.4%	3.9%				
TOTAL OPER. EXPENSE	1.9%	-10.9%	-8.0%	-12.5%	-23.5%	-13.8%	-14.3%	-14.6%	-12.4%	1.8%	-10.3%	2.9%				
OPER INCOME	-40.7%	15.9%	5.2%	-33.4%	-49.1%	-18.2%	-67.1%	-56.6%	-38.3%	-13.8%	-48.2%	8.0%				
PRE-TAX	-41.2%	56.9%	9.1%	-33.2%	-49.2%	-12.7%	-67.2%	-56.5%	-36.3%	-10.2%	-47.1%	9.7%				
NET INCOME	-40.6%	59.4%	9.1%	-1.0%	-88.0%	-14.4%	-67.7%	-56.5%	-57.0%	NM	-46.1%	9.7%				
EPS (x gain/charge)	-41.6%	31.1%	14.6%	-26.1%	-48.0%	-11.7%	-66.9%	-55.7%	-39.8%	-6.9%	-46.9%	12.9%				
SEQ% CHG.																
Product Revenue	-9.1%	6.2%	-15.9%	-13.7%		-15.4%	16.2%	0.3%	2.0%							
Service Revenue	-8.0%	2.3%	0.9%	-9.3%		-2.6%	3.9%	2.7%	3.0%							
TOTAL REVENUE	-8.9%	5.5%	-13.1%	-12.9%		-12.7%	13.4%	0.8%	2.2%							
TOTAL GROSS PROFIT	-11.2%	1.2%	-11.0%	-14.7%		-10.5%	5.7%	0.0%	3.5%							
TOTAL OPER. EXPENSE	-10.7%	0.9%	-3.5%	-12.0%		0.1%	0.6%	-1.0%	2.2%							
OPER INCOME	-12.2%	1.7%	-26.7%	-22.2%		-43.3%	34.3%	4.2%	8.7%							
PRE-TAX	-12.0%	0.8%	-25.7%	-22.9%		-43.1%	33.7%	8.9%	8.6%							
NET INCOME	-10.6%	-0.8%	10.1%	-87.7%		141.0%	33.7%	8.9%	8.6%							
EPS (x gain/charge)	-11.2%	5.2%	-22.1%	-28.6%		-43.4%	40.7%	5.8%	10.4%							
MARGIN ANALYSIS																
GROSS MARGIN-Product	9.37%	8.87%	8.34%	8.18%	7.51%	8.27%	7.92%	7.66%	7.45%	7.50%	7.62%	7.50%				
Y/Y BP CHG	76.3	(102.6)	(71.5)	(108.6)	(178.5)	(110.0)	(95.7)	(67.3)	(72.6)	(1.0)	(65.0)	(12.1)				
SEQ BP CHG		(42.1)	(53.8)	(16.0)	(66.6)		40.7	(25.4)	(21.3)	5.0						
GROSS MARGIN-Service	28.91%	31.02%	31.26%	30.20%	30.58%	30.77%	28.21%	27.00%	27.00%	27.35%	27.38%	28.00%				
Y/Y BP CHG	(1,105.0)	517.9	359.6	(57.2)	(58.3)	185.8	(280.6)	(425.8)	(320.5)	(323.2)	(338.7)	62.0				
SEQ BP CHG		(14.8)	24.3	(105.5)	37.7		(237.1)	(120.9)	(0.2)	35.0						
GROSS MARGIN-Total	12.76%	12.78%	12.26%	12.55%	12.28%	12.47%	12.60%	11.75%	11.66%	11.81%	11.94%	12.01%				
Y/Y BP CHG	(57.1)	13.6	1.6	(48.8)	(83.9)	(28.9)	(18.3)	(50.9)	(88.8)	(47.0)	(53.8)	7.4				
SEQ BP CHG		(33.6)	(52.2)	29.0	(27.1)		32.0	(84.8)	(8.9)	14.7						
OPER MARGIN	3.86%	4.11%	3.96%	3.34%	2.98%	3.64%	1.93%	2.29%	2.37%	2.52%	2.29%	2.40%				
Y/Y BP CHG	(183.2)	73.2	35.5	(86.8)	(128.2)	(22.7)	(217.1)	(166.5)	(96.6)	(45.8)	(134.6)	10.7				
SEQ BP CHG		(15.6)	(14.8)	(62.1)	(35.7)		(104.5)	35.8	7.8	15.1						
NET MARGIN	2.2%	2.5%	2.4%	3.0%	0.4%	2.1%	1.2%	1.4%	1.5%	1.6%	1.4%	1.5%				
Y/Y BP CHG	(102.1)	100.7	28.7	45.5	(213.2)	(3.1)	(134.4)	(98.8)	(150.5)	114.8	(73.5)	8.8				
SEQ BP CHG		(4.9)	(14.9)	62.7	(256.1)		73.9	20.7	10.9	9.2						

POMEROY IT SOLUTIONS, INC.
