Stock Selection Guide ®

NATIONAL ASSOCIATION OF INVESTORS CORPORATION
NAIC
INVESTMENT EDUCATION FOR INDIVIDUALS AND CLUBS SINCE 1951

The most widely used aid to good investment judgment

Company	AFFILIATED COMPUTER SERVI
Date	11/24/04
Prepared by	MG
Data taken from	NAIC Data
Where traded	NYSE
Major product/service	Data Proces

CAPITALIZATION --- Outstanding Amounts   Reference _____

		% Insiders	% Institution
Preferred($M)	0.0		
Common(M Shares)	128.9	7.7	93.8
Debt($M)	372.4	% to Tot.Cap. **12.5**	% Potential Dil. **None**

1   VISUAL ANALYSIS of Sales, Earnings and Price

ACS

FY 2005 Q1 (Ended 9/30/2004)
RECENT QUARTERLY FIGURES

	SALES ($M)	EARNINGS PER SHARE ($)
Latest Quarter	1,046.2	0.72
Year Ago Quarter	1,036.6	0.62
Percentage Change	0.9%	16.1%

See Chapters 8, 9, and 10 of the NAIC Official Guide for complete instructions.
Use this Guide as working section of NAIC Stock Selection Guide & Report.

8,570.6
5.88
4,106.4
2.65
570.9
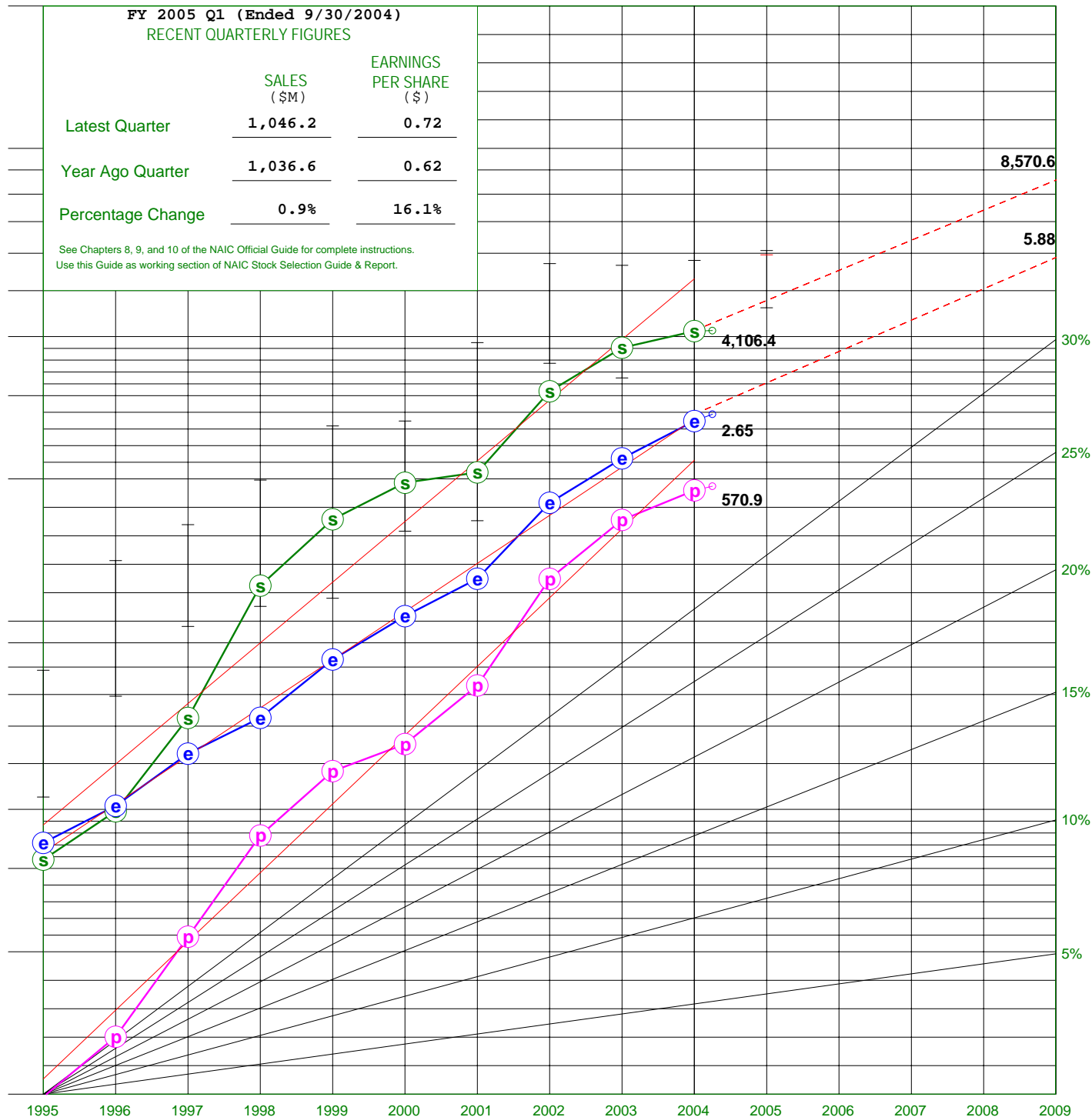
(1) Historical Sales Growth	34.4 %	(3) Historical Earnings Per Share Growth	26.4 %
(2) Estimated Future Sales Growth	15.8 %	(4) Estimated Future Earnings Per Share Growth	16.5 %

