



Stock Selection Guide [®]

The most widely used aid to good investment judgment

Company WRIGLEY (WM) JR CO Date 04/06/06

Prepared by jah Data taken from NAIC Data

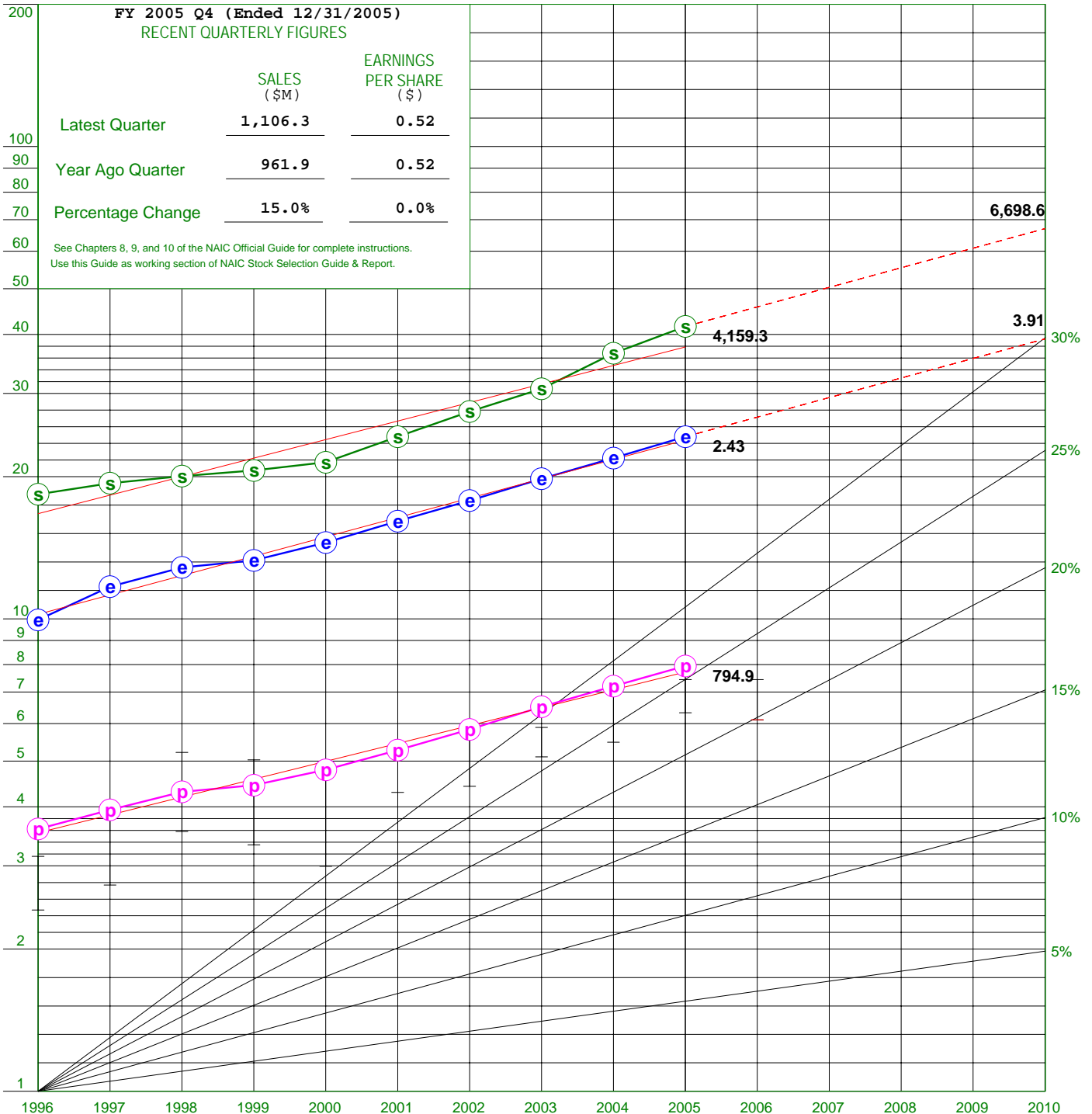
Where traded NYSE Major product/service Packaged Fo

