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

Stock Selection Guide ®

The most widely used aid to good investment judgment

Company AFFILIATED COMPUTER SERVI Date 12/23/05

Prepared by MG Data taken from NAIC Data

Where traded NYSE Major product/service Data Proces

CAPITALIZATION --- Outstanding Amounts Reference

Preferred($M)	0.0		% Insiders		% Institution
Common(M Shares)	124.3		7.7		97.4
Debt($M)	763.6	% to Tot.Cap.	21.3	% Potential Dil.	None

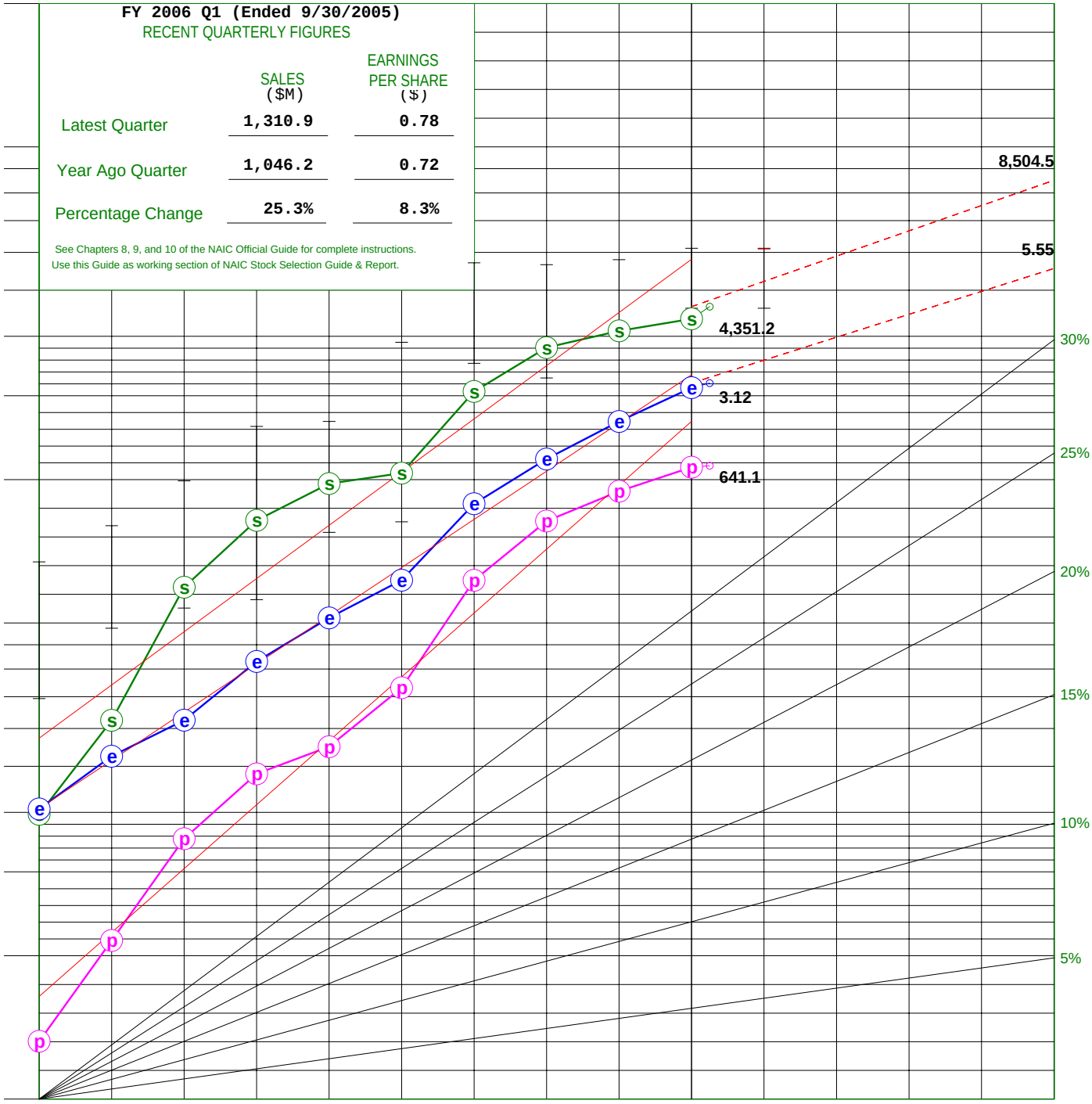
1 VISUAL ANALYSIS of Sales, Earnings and Price

ACS

FY 2006 Q1 (Ended 9/30/2005)
RECENT QUARTERLY FIGURES

	SALES ($M)	EARNINGS PER SHARE ($)
Latest Quarter	1,310.9	0.78
Year Ago Quarter	1,046.2	0.72
Percentage Change	25.3%	8.3%

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.



