Stock Selection Guide ®

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

The most widely used aid to good investment judgment

Company	**AFFILIATED COMPUTER SERVI**
Date	**11/10/06**
Prepared by	**MG**
Data taken from	**NAIC Data**
Where traded	**NYSE**
Major product/service	**Data Proces**

CAPITALIZATION --- Outstanding Amounts   **Reference** _____

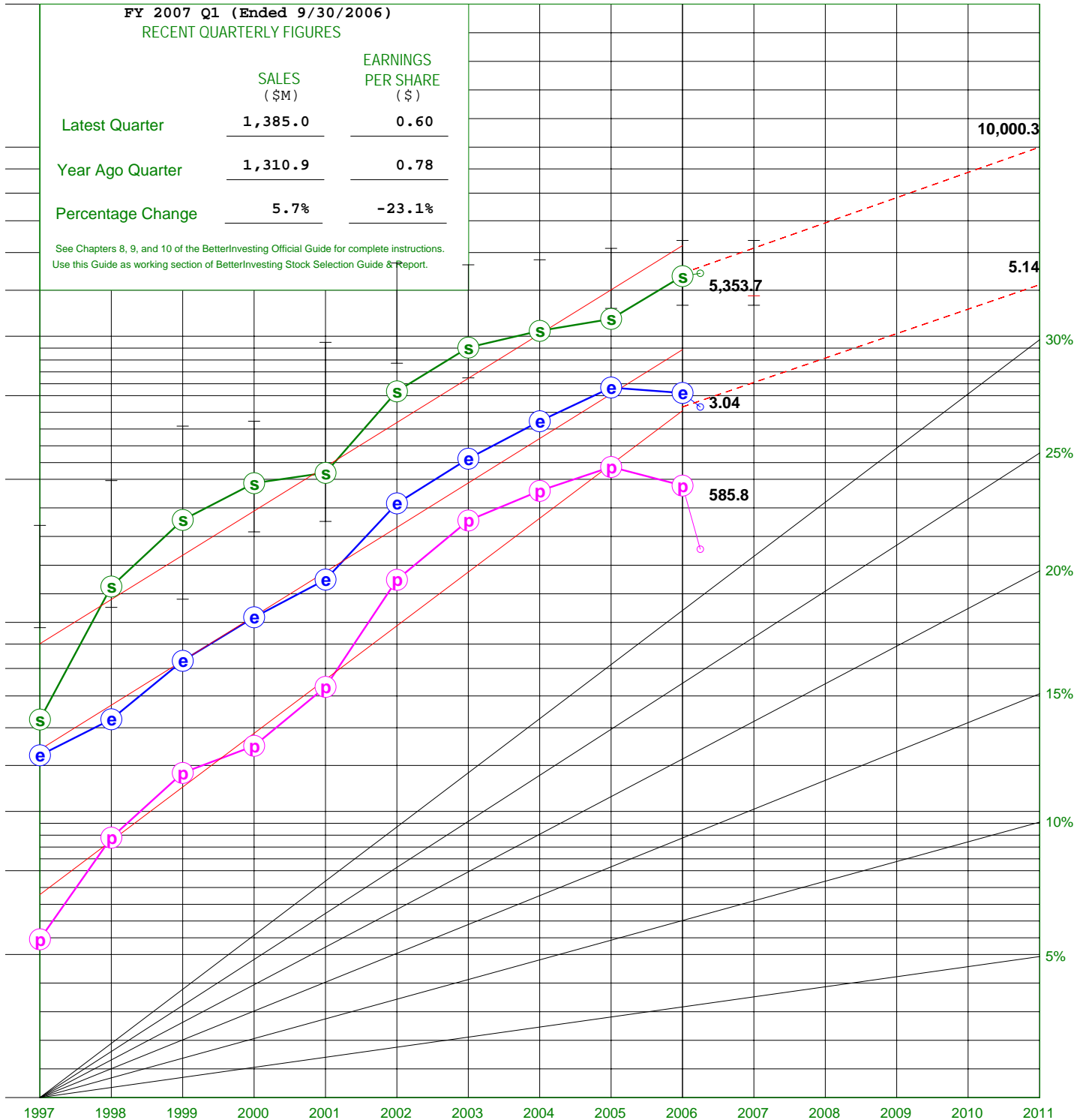|			
Preferred($M)	0.0	% Insiders	% Institution
Common(M Shares)	118.6	7.7	102.0
Debt($M)	0.0	% to Tot.Cap. 0.0	% Potential Dil. **None**

1 VISUAL ANALYSIS of Sales, Earnings and Price

ACS

FY 2007 Q1 (Ended 9/30/2006)
RECENT QUARTERLY FIGURES

	SALES ($M)	EARNINGS PER SHARE ($)
Latest Quarter	1,385.0	0.60
Year Ago Quarter	1,310.9	0.78
Percentage Change	5.7%	-23.1%