BALANCE SHEET (\$Mil.)

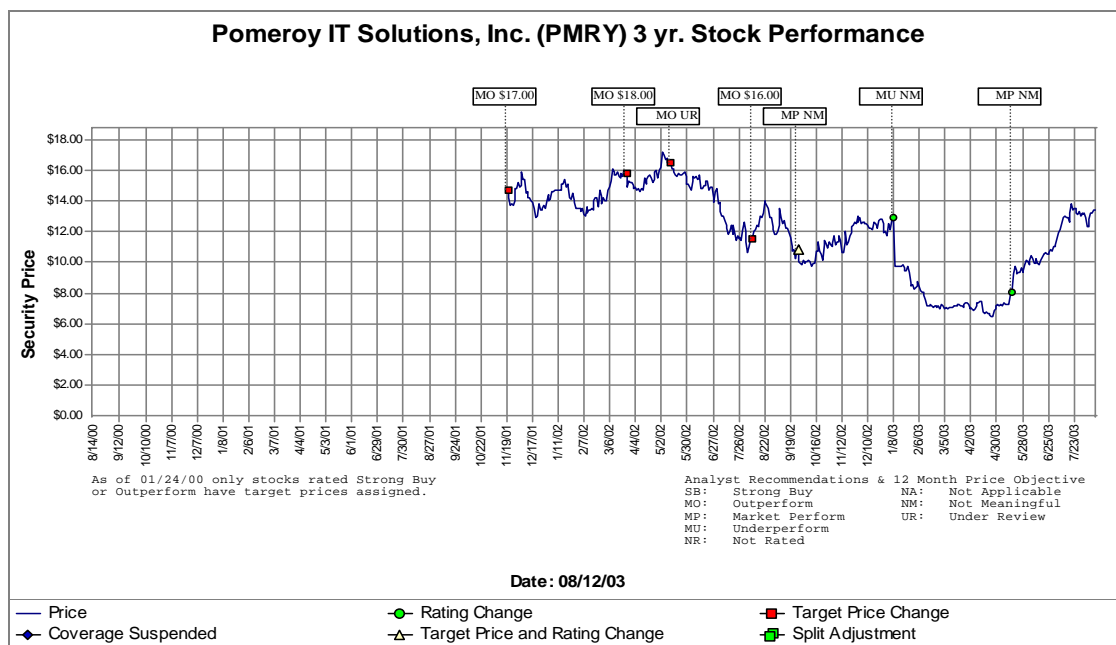
ASSETS (\$mil)	2001A	MAR 02A	JUN 02A	SEP 02A	DEC 02A	2002A	MAR 03A	JUN 03A	SEP 03E	DEC 03E	2003E	2004E
CASH & EQUIV	\$2.88	\$0.01	\$1.39	\$17.67	\$32.51	\$32.51	\$58.58	\$57.90	\$38.68	\$37.02	\$37.02	\$39.33
TOTAL RECEIVABLES	\$207.80	\$180.21	\$147.31	\$131.96	\$110.90	\$110.90	\$94.21	\$97.49	\$95.41	\$97.47	\$97.47	\$100.10
RESERVES	\$16.74	\$16.76	\$17.26	\$17.66	\$4.89	\$4.89	\$5.16	\$5.27	\$5.27	\$5.27	\$5.27	\$5.41
INVENTORIES	\$20.88	\$19.82	\$20.96	\$16.87	\$11.24	\$11.24	\$10.06	\$11.71	\$14.38	\$15.40	\$15.40	\$15.89
OTHER CURRENT	\$8.47	\$8.83	\$9.77	\$9.50	\$10.20	\$10.20	\$5.57	\$8.51	\$8.57	\$8.76	\$8.76	\$9.05
TOT CURR ASSETS	\$240.02	\$208.87	\$179.43	\$176.00	\$164.84	\$164.84	\$168.43	\$175.61	\$157.04	\$158.66	\$158.66	\$164.36
PP&E	\$18.55	\$18.16	\$20.06	\$20.07	\$19.30	\$19.30	\$19.03	\$18.24	\$20.00	\$20.00	\$20.00	\$20.20
LEASES	\$22.44	\$21.89	\$1.62	\$1.58	\$1.89	\$1.89	\$1.67	\$2.58	\$2.58	\$2.58	\$2.58	\$2.66
GOODWILL	\$58.51	\$59.50	\$60.81	\$61.37	\$61.18	\$61.18	\$65.20	\$65.44	\$65.44	\$65.44	\$65.44	\$65.44