Printed: 11/24/04 11:48 PM Prepared by: MG Using The NAIC Investor's Toolkit

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	LAST 5 YEAR AVG.	TREND UP	TREND DOWN
A	% Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	9.5	10.1	10.4	8.9	8.9	8.5	10.7	12.1	13.1	13.9	11.6	UP	
B	% Earned on Equity (E/S ÷ Book Value)	16.9	9.5	10.8	12.0	13.5	14.3	14.1	11.2	12.1	13.1	12.9	EVEN	

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 ___59.530___   HIGH THIS YEAR ___60.770___   LOW THIS YEAR ___46.010___

	Year	A PRICE HIGH	B PRICE LOW	C Earnings Per Share	D Price Earnings Ratio HIGH A ÷ C	E Price Earnings Ratio LOW B ÷ C	F Dividend Per Share	G % Payout F ÷ C X 100	H % High Yield F ÷ B X 100
1	2000	26.5	15.5	1.03	25.9	15.1	0.000	0.0	0.0
2	2001	38.8	16.3	1.23	~~31.6~~	~~13.3~~	0.000	0.0	0.0
3	2002	57.1	35.1	1.78	~~32.1~~	~~19.7~~	0.000	0.0	0.0
4	2003	56.6	32.7	2.21	25.6	14.8	0.000	0.0	0.0
5	2004	58.0	42.1	2.65	21.9	15.9	0.000	0.0	0.0
6	TOTAL		141.7		73.4	45.8		0.0	
7	AVERAGE		28.3		24.5	15.3		0.0	

8	AVERAGE PRICE EARNINGS RATIO	19.9	9	CURRENT PRICE EARNINGS RATIO	21.7

Proj. P/E [18.65] Based on Next 4 qtr. EPS [3.19]   Current P/E Based on Last 4 qtr. EPS [2.74]

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 ___24.5___ (3D7 as adj.) X Estimate High Earnings/Share ___5.88___ = Forecast High Price $ ___144.1___ (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E ___15.3___ (3E7 as adj.) X Estimated Low Earnings/Share ~~2.65~~ 2.74 = $ ___41.9___

(b) Avg. Low Price of Last 5 Years = ___28.3___ (3B7)

(c) Recent Severe Market Low Price = ___32.7___

(d) Price Dividend Will Support   Present Divd. = ___0.000___ = ___0.0___
High Yield (H) ___0.000___

Selected Estimate Low Price   = $ ___~~37.8~~___ (4B1)

C ZONING

___144.1___ (4A1) High Forecast Price Minus ___37.8___ (4B1) Low Forecast Price Equals ___106.3___ (C) Range. 1/3 of Range = ___26.6___ (4CD)

(4C2) Lower 1/3 = (4B1) ___37.8___ to ___64.4___ (Buy)   Note: Ranges changed to 25%/50%/25%

(4C3) Middle 1/3 = ___64.4___ to ___117.5___ (Maybe)

(4C4) Upper 1/3 = ___117.5___ to ___144.1___ (4A1) (Sell)

Present Market Price of ___59.530___ is in the ___Buy___ Range (4C5)

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

$$\frac{\text{High Price (4A1) } 144.1 \text{ Minus Present Price } 59.530}{\text{Present Price } 59.530 \text{ Minus Low Price (4B1) } 37.8} = \frac{84.6}{21.7} = \frac{3.9}{(4D)} \text{ To 1}$$

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

$$\frac{\text{High Price (4A1) } 144.1}{\text{Present Market Price } 59.530} = (2.421) \text{ X 100 = } (242.1) - 100 = \frac{142.1}{(4E)} \text{ \% Appreciation}$$

Relative Value: 109.0% Proj. Relative Value: 93.7%

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 $ ___0.000___

Present Price of Stock $ ___59.530___ = ___0.000___ X 100 = ___0.0___ (5A) Present Yield or % Returned on Purchase Price

B AVERAGE YIELD OVER NEXT 5 YEARS

Avg. Earnings Per Share Next 5 Years ___4.33___ X Avg. % Payout (3G7) ___0.0___ = ___0.0___ = ___0.0___ % (5B)

Present Price $ ___59.530___

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

5 Year Appreciation Potential (4E) ___142.1___ / 5 = ___28.4___ %

Average Yield (5B) ___0.0___ %

Average Total Annual Return Over the Next 5 Years (5C) ___28.4___ %

	P.A.R.	Tot. Ret.
Average Yield	0.0%	0.0%
Annual Appreciation	14.5%	19.3%
% Compd Ann Rate of Ret	14.5%	19.3%