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

10,000.3

5.14

5,353.7

3.04

585.8

30%

25%

20%

15%

10%

5%

1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011

(1) Historical Sales Growth _____ **23.9** %
(2) Estimated Future Sales Growth _____ **13.0** %
(3) Historical Earnings Per Share Growth _____ **24.0** %
(4) Estimated Future Earnings Per Share Growth _____ **12.6** %

		1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	LAST 5 YEAR AVG.	TREND UP	TREND DOWN
A	% Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	10.4	8.9	8.9	8.5	10.7	12.1	13.1	13.9	14.7	10.9	12.9		DOWN
B	% Earned on Equity (E/S ÷ Book Value)	10.8	12.0	13.5	14.3	14.1	11.2	12.1	13.1	13.8	13.2	12.7	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 _____ 48.690 _____ HIGH THIS YEAR _____ 63.660 _____ LOW THIS YEAR _____ 46.500

	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	2002	57.1	35.1	1.78	32.1	19.7	0.000	0.0	0.0
2	2003	56.6	32.7	2.21	25.6	14.8	0.000	0.0	0.0
3	2004	58.0	42.1	2.65	21.9	15.9	0.000	0.0	0.0
4	2005	61.2	45.8	3.12	19.6	14.7	0.000	0.0	0.0
5	2006	63.7	46.5	3.04	21.0	15.3	0.000	0.0	0.0
6	TOTAL		202.2		88.1	60.7		0.0	
7	AVERAGE		40.4		22.0	15.2		0.0	
8	AVERAGE PRICE EARNINGS RATIO	18.6			9 CURRENT PRICE EARNINGS RATIO	17.1			

4 Proj. P/E [15.23] Based on Next 4 qtr. EPS [3.20]   Current P/E Based on Last 4 qtr. EPS [2.84]

EVALUATING RISK and REWARD over the next 5 years   PEG=121

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 _____ 22.0 _____ (3D7 as adj.) X Estimate High Earnings/Share _____ 5.14 _____ = Forecast High Price $ _____ 113.1 _____ (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E _____ 15.2 _____ (3E7 as adj.) X Estimated Low Earnings/Share _____ 3.04 2.84 _____ = $ _____ 43.2 _____

(b) Avg. Low Price of Last 5 Years = _____ 40.4 _____ (3B7)

(c) Recent Severe Market Low Price = _____ 45.8 _____

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

Selected Estimate Low Price   = $ _____ 43.2 _____ (4B1)

C ZONING

113.1 (4A1) High Forecast Price Minus 43.2 (4B1) Low Forecast Price Equals 69.9 (C) Range. 1/3 of Range = 17.5 (4CD)

(4C2) Lower 1/3 = (4B1) 43.2 to 60.7 (Buy)   Note: Ranges changed to 25%/50%/25%

(4C3) Middle 1/3 = 60.7 to 95.6 (Maybe)

(4C4) Upper 1/3 = 95.6 to 113.1 (4A1) (Sell)

Present Market Price of _____ 48.690 _____ is in the _____ Buy _____ Range (4C5)

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

High Price (4A1) 113.1 Minus Present Price 48.690

Present Price 48.690 Minus Low Price (4B1) 43.2   = 64.4 / 5.5 = 11.7 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) 113.1

Present Market Price 48.690   = (2.323) X 100 = (232.3) - 100 = 132.3 % Appreciation (4E)

Relative Value: 91.9%   Proj. Relative Value: 81.9%

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 $ _____ 48.690 _____ = 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 4.05 X Avg. % Payout (3G7) 0.0 = 0.0 = 0.0 % (5B)

Present Price $ 48.690

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

5 Year Appreciation Potential (4E) 132.3 / 5 = 26.5 %

Average Yield (5B) = 0.0 %

Average Total Annual Return Over the Next 5 Years (5C) = 26.5 %

	P.A.R.	Tot. Ret.
Average Yield	0.0%	0.0%
Annual Appreciation	14.4%	18.4%
% Compd Ann Rate of Ret	14.4%	18.4%

PERT Worksheet-A Graph

Company AFFILIATED COMPUTER SERVI   (ACS)

50.0%

29.2%

12.6%

0.0%

8.3%

-12.5%

-33.4%

1st 2nd 3rd 4th 1st 2nd 3rd 4th 1st 2nd 3rd 4th 1st 2nd 3rd 4th 1st 2nd 3rd 4th 1st 2nd 3rd 4th 1st 2nd 3rd 4th 1st
2000200020002000200120012001200120022002200220022003200320032003200420042004200420052005200520052006200620062006 2007