(1) Historical Sales Growth 29.3 % (3) Historical Earnings Per Share Growth 26.2 %

(2) Estimated Future Sales Growth 13.0 % (4) Estimated Future Earnings Per Share Growth 11.7 %

2 EVALUATING MANAGEMENT

Company: AFFILIATED COMPUTER SERVI (ACS) — 12/23/05

		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	LAST 5 YEAR AVG.	TREND UP	TREND DOWN
A	% Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	10.1	10.4	8.9	8.9	8.5	10.7	12.1	13.1	13.9	14.7	12.9	UP	
B	% Earned on Equity (E/S ÷ Book Value)	9.5	10.8	12.0	13.5	14.3	14.1	11.2	12.1	13.1	13.8	12.8	UP	

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 61.000 HIGH THIS YEAR 61.230 LOW THIS YEAR 45.810

	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	2001	38.8	16.3	1.23	31.5	13.3	0.000	0.0	0.0
2	2002	57.1	35.1	1.78	32.1	19.7	0.000	0.0	0.0
3	2003	56.6	32.7	2.21	25.6	14.8	0.000	0.0	0.0
4	2004	58.0	42.1	2.65	21.9	15.9	0.000	0.0	0.0
5	2005	61.2	45.8	3.12	19.6	14.7	0.000	0.0	0.0
6	TOTAL		172.0		41.5	30.6		0.0	
7	AVERAGE		34.4		20.8	15.3		0.0	

8 AVERAGE PRICE EARNINGS RATIO 18.0 — 9 CURRENT PRICE EARNINGS RATIO 19.1

Proj. P/E [17.12] Based on Next 4 qtr. EPS [3.56] — Current P/E Based on Last 4 qtr. EPS [3.19]

4 EVALUATING RISK and REWARD over the next 5 years

PEG=163

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 ~~20.8~~ 19.0 (3D7 as adj.) X Estimate High Earnings/Share 5.55 = Forecast High Price $ 105.5 (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E ~~15.3~~ 15.0 (3E7 as adj.) X Estimated Low Earnings/Share ~~3.12~~ 3.19 = $ 47.9

(b) Avg. Low Price of Last 5 Years = 34.4 (3B7)

(c) Recent Severe Market Low Price = 42.1

(d) Price Dividend Will Support — Present Divd. / High Yield (H) = 0.000 / 0.000 = 0.0

Selected Estimate Low Price = $ 47.9 (4B1)

C ZONING

105.5 (4A1) High Forecast Price Minus 47.9 (4B1) Low Forecast Price Equals 57.6 (C) Range. 1/3 of Range = 14.4 (4CD)

(4C2) Lower 1/3 = (4B1) 47.9 to 62.3 (Buy) Note: Ranges changed to 25%/50%/25%

(4C3) Middle 1/3 = 62.3 to 91.1 (Maybe)

(4C4) Upper 1/3 = 91.1 to 105.5 (4A1) (Sell)

Present Market Price of 61.000 is in the Buy (4C5) Range

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

High Price (4A1) 105.5 Minus Present Price 61.000 = 44.5 / 13.1 = 3.4 (4D) To 1

Present Price 61.000 Minus Low Price (4B1) 47.9

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

High Price (4A1) 105.5 = (1.730) X 100 = (173.0) - 100 = 73.0 (4E) % Appreciation

Present Market Price 61.000

Relative Value: 106.1% Proj. Relative Value: 95.1%

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 $ 61.000 = 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 4.45 X Avg. % Payout (3G7) 0.0 = 0.0 = 0.0 % (5B)

Present Price $ 61.000

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

5 Year Appreciation Potential (4E) 73.0 / 5 = 14.6 %

Average Yield (5B) 0.0 %

Average Total Annual Return Over the Next 5 Years (5C) 14.6 %

	P.A.R.	Tot. Ret.
Average Yield	0.0%	0.0%
Annual Appreciation	9.1%	11.6%
% Compd Ann Rate of Ret	9.1%	11.6%

