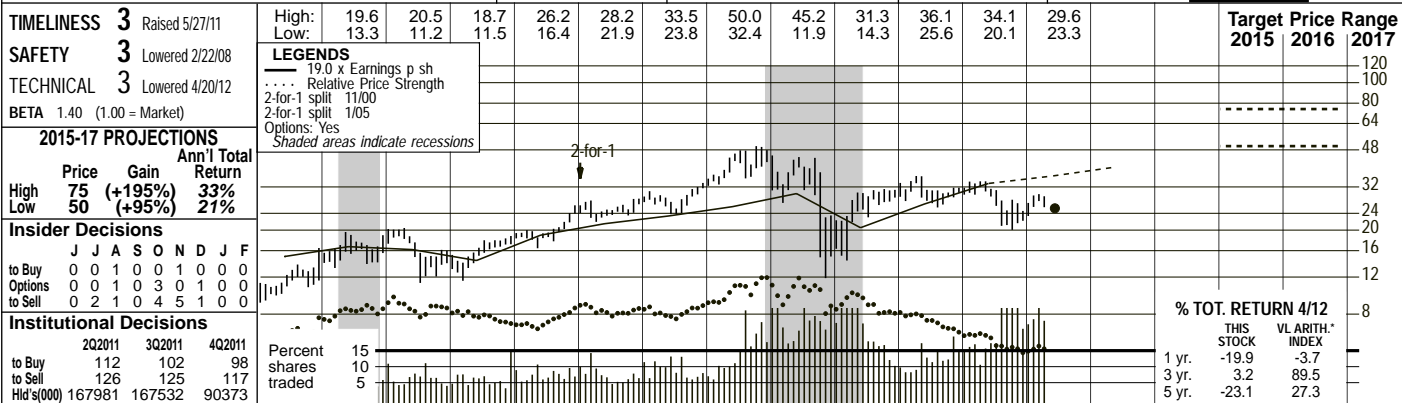


EATON VANCE CORP. NYSE-EV

RECENT PRICE **25.41** P/E RATIO **13.4** (Trailing: 13.7, Median: 21.0) RELATIVE P/E RATIO **0.88** DIV'D YLD **3.1%** VALUE LINE



Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	15-17
Revenues per sh ^A	1.20	1.36	1.75	2.47	3.10	3.54	3.78	3.82	4.95	5.81	6.82	9.17	9.46	7.60	9.51	10.94	11.05	11.80	16.65
"Cash Flow" per sh	.58	.64	.68	.84	1.45	1.41	1.52	1.44	1.70	1.78	1.86	2.11	2.22	1.59	1.98	2.55	2.75	2.10	4.25
Earnings per sh ^{AB}	.23	.26	.20	.35	.79	.88	.85	.76	1.00	1.13	1.23	1.36	1.57	1.08	1.40	1.75	1.90	2.10	3.25
Div'ds Decl'd per sh ^C	.04	.05	.06	.08	.10	.13	.15	.20	.28	.34	.40	.48	.60	.63	.66	.73	.78	.82	1.08
Cap'l Spending per sh	.02	.01	.01	.08	.02	.02	.02	.01	.03	.03	.10	.11	.22	.40	.10	.09	.15	.15	.15
Book Value per sh ^D	1.39	1.53	1.48	1.38	1.84	2.19	2.69	3.04	3.37	3.51	3.93	1.94	2.07	2.96	3.48	4.00	4.35	5.35	10.40
Common Shs Outst'g ^E	151.21	148.06	142.66	141.04	138.78	137.23	138.51	136.81	133.58	129.55	126.44	118.17	115.81	117.09	117.93	115.22	111.00	110.00	105.00
Avg Ann'l P/E Ratio	9.1	12.6	26.1	18.8	13.6	17.7	19.5	20.3	19.0	21.6	22.1	28.0	23.5	22.1	21.7	16.6	16.0	15.0	19.0
Relative P/E Ratio	.57	.73	1.36	1.07	.88	.91	1.07	1.16	1.00	1.15	1.19	1.49	1.41	1.47	1.38	1.05	1.05	1.05	1.25
Avg Ann'l Div'd Yield	2.1%	1.6%	1.2%	1.2%	.9%	.8%	.9%	1.3%	1.5%	1.4%	1.5%	1.3%	1.6%	2.6%	2.2%	2.5%	2.5%	2.5%	1.5%