CAPITALIZATION --- Outstanding Amounts Reference _____

Preferred (\$M)	0.0	% Insiders	% Institution
Common (M Shares)	222.8	0.0	0.0
Debt (\$M)	1,100.0	% to Tot.Cap.	33.2
		% Potential Dil.	None

1 VISUAL ANALYSIS of Sales, Earnings and Price

WWY



- (1) Historical Sales Growth 9.5%
- (2) Estimated Future Sales Growth 10.0%
- (3) Historical Earnings Per Share Growth 9.9%
- (4) Estimated Future Earnings Per Share Growth 10.0%

2 EVALUATING MANAGEMENT

Company **WRIGLEY (WM) JR CO (WWY)**

04/06/06

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	LAST 5 YEAR AVG.	TREND	
													UP	DOWN
A	% Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	19.6	20.4	21.5	21.6	22.3	21.7	21.2	21.2	19.7	19.1	20.6		DOWN
B	% Earned on Equity (E/S ÷ Book Value)	25.7	27.5	25.8	26.7	28.9	28.4	26.2	24.5	22.6	24.4	25.2		DOWN

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is a building block for translating earnings into future stock prices.

		PRESENT PRICE			HIGH THIS YEAR			LOW THIS YEAR				
		61.180			74.350			61.090				
Year		PRICE		C Earnings Per Share	D Price Earnings Ratio		E Dividend Per Share	G % Payout F ÷ C X 100	H % High Yield F ÷ B X 100			
		HIGH	LOW		HIGH A ÷ C	LOW B ÷ C						
1	2001	53.3	42.9	1.61	33.1	26.6	0.745	46.3	1.7			
2	2002	58.9	44.2	1.78	33.1	24.8	0.805	45.2	1.8			
3	2003	58.9	51.1	1.98	29.7	25.8	0.865	43.7	1.7			
4	2004	70.0	54.8	2.19	32.0	25.0	0.925	42.2	1.7			
5	2005	74.4	63.3	2.43	30.6	26.0	1.075	44.2	1.7			
6	TOTAL		256.3		158.5	128.2		221.6				
7	AVERAGE		51.3		31.7	25.6		44.3				
8	AVERAGE PRICE EARNINGS RATIO				28.7		9	CURRENT PRICE EARNINGS RATIO			25.2	

4 EVALUATING RISK AND REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE -- NEXT 5 YEARS

Avg. High P/E ~~31.7~~ 30.0 X Estimate High Earnings/Share 3.91 = Forecast High Price \$ 117.3
(3D7 as adj.) (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E ~~25.6~~ 26.0 X Estimated Low Earnings/Share 2.43 = \$ 63.2
(3E7 as adj.)
 (b) Avg. Low Price of Last 5 Years = 51.3
(3B7)
 (c) Recent Severe Market Low Price = 54.8

(d) Price Dividend Will Support $\frac{\text{Present Divd.}}{\text{High Yield (H)}} = \frac{1.120}{0.018} = 61.5$
 Selected Estimate Low Price = 51.3
(4B1)

C ZONING

117.3 (4A1) High Forecast Price Minus 51.3 (4B1) Low Forecast Price Equals 66.0 (C) Range. 1/3 of Range = 16.5 (4CD)
 (4C2) Lower 1/3 = 51.3 (4B1) to 67.8 (Buy) **Note: Ranges changed to 25%/50%/25%**
 (4C3) Middle 1/3 = 67.8 to 100.8 (Maybe)
 (4C4) Upper 1/3 = 100.8 to 117.3 (4A1) (Sell)

Present Market Price of 61.180 is in the Buy (4C5) Range

D UP-SIDE DOWN-SIDE RATIO (Potential Gain vs. Risk of Loss)