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AFFIL. COMP. SVCS. NYSE-ACS

RECENT PRICE **55.68** | P/E RATIO **16.3** (Trailing: 17.5 Median: 23.0) | RELATIVE P/E RATIO **0.90** | DIV'D YLD **Nil** | **VALUE LINE**

TIMELINESS 2 Lowered 2/4/05
SAFETY 3 New 2/28/03
TECHNICAL 3 Lowered 9/23/05
BETA 1.20 (1.00 = Market)

2008-10 PROJECTIONS

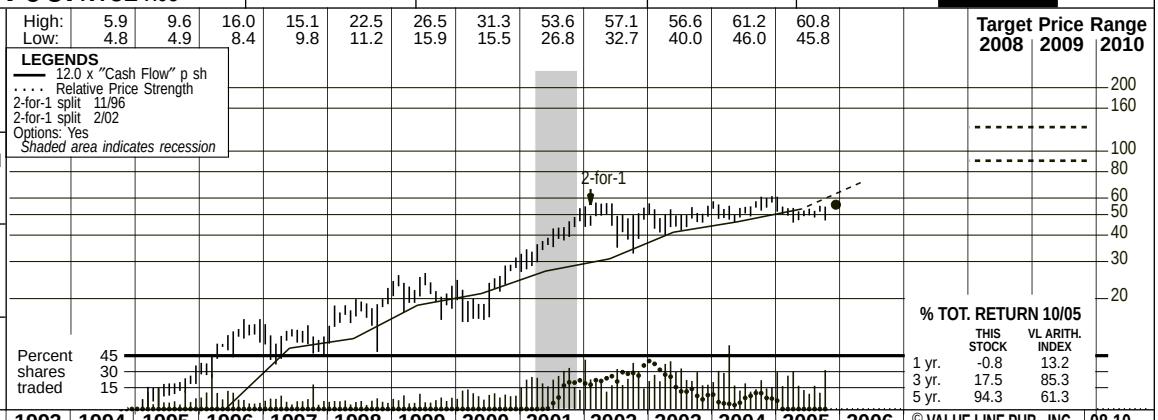
	Price	Gain	Ann'l Total Return
High	130	(+135%)	*23%*
Low	90	(+60%)	*13%*

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	1	0	0	0	0
Options	1	0	0	0	1	0	0	0	1
to Sell	1	0	0	0	1	0	0	0	1

Institutional Decisions

	4Q2004	1Q2005	2Q2005
to Buy	241	216	192
to Sell	153	201	211
Hld's(000)	121546	117425	115839