OTHER ASSETS	\$2.20	\$1.75	\$1.96	\$3.11	\$1.30	\$1.30	\$1.31	\$1.20	\$1.20	\$1.23	\$1.23	\$1.27
TOTAL ASSETS	\$341.72	\$310.17	\$263.87	\$262.13	\$248.50	\$248.50	\$255.62	\$263.06	\$246.26	\$247.91	\$247.91	\$253.93
LIAB & EQUITY												
CURR PORTION OF NOTE	\$27.19	\$23.69	\$3.29	\$1.86	\$0.54	\$0.54	\$1.20	\$1.20	\$0.00	\$0.00	\$0.00	\$0.00
ACCT PAY	\$86.45	\$66.18	\$46.37	\$39.62	\$31.17	\$31.17	\$35.79	\$41.38	\$35.94	\$36.67	\$36.67	\$37.82
BANK NOTE	\$11.88	\$0.71	\$2.42	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ACCRUEDS	\$14.66	\$13.36	\$10.03	\$12.63	\$9.80	\$9.80	\$10.38	\$10.94	\$11.03	\$11.27	\$11.27	\$11.63
CURRENT LIAB	\$140.18	\$103.94	\$62.11	\$54.11	\$41.50	\$41.50	\$47.37	\$53.53	\$46.97	\$47.95	\$47.95	\$49.46
L.T. DEBT	\$10.21	\$9.86	\$0.66	\$0.00	\$0.00	\$0.00	\$0.66	\$0.66	\$0.00	\$0.00	\$0.00	\$0.00
DEF INCOME TAX	\$0.57	\$0.57	\$0.00	\$2.71	\$3.32	\$3.32	\$3.14	\$4.16	\$4.19	\$4.29	\$4.29	\$4.42
EQUITY	\$190.76	\$195.81	\$201.10	\$205.30	\$203.67	\$203.67	\$204.44	\$204.71	\$195.10	\$195.68	\$195.68	\$200.05
TOTAL LIAB+EQUITY	\$341.72	\$310.17	\$263.87	\$262.13	\$248.50	\$248.50	\$255.62	\$263.06	\$246.26	\$247.91	\$247.91	\$253.93
Y/Y % CHG.												