High Price (4A1) 117.3 Minus Present Price 61.180
 Present Price 61.180 Minus Low Price (4B1) 51.3 = $\frac{56.1}{9.9} = 5.7$ To 1 (4D)

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

High Price (4A1) 117.3
 Present Market Price 61.180 = $(\frac{1.917}{61.180}) \times 100 = 3.13\%$ X 100 = $(\frac{191.7}{61.180}) - 100 = 215.3\%$ % Appreciation (4E)

Relative Value: 87.8% Proj. Relative Value: 79.7%

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

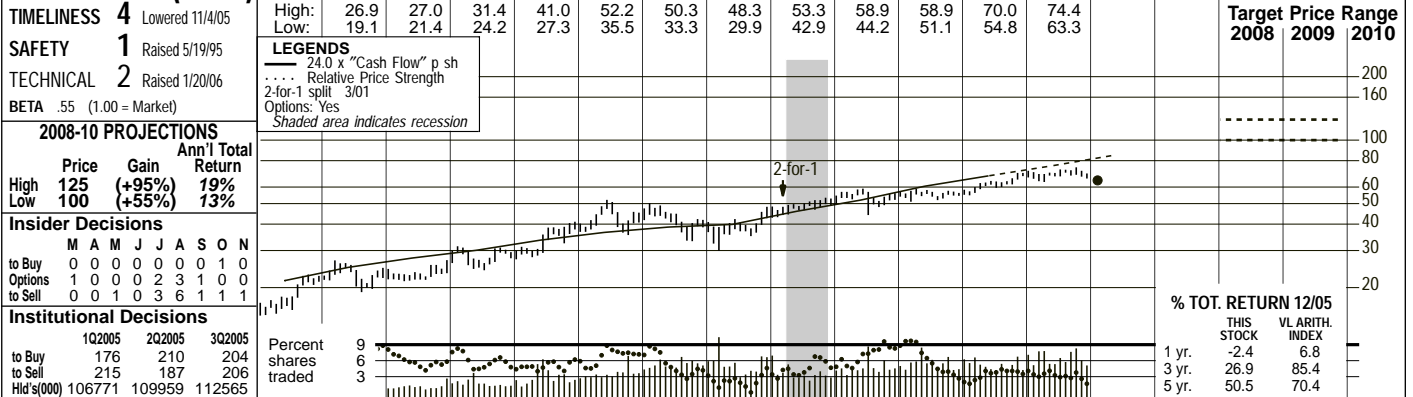
Note: Results are expressed as a simple rate: use the table below to convert to a compound rate.

A Present Full Year's Dividend \$ 1.120
 Present Price of Stock \$ 61.180 = $\frac{0.018}{61.180} \times 100 = 0.029\%$ X 100 = 1.8 (5A) Present Yield or % Returned on Purchase Price

B AVERAGE YIELD OVER NEXT 5 YEARS
 Avg. Earnings Per Share Next 5 Years 3.23 X Avg. % Payout (3G7) 44.3 = 143.1 = 2.3 % (5B)
 Present Price \$ 61.180

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

	5 Year Appreciation Potential <small>(4E)</small>		P.A.R.	Tot. Ret.
	<u>91.7</u>			
Average Yield <small>(5B)</small>	<u>2.3</u> %	Average Yield	<u>1.6</u> %	<u>1.5</u> %
Average Total Annual Return Over the Next 5 Years <small>(5C)</small>	<u>20.6</u> %	Annual Appreciation	<u>12.3</u> %	<u>13.9</u> %
		% Compd Ann Rate of Ret	<u>13.9</u> %	<u>15.4</u> %