1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	© VALUE LINE PUB., INC.	08-10
--	--	--	--	--	--	5.89	5.61	8.70	11.58	16.67	19.79	20.40	23.20	28.43	32.21	34.75	*43.45*	Sales per sh	*61.65*
--	--	--	--	--	--	d1.33	d.87	.97	1.08	1.55	1.77	2.25	2.58	3.45	4.30	5.11	*6.05*	"Cash Flow" per sh	*8.65*
--	--	--	--	--	--	.34	.41	.53	.65	.83	.86	1.23	1.76	2.20	2.61	3.13	*3.50*	Earnings per sh [A]	*5.00*
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	*Nil*	Div'ds Decl'd per sh	*Nil*
--	--	--	--	--	--	.22	.61	.53	.43	.62	.72	.98	1.09	1.54	1.75	2.02	*2.10*	Cap'l Spending per sh	*2.40*
--	--	--	--	--	--	2.01	4.28	4.85	4.90	6.17	7.17	8.75	15.87	18.24	20.29	22.67	*26.70*	Book Value per sh [B]	*40.40*
--	--	--	--	--	--	53.17	70.73	71.80	102.69	98.49	99.16	101.16	132.02	133.21	127.68	125.23	*122.00*	Common Shs Outst'g [C]	*120.00*
--	--	--	--	--	--	18.3	22.5	25.1	22.7	24.2	22.9	23.7	27.1	21.2	19.1	17.2		Avg Ann'l P/E Ratio	*22.0*
--	--	--	--	--	--	1.22	1.41	1.45	1.18	1.38	1.49	1.21	1.48	1.21	1.00	.90		Relative P/E Ratio	*1.45*
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--		Avg Ann'l Div'd Yield	*Nil*
						313.2	396.5	624.5	1189.1	1642.2	1962.5	2063.6	3062.9	3787.2	4113.1	4351.2	*5300*	Sales ($mill)	*7400*
						13.9%	14.1%	16.4%	13.4%	13.7%	13.5%	16.3%	17.8%	19.1%	20.1%	21.5%	*21.5%*	Operating Margin	*22.0%*
						11.9	15.0	31.3	47.5	66.7	84.8	93.6	110.5	152.1	190.0	232.8	*280*	Depreciation ($mill)	*400*
						17.6	23.8	38.5	63.3	86.2	90.3	134.3	229.6	306.8	359.2	406.9	*460*	Net Profit ($mill)	*640*
						40.9%	40.5%	40.8%	40.9%	40.8%	45.6%	39.3%	36.3%	37.5%	37.2%	36.5%	*36.5%*	Income Tax Rate	*38.0%*
						5.6%	6.0%	6.2%	5.3%	5.3%	4.6%	6.5%	7.5%	8.1%	8.7%	9.4%	*8.7%*	Net Profit Margin	*8.6%*
						51.6	49.9	65.8	198.1	194.3	413.7	528.5	388.6	422.0	406.8	406.0	*500*	Working Cap'l ($mill)	*750*
						37.9	57.2	89.5	234.9	349.1	525.6	649.3	708.2	498.3	372.4	750.4	*800*	Long-Term Debt ($mill)	*850*
						107.7	304.1	348.6	503.7	607.4	711.4	885.5	2095.4	2429.2	2590.5	2838.4	*3260*	Shr. Equity ($mill)	*4850*
						12.7%	6.7%	9.5%	9.4%	9.9%	8.3%	9.5%	8.7%	10.9%	12.4%	11.6%	*12.0%*	Return on Total Cap'l	*12.0%*
						16.3%	7.8%	11.0%	12.6%	14.2%	12.7%	15.2%	11.0%	12.6%	13.9%	14.3%	*14.0%*	Return on Shr. Equity	*13.0%*
						NMF	NMF	11.0%	12.6%	14.2%	12.7%	15.2%	11.0%	12.6%	13.9%	14.3%	*14.0%*	Retained to Com Eq	*13.0%*
						--	--	--	--	--	--	--	--	--	--	--	*Nil*	All Div'ds to Net Prof	*Nil*

CAPITAL STRUCTURE as of 9/30/05
Total Debt $763.6 mill. **Due in 5 Yrs** $507.2 mill.
LT Debt 757.1 mill. **LT Interest** $45.0 mill. (20% of Cap'l)

Leases, Uncapitalized: Annual rentals $221.0 mill.
No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 124,284,305 shs.
As of 11/4/05
MARKET CAP: $6.9 billion (Large Cap)

CURRENT POSITION ($MILL.)	2004	2005	9/30/05
Cash Assets	76.9	62.7	34.2
Receivables	873.5	1061.6	1111.9
Inventory (Avg Cst)	--	--	--
Other	94.0	119.8	197.4
Current Assets	1044.4	1244.1	1343.5
Accts Payable	61.7	62.8	67.4
Debt Due	2.0	6.2	6.5
Other	573.9	769.1	789.0
Current Liab.	637.6	838.1	862.9

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '02-'04 to '08-'10
Sales	--	17.0%	*16.0%*
"Cash Flow"	--	22.5%	*17.0%*
Earnings	--	27.0%	*13.5%*
Dividends	--	--	*Nil*
Book Value	--	27.0%	*16.5%*

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) Sep.30	Dec. 31	Mar. 31	Jun. 30	Full Fiscal Year
2002	655.0	750.4	800.7	856.8	3062.9
2003	882.6	908.8	981.6	1014	3787.2
2004	1036	1004	1009	1062	4113.1
2005	1046	1027	1063	1214	4351.2
2006	1310	*1320*	*1320*	*1350*	*5300*

Fiscal Year Ends	EARNINGS PER SHARE [A] Sep.30	Dec. 31	Mar. 31	Jun. 30	Full Fiscal Year
2002	.39	.42	.46	.49	1.76
2003	.50	.53	.57	.60	2.20
2004	.60	.64	.67	.70	2.61
2005	.72	.73	.81	.87	3.13
2006	.78	*.85*	*.92*	*.95*	*3.50*

