

## >: Is the stock of this popular company a buy?

Thursday, February 21, 2008 / Jason Jovine

### GOOD MORNING EVERYBODY!!!

I hope that you are all doing well. Before I go any further, I want you all to know that I take great pride in my track record. Every single stock that I have recommended has subsequently gone higher.

I know that this will not always be the case, but I believe that I will be right more than I will be wrong. When I write an article and discuss a company, this doesn't necessarily mean that I am recommending that you buy the stock that I am discussing.

I am not shy or bashful. If I think that you should buy what I am speaking about, I will tell you as clear as day to **BUY IT**

. Sometimes I will discuss a company just to give you some insight into the company or an industry so that you can keep it on your radar screen because it is on mine.

When the time is right to recommend it, I will certainly do so.

### Today, want to do just that?

I want to discuss a company, and its industry, so that you can understand the way that it works. The name of the company that I think that you should keep on your radar screen (because I have it on mine) is Whole Foods Market Inc. The symbol is WFMI, and the price as I write this is just over \$38 per share. The 52 week hi

This stock is trading just a few poir



As you can see from the chart, the stock is off about 30% from its 52 week high. What happened to make it drop 30%? There are always numerous reasons, some on a Macro level (the overall market went down) and some on the Micro level. On the Micro level, Whole Foods acquired one of its chief rivals, Wild Oats, and let's just say that Wall Street has very little patience if a merger or acquisition is not done flawlessly.

Of course, when a company makes an acquisition, the stock for the company that is doing the acquiring usually goes down, and the stock for the company that is getting acquired usually goes up.

### The numbers?

On Tuesday, Whole Foods announced their earnings for the 16 weeks ending on 1/20/08. They earned \$.28 per share as opposed to \$.38 per share for the same period a year ago. Why the decline in EPS? The primary reason is trying to absorb their acquisition of Wild Oats. They also are facing some increased competition, as well as increased expenses.

"Welcome to Whole Foods Market

### The company?

Founded in 1980 as one small store in Austin, Texas, Whole Foods Market® is now the world's leading retailer of natural and organic foods with more than 265 stores in North America and the United Kingdom. To date Whole Foods Market remains uniquely mission driven: We're highly selective about what we sell, dedicated to stringent Quality Standards, and committed to sustainable agriculture.