PERT Worksheet-A

Company AFFILIATED COMPUTER SERVI   (ACS)

PERIOD	QUARTERLY DATA EPS $	EPS % CHANGE	PRE-TAX PROFIT $ MIL	PRE-TAX % SALES	PRE-TAX % CHANGE	SALES $ MIL	SALES % CHANGE	INCOME TAX RATE	LAST 12 MONTHS EPS $	PRE-TAX PROFIT $ MIL	PRE-TAX % SALES	SALES MIL	INCOME TAX $ MIL	INCOME TAX % RATE	% CHANGE EPS	% CHANGE PRE-TAX PROFIT	% CHANGE SALES
09/98								*36.5*						39.6			
12/98	0.20		34.98	8.9		391.60		41.0						39.7			
03/99	0.22		38.01	8.7		435.88		36.6						38.7			
06/99	0.23		40.62	9.0		451.34		36.6						37.7			
09/99	0.24		41.99	9.4		447.69		37.2	0.88	155.60	9.0	1,726.5	58.9	37.8			
12/99	0.25	25.0	44.37	9.3	26.8	476.01	21.6	37.0	0.93	164.99	9.1	1,810.9	60.8	36.9			
03/00	0.27	23.3	46.63	9.1	22.7	510.44	17.1	36.7	0.98	173.61	9.2	1,885.5	64.0	36.9			
06/00	0.28	19.6	33.00	6.2	-18.8	528.41	17.1	7.3	1.03	166.00	8.5	1,962.5	49.1	29.6			
09/00	0.29	21.3	50.20	10.5	19.6	478.63	6.9	36.2	1.08	174.21	8.7	1,993.5	51.1	29.3	22.2	12.0	15.5
12/00	0.30	18.0	52.88	10.6	19.2	500.88	5.2	36.5	1.12	182.72	9.1	2,018.4	53.3	29.2	20.4	10.7	11.5
03/01	0.32	20.8	57.69	10.8	23.7	533.57	4.5	34.9	1.18	193.78	9.5	2,041.5	55.7	28.7	19.9	11.6	8.3
06/01	0.33	20.0	59.98	10.9	81.8	550.48	4.2	32.7	1.23	220.76	10.7	2,063.6	77.4	35.1	20.0	33.0	5.1
09/01	0.39	35.1	70.26	10.7	39.9	655.02	36.9	32.4	1.33	240.82	10.8	2,240.0	82.2	34.1	23.7	38.2	12.4
12/01	0.43	44.1	89.90	12.0	70.0	750.43	49.8	33.5	1.46	277.83	11.2	2,489.5	92.7	33.4	30.4	52.1	23.3
03/02	0.46	43.8	99.75	12.5	72.9	800.69	50.1	34.2	1.60	319.89	11.6	2,756.6	106.1	33.2	36.2	65.1	35.0
06/02	0.50	51.5	111.25	13.0	85.5	856.79	55.6	35.6	1.77	371.16	12.1	3,062.9	125.9	33.9	43.9	68.1	48.4
09/02	0.51	32.5	112.43	12.7	60.0	882.58	34.7	35.1	1.90	413.33	12.6	3,290.5	143.0	34.6	42.5	71.6	46.9
12/02	0.53	24.7	118.40	13.0	31.7	908.81	21.1	35.9	2.00	441.83	12.8	3,448.9	155.5	35.2	37.0	59.0	38.5
03/03	0.57	23.9	127.19	13.0	27.5	981.63	22.6	35.6	2.11	469.27	12.9	3,629.8	166.9	35.6	31.9	46.7	31.7
06/03	0.61	22.0	136.32	13.4	22.5	1,014.18	18.4	35.7	2.22	494.35	13.1	3,787.2	175.8	35.6	25.4	33.2	23.6
09/03	0.62	21.6	138.89	13.4	23.5	1,036.64	17.5	35.7	2.33	520.81	13.2	3,941.3	186.0	35.7	23.0	26.0	19.8
12/03	0.56	5.7	124.30	12.5	5.0	997.88	9.8	36.1	2.36	526.70	13.1	4,030.3	188.4	35.8	18.0	19.2	16.9
03/04	0.70	22.8	145.04	14.4	14.0	1,009.43	2.8	32.7	2.49	544.55	13.4	4,058.1	190.9	35.1	18.0	16.0	11.8
06/04	0.76	24.6	162.69	15.3	19.3	1,062.45	4.8	37.7	2.64	570.91	13.9	4,106.4	203.1	35.6	18.9	15.5	8.4
09/04	0.72	16.1	150.65	14.4	8.5	1,046.18	0.9	37.4	2.74	582.67	14.2	4,115.9	209.6	36.0	17.6	11.9	4.4
12/04								*37.5*						36.3			
03/05								*37.5*						37.5			
06/05								*37.5*						37.5			

A   B   C   D   E   F   G   H   I   J   K   L   M   N   O   P   Q   R   S   T

PERT Worksheet-A Graph

Company AFFILIATED COMPUTER SERVI   (ACS)