Cal-endar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2001					
2002	NO CASH DIVIDENDS BEING PAID				
2003					
2004					
2005					

BUSINESS: Affiliated Computer Services, Inc. provides business process outsourcing (BPO), and information technology (IT) outsourcing solutions to federal, state and local governments. The company also provides services to commercial businesses, healthcare providers, and telecommunications companies. ACS provides federal, state and local governments with child support payment processing, electronic toll collection, welfare verification, traffic violation processing, loan processing, and human resources services. Has ab't. 52,000 employees. Off. and directors own about 9.1% of common stock (9/05 proxy). Chairman: Darwin Deason. CEO.: Mark King. Inc.: DE. Address: 2828 North Haskell Avenue, Dallas, TX 75204. Tel.: 214-841-6111. Internet: www.acs-inc.com.

Affiliated Computer Services is performing well. Revenue increased about 25% during the first quarter of 2006 (year ends June 30th). Much of the strength was due to the addition of new clients, with some coming from recent acquisitions. Results at the Commercial segment, which accounts for the rest of revenue, were particularly robust. In contrast, the Government segment, which accounts for about 42% of revenue, remains weak. The company plans to sell some of this unit, such as the Welfare to Work Force Services business. This should help management pursue more profitable opportunities.

The company continues to attract new customers. We expect most of the incremental business to be added in the Commercial segment. Services, such as business process outsourcing, and human resources, remain strong. The recent acquisition of Mellon Financial's human resources unit expands Affiliated Computer Services' capabilities in that line.

The integration of recently acquired business from Mellon Financial Corp. is going well. This business contributed about $160 million to first-quarter sales. The company expects cost-cutting efforts to improve profitability of this business a bit. Although we expect additional acquisitions in the year ahead, we are not including any potential contributions from purchases in our earnings estimates.

Earnings should advance about 15%-18% annually, on average, for the next few years. We expect 'same-store' sales to pick up, as the economy strengthens further. The company recently authorized a $500 million share-repurchase program. Ongoing share repurchases will lift earnings per share somewhat. Elsewhere, there have been some mangement changes. The company's president, Mark King, will be acting as the CEO, replacing Jeffrey Rich.

These shares are ranked 2 (Above Average) for Timeliness. In addition, the stock trades at a price-to-earnings multiple that is reasonable, given the strong earnings gains we expect going forward. As a result, our projections indicate that these shares offer above-average appreciation potential for the next 3 to 5 years.

Adam Rosner *November 25, 2005*

(A) Diluted earnings. Fiscal year ends June 30th. Excludes nonrecurring gains: '00, $0.17; '04, $1.27. '05, $0.07. Qtly. egs. do not sum to total due to rounding. Next earnings report due early Jan.
(B) Includes intangibles. In 2005: $2801.0 million, or $19.39 per share.
(C) In millions, adjusted for stock splits.

Company's Financial Strength	A
Stock's Price Stability	55
Price Growth Persistence	80
Earnings Predictability	90

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PERT Worksheet-A

Company AFFILIATED COMPUTER SERVI (ACS)

QUARTERLY DATA									LAST 12 MONTHS DATA									
PERIOD	EPS		PRE-TAX PROFIT			SALES		INCOME TAX RATE	EPS $	PRE-TAX PROFIT		SALES MIL	INCOME TAX		% CHANGE		
	$	% CHANGE	$ MIL	% SALES	% CHANGE	$ MIL	% CHANGE			$ MIL	% SALES		$ MIL	% RATE	EPS	PRE-TAX PROFIT	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	0.73	30.4	153.83	15.0	23.8	1,027.29	2.9	37.4	2.91	612.21	14.8	4,145.3	222.3	36.3	23.3	16.2	2.9
03/05	0.81	15.7	162.59	15.3	12.1	1,063.30	5.3	35.1	3.02	629.76	15.0	4,199.2	232.4	36.9	21.3	15.6	3.5
06/05	0.87	14.5	174.00	14.3	7.0	1,214.39	14.3	35.9	3.13	641.07	14.7	4,351.2	233.6	36.4	18.6	12.3	6.0
09/05	0.78	8.3	155.42	11.9	3.2	1,310.92	25.3	36.2	3.19	645.84	14.0	4,615.9	233.3	36.1	16.4	10.8	12.1
12/05								*37.5*						36.2			
03/06								*37.5*						36.8			
06/06								*37.5*						37.2			