1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	© VALUE LINE PUB., INC.	08-10
4.21	4.73	4.89	5.51	6.14	6.87	7.56	7.92	8.35	8.63	9.00	9.23	10.79	12.20	13.65	16.23	18.55	20.85	Sales per sh	28.40
.55	.61	.67	.76	.90	1.04	1.15	1.25	1.40	1.52	1.61	1.66	1.92	2.16	2.52	2.82	3.15	3.52	"Cash Flow" per sh	5.00
.45	.50	.55	.64	.75	.87	.97	1.05	1.18	1.29	1.33	1.45	1.61	1.78	1.98	2.19	2.45	2.75	Earnings per sh ^A	4.00
.23	.26	.28	.32	.38	.45	.48	.51	.59	.65	.67	.70	.75	.81	.87	.93	1.08	1.18	Div'ds Decl'd per sh ^B	1.44
.19	.19	.19	.29	.27	.37	.44	.44	.55	.64	.56	.54	.81	.96	.98	.98	1.00	1.05	Cap'l Spending per sh	.90
1.45	1.71	1.97	2.14	2.47	2.96	3.43	3.87	4.25	4.98	4.97	4.87	5.67	6.76	8.10	9.69	11.15	12.50	Book Value per sh	17.80
235.75	235.01	235.01	233.67	232.80	232.42	232.00	231.94	231.94	232.22	228.99	232.44	225.23	225.15	224.86	224.77	225.00	224.00	Common Shs Outst'g ^C	218.00
16.2	17.4	18.8	22.6	24.6	26.8	24.1	26.6	28.6	33.1	31.6	26.8	30.1	30.1	28.0	28.3	28.1		Avg Ann'l P/E Ratio	28.0
1.23	1.29	1.20	1.37	1.45	1.76	1.61	1.67	1.65	1.72	1.80	1.74	1.54	1.64	1.60	1.49	1.47		Relative P/E Ratio	1.85
3.1%	2.9%	2.7%	2.2%	2.0%	1.9%	2.1%	1.8%	1.7%	1.5%	1.6%	1.7%	1.5%	1.5%	1.6%	1.5%	1.6%		Avg Ann'l Div'd Yield	1.3%

CAPITAL STRUCTURE as of 9/30/05				1754.9	1836.0	1937.0	2004.7	2061.6	2145.7	2429.6	2746.3	3069.1	3648.6	4170	4675	Sales (\$mill)	6190
Total Debt \$1,250 mill. Due in 5 Yrs \$465.0 mill.				21.7%	22.5%	22.3%	23.4%	23.7%	24.3%	23.9%	24.4%	25.1%	23.6%	24.0%	24.0%	Operating Margin	24.5%
LT Debt \$1,150 mill. LT Interest \$50.0 mill. (33% of Cap'l)				43.8	47.3	50.4	55.8	61.2	57.9	68.3	85.6	120.0	141.9	160	180	Depreciation (\$mill) ^D	210
Pension Assets-12/04 \$533.7 mill. Oblig. \$642.6 mill.				223.7	243.3	273.8	297.7	308.2	328.9	363.0	401.5	445.9	493.0	555	620	Net Profit (\$mill)	875
Pfd Stock None				36.1%	35.7%	31.1%	30.8%	30.7%	31.4%	31.2%	31.2%	31.6%	31.6%	32.0%	32.0%	Income Tax Rate	32.0%
Common Stock 224,322,312 shs. Incl. 33,248,876 shs. Class B. (10 votes per share) as of 10/31/05				12.7%	13.2%	14.1%	14.9%	14.9%	15.3%	14.9%	14.6%	14.5%	13.5%	13.3%	13.3%	Net Profit Margin	14.0%
MARKET CAP: \$14.8 billion (Large Cap)				458.7	511.2	571.9	624.6	552.0	540.5	581.5	620.2	825.8	787.9	1005	1035	Working Cap'l (\$mill)	1640
CURRENT POSITION				796.9	897.4	985.4	1157.0	1138.8	1132.9	1276.2	1522.6	1820.8	2178.7	2510	2795	Long-Term Debt (\$mill)	700
CASH ASSETS				28.1%	27.1%	27.8%	25.7%	27.1%	29.0%	28.4%	26.4%	24.5%	22.6%	14.5%	15.5%	Return on Total Cap'l	19.0%
RECEIVABLES				28.1%	27.1%	27.8%	25.7%	27.1%	29.0%	28.4%	26.4%	24.5%	22.6%	22.0%	22.0%	Return on Shr. Equity	22.5%
INVENTORY (LIFO)				14.1%	13.9%	14.0%	12.7%	13.6%	15.0%	15.3%	14.5%	13.8%	13.1%	12.5%	12.5%	Retained to Com Eq	14.5%
OTHER				50%	49%	50%	51%	50%	48%	46%	45%	44%	42%	44%	44%	All Div'ds to Net Prof	36%