TOTAL RECEIVABLES	0%	-12%	-24%	-38%	-47%	-47%	-48%	-34%	-28%	-12%	-12%	3%
INVENTORIES	-29%	-28%	3%	-12%	-46%	-46%	-49%	-44%	-15%	37%	37%	3%
ACCT PAY	28%	12%	-35%	-50%	-64%	-64%	-46%	-11%	-9%	18%	18%	3%
EQUITY	5%	6%	6%	6%	7%	7%	4%	2%	-5%	-4%	-4%	2%
RATIO ANALYSIS												
LIQUIDITY												
CASH/EQUIV. PER SHARE	\$0.23	\$0.00	\$0.11	\$1.38	\$2.58	\$2.55	\$4.70	\$4.68	\$3.18	\$3.09	\$3.02	\$3.35
CURRENT RATIO	1.7	2.0	2.9	3.3	4.0	4.0	3.6	3.3	3.3	3.3	3.3	3.3
ASSET EFFICIENCY												
TRADE A/R DAYS	64.2	60.8	57.1	62.4	58.7	49.8	58.3	53.8	53.8	53.8	56.5	56.5
RES % A/R (INCL CHARGE)	8.1%	11.7%	12.3%	13.6%	4.6%	4.4%	5.7%	5.7%	5.7%	5.7%	5.4%	5.4%
INVENTORY DAYS	10.8	11.1	11.1	10.3	7.8	6.7	8.1	8.2	10.0	10.5	11.1	11.1
INVENTORY TURNS	28.1	31.9	33.8	31.6	37.2	38.3	42.7	47.8	40.2	36.0	38.2	33.5
PAYABLE DAYS	44.7	37.2	24.5	24.2	21.8	18.5	28.7	29.0	25.0	25.0	26.3	26.3
NET TRADE CYCLE	30	35	44	48	45	38	38	33	39	39	41	41
WORK. CAP. / SALES (ANN)	17.6%	18.0%	15.5%	16.0%	15.3%	12.9%	13.2%	11.5%	12.4%	12.6%	13.2%	13.1%
FIXED ASSET / SALES (ANN)	2.3%	2.5%	2.4%	2.9%	3.3%	2.7%	3.7%	3.2%	3.2%	3.3%	3.4%	3.4%
LEVERAGE												
INTEREST COVERAGE	12.3	61.7	40.3	85.1	47.2	53.5	37.5	-46.3	-48.2	-52.4	-87.1	-57.2
DEBT AS % CAPITAL	24%	15%	3%	1%	0%	6%	1%	1%	0%	0%	6%	6%
RETURN ON CAPITAL												
PROFIT MARGIN	2.2%	2.5%	2.4%	3.0%	0.4%	2.1%	1.2%	1.4%	1.5%	1.6%	1.4%	1.5%
ASSET TURNS (ANN)	2.3	2.3	2.7	2.6	2.3	2.4	2.1	2.3	2.4	2.4	2.3	2.4
ROA	5.0%	5.7%	6.4%	7.7%	1.0%	5.1%	2.4%	3.1%	3.5%	3.7%	3.3%	3.5%
ASSETS/EQUITY	1.89	1.69	1.45	1.29	1.25	1.50	1.24	1.25	1.26	1.28	1.24	1.27
ROE	9.4%	9.6%	9.3%	10.0%	1.2%	7.6%	3.0%	3.9%	4.4%	4.8%	4.1%	4.5%
ROIC	5.2%	5.2%	7.8%	7.8%	7.8%	5.0%	2.0%	7.8%	7.8%	7.8%	2.7%	2.9%
BOOK VALUE	\$15.02	\$15.31	\$15.62	\$16.07	\$16.14	\$15.96	\$16.40	\$16.54	\$16.02	\$16.34	\$15.97	\$17.03
TANGIBLE BOOK VALUE	\$10.41	\$10.66	\$10.90	\$11.27	\$11.29	\$11.17	\$11.17	\$11.25	\$10.65	\$10.87	\$10.63	\$11.46

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