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

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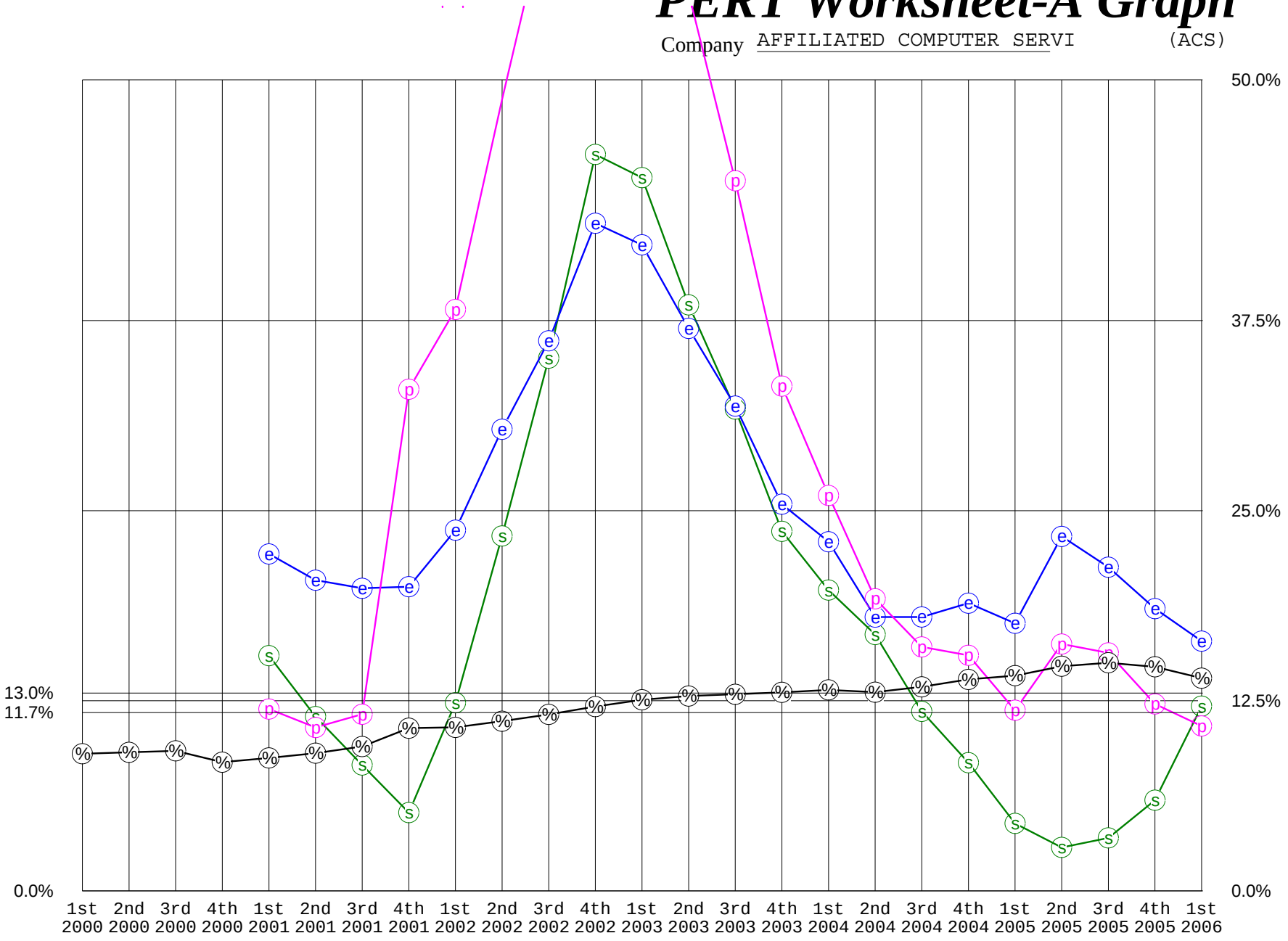
Trailing 4 quarters

PERT Worksheet-A Graph

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