Cal-endar	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2002	599.0	708.5	699.5	739.3	2746.3
2003	672.4	792.6	782.9	821.2	3069.1
2004	812.2	957.9	916.7	961.8	3648.6
2005	950.4	1040.2	1062.4	1117	4170
2006	1045	1140	1245	1245	4675

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2002	.38	.49	.44	.47	1.78
2003	.43	.56	.50	.49	1.98
2004	.49	.62	.56	.52	2.19
2005	.58	.72	.59	.56	2.45
2006	.65	.75	.68	.67	2.75

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2002	.19	.205	.205	.205	.81
2003	.205	.22	.22	.22	.87
2004	.22	.235	.235	.235	.93
2005	.235	.28	.28	.28	1.08
2006	.28				

BUSINESS: Wm. Wrigley Jr. Company is the world's largest manufacturer and seller of chewing gum, specialty gums, and gum base. Principal brands: Doublemint, Spearmint, Juicy Fruit, Big Red, WinterFresh, Extra, Orbit, Freedent chewing gums. Amurrol Products subsidiary makes novelty gums, including Bubble Tape, Big League Chew; markets Hubba Bubba bubble gum. Fgn. sales: 65%

Wrigley generated double-digit top- and bottom-line growth in 2005. A consumer shift to higher-margined products earlier in the year helped boost earnings, as did the company's ability to combat higher commodity costs. Despite the overall growth, however, Wrigley's performance down the stretch leaves much to be desired, as the mid-year acquisitions of *Altoids* and *Lifesavers* have yet to contribute. Although total volumes increased somewhat, both segments experienced steep sales declines in their first two quarters under the Wrigley umbrella. Indeed, the integration of the new brands pressured Wrigley's gross margins in the second half of 2005.

The candymaker faces a number of challenges this year. Trends within the domestic chewing gum industry pose some problems for Wrigley's franchise brands. Innovative packaging drove demand at a steady pace from 2004 to early 2005. Still, the honeymoon may be over, since it appears growth has slowed significantly in recent months. Further, the shift from gum sticks, Wrigley's bread and butter, to lower-margined products should also take

its toll. Meanwhile, the battle for market share continues to intensify, as innovation and consolidation increase industrywide. **Wrigley ought to step up its efforts to kickstart its product lineup.** The company's marketing and advertising push for the new brands should accelerate in the first quarter. Too, a variety of new products will hit store shelves throughout the year, ranging from *Life Savers* products to new gum flavors. All told, we expect earnings growth of around 12% in 2006. **These shares are a below-average selection for the year ahead.** Competition continues to intensify within the candy industry, as consolidation, high commodity costs, and health fads remain consistent trends. Still, the stock may appeal to long-term investors. The company's popular franchise should be bolstered by the added mix of the recent acquisitions. Much of Wrigley's success, however, depends on its ability to revive the recently acquired businesses, while maintaining momentum in its staple brands. The issue holds above-average long-term appreciation potential at its current valuation.

Jason A. Smith
 February 3, 2006

(A) Based on avg. shares outstanding. Diluted beginning 1997. Excl. nonrec. items: '90, 8¢; '94, 25¢; '96, d11¢; '97, d2¢; '98, 6¢; '05, 2¢. Next earnings report due late April. (B) Dividends historically paid 1st of February, May, August, November. (C) In millions, adjusted for stock splits. (D) Depreciation on accelerated basis.

Company's Financial Strength		A++
Stock's Price Stability		100
Price Growth Persistence		85
Earnings Predictability		100