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	15-17
Operating Margin	52.3%	52.1%	48.5%	46.9%	43.9%	38.6%	33.8%	38.8%	32.5%	36.7%	39.6%	36.5%	37.0%	40.0%	
Depreciation (\$mill) ^F	88.8	90.7	87.8	70.4	67.6	65.6	61.1	56.2	58.7	61.0	62.0	65.0	88.0		
Net Profit (\$mill)	121.1	106.1	138.9	159.9	167.1	184.0	195.7	130.1	174.3	214.9	220	235	360		
Income Tax Rate	35.0%	35.2%	36.0%	37.3%	38.1%	39.1%	38.8%	34.2%	38.6%	41.1%	38.0%	38.0%	38.0%		
Net Profit Margin	23.1%	20.3%	21.0%	21.2%	19.4%	17.0%	17.9%	14.6%	15.5%	17.1%	18.0%	18.1%	20.6%		
Working Cap'l (\$mill)	145.3	189.5	300.5	252.2	189.7	392.5	293.4	299.9	241.3	447.3	360	365	500		
Long-Term Debt (\$mill)	124.1	118.7	74.3	75.5	--	500.0	500.0	500.0	500.0	500.0	500	500	500		
Shr. Equity (\$mill) ^D	372.3	416.3	449.5	455.0	496.5	229.2	240.1	347.1	410.3	460.4	480	590	1100		
Return on Total Cap'l	25.0%	20.3%	27.1%	30.3%	34.1%	25.4%	28.7%	17.3%	21.0%	23.1%	22.5%	22.0%	22.5%		
Return on Shr. Equity	32.5%	25.5%	30.9%	35.1%	33.7%	80.3%	81.5%	37.5%	42.5%	46.7%	45.5%	40.5%	33.0%		
Retained to Com Eq	27.1%	19.5%	23.2%	25.9%	23.3%	54.0%	52.4%	16.6%	24.0%	28.2%	27.0%	25.0%	22.5%		
All Div'ds to Net Prof	17%	23%	25%	26%	31%	33%	36%	56%	43%	40%	40%	39%	31%		

CAPITAL STRUCTURE as of 1/31/12
 Total Debt \$500.0 mill. Due in 5 Yrs None
 LT Debt \$500.0 mill. LT Interest \$29.0 mill. (52% of cap'l)
 Leases, Uncapitalized Annual rentals \$19.0 mill.
 No Defined Benefit Pension Plan
 Pfd Stock None
 Common Stock 115,834,474 Non-voting shs. 399,240 Voting (not publicly traded) shs.
 MARKET CAP: \$2.9 billion (Mid Cap)

Business: Eaton Vance Corp. manages mutual funds and provides inv. management and counseling services to institutions and individuals. Assets equaled \$188.2 bill. as of 10/31/11. EV provides services through 5 wholly owned subs., Eaton Vance Mgt., Boston Mgt. and Research, Easton Vance Ltd., Eaton Vance Trust Co. and Eaton Vance Inv. Counsel, and 4 majority-owned subs., Atlanta Cap'l, Fox Asset Mgt., Parametric Risk Adv., and Parametric Portfolio Assoc.. The funds are marketed through Eaton Vance Dist. Has 1,155 empl. Off. & dir. control 100% of voting common stock and own 6.5% of non-voting stock (2011 10-K). Chairman & CEO: Thomas Faust, Inc.: MD. Addr.: Two International Place, Boston, MA 02110. Tele.: 617-482-8260. Internet: www.eatonvance.com.

Eaton Vance posted better-than-expected results in the January period (fiscal year ends October 31, 2012). The asset manager registered earnings of \$0.40 a share, which topped our estimate by a dime. Management attributed the solid showing to improving fund flow trends. Additionally, assets under management increased to \$197.2 billion in March, up 3% since January's figure thanks to the market's recent run-up. However, **The company is operating amid tough market conditions.** Despite the strong start to the fiscal year, this issue may well remain under pressure due to the uncertain macroeconomic climate. Thus, interested investors should be prepared for a bumpy ride in the near term. Note the stock's high Beta coefficient of 1.40.

Eaton Vance is putting its cash to use. The company is repurchasing stock in an effort to offset dilution. Moreover, the asset manager continues to pay a good-sized dividend. As a result, its cash balance was down in the January period, quarter over quarter.

We have increased our fiscal 2012 share-net estimate by \$0.05, to \$1.90. EV's diverse fund offering should help the company continue to stave off some of the recent pressures. Interest in fixed-income funds has been generally good of late. What's more, we now expect fund flows to turn positive this year, which would provide a notable boost to profits. **Long-term prospects are attractive.** An improved operating environment should help results improve over the coming years. Moreover, we would not be surprised to see Eaton Vance make a few bolt-on acquisitions. Indeed, the company has been working to diversify its product mix in an effort to bolster earnings. All told, the bottom line will probably expand at a double-digit clip over the 3- to 5-year pull. **This equity is ranked to mirror the broader market over the coming six to 12 months.** Thus, momentum-based accounts would do better to look elsewhere. However, at the current quotation, this issue has above-average capital appreciation potential over the 2015-2017 time frame. Further, income-oriented investors may want to note this stock's above-average yield (3.1%).

Fiscal Year Ends	2009	2010	2011	2012	2013	Full Fiscal Year			
QUARTERLY REVENUES (\$ mill.) ^A	209.5	198.4	228.4	254.1	272.0	273.0	273.1	303.6	1121.7
EARNINGS PER SHARE ^{A, B}	.21	.22	.26	.39	.37	.29	.34	.41	1.41
QUARTERLY DIVIDENDS PAID ^C	.15	.15	.15	.15	.15	.15	.15	.16	.63

(A) Fiscal year ends October 31. (B) Diluted earnings. Excluding nonrecurr. charges: '99, (\$0.26); '00, (\$0.06); '06, (\$0.06); '09, (\$1.77). Next eqs. report due late May. (C) Dividends historically paid mid Feb., May, Aug., and Nov. (D) Includes intangibles: at 10/31/11; \$209.5 million, \$1.82 a share. (E) In millions, adjusted for stock splits. (F) Incl. amort. of deferred sales commissions.

To subscribe call 1-800-833-0046.

May 18, 2012

Richard Gallagher

Company's Financial Strength	B+
Stock's Price Stability	45
Price Growth Persistence	80
Earnings Predictability	70