



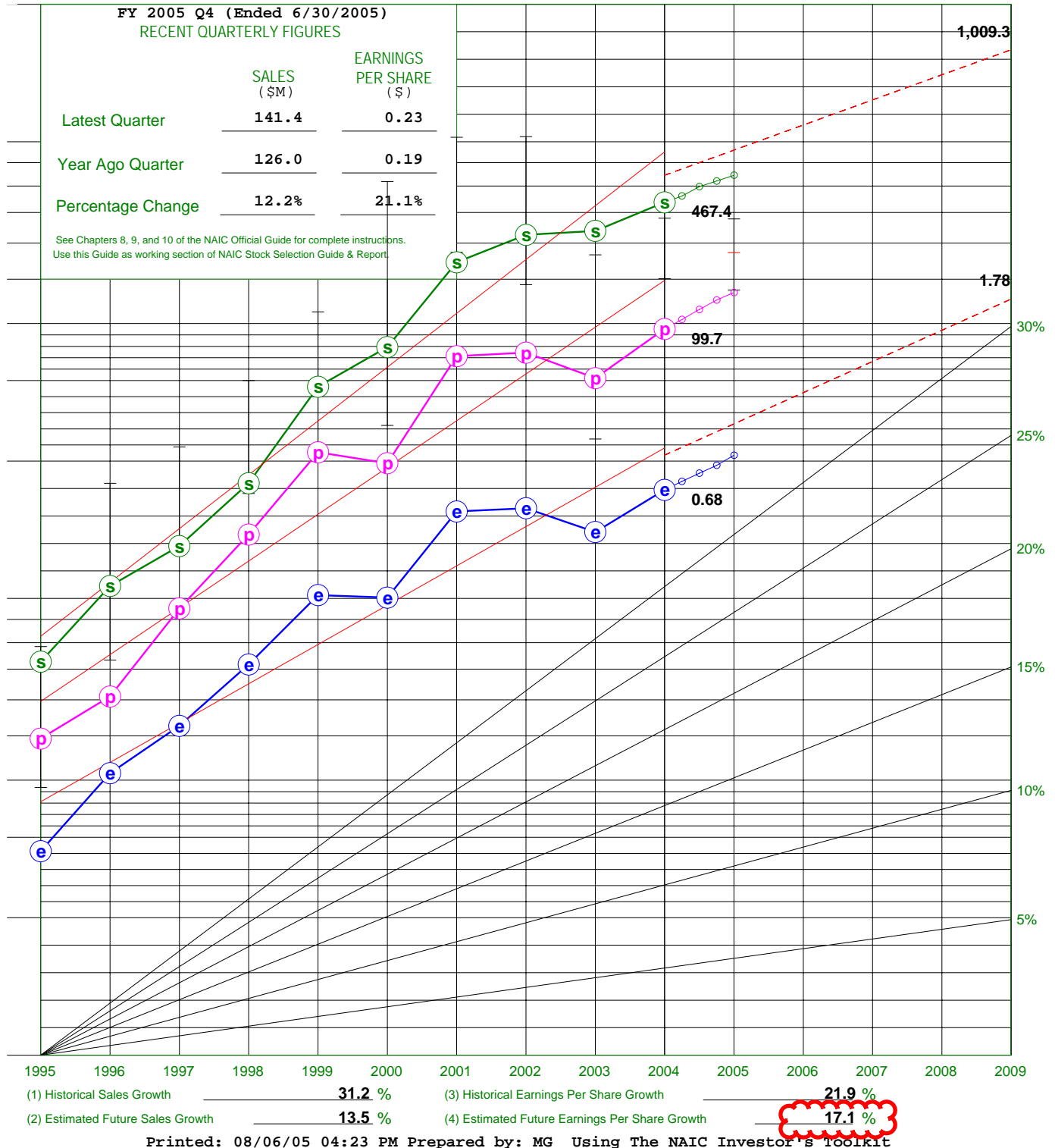
Stock Selection Guide [®]

The most widely used aid to good investment judgment

Company	JACK HENRY & ASSOCIATES		Date	08/05/05	
Prepared by	MG		Data taken from	NAIC Data	
Where traded	NASDAQ		Major product/service	Application	
CAPITALIZATION --- Outstanding Amounts			Reference		
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	91.4	22.7	53.6		
Debt (\$M)	0.0	% to Tot.Cap.	0.0	% Potential Dil.	None

1 VISUAL ANALYSIS of Sales, Earnings and Price

JKHY



2 EVALUATING MANAGEMENT

Company

JACK HENRY & ASSOCIATES

(JKHY)

08/05/05

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	LAST 5 YEAR AVG.	TREND	
												UP	DOWN
A % Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	27.4	23.1	29.5	31.2	29.0	22.5	25.2	22.3	19.2	21.3	22.1		DOWN
B % Earned on Equity (E/S ÷ Book Value)	26.3	31.0	29.0	29.1	28.1	21.1	17.9	16.2	13.3	13.8	16.5		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		18.520		HIGH THIS YEAR		21.960		LOW THIS YEAR		15.350	
Year		PRICE		C Earnings Per Share	D Price Earnings Ratio		F 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	2000	26.5	7.8	0.40	67.1	19.7	0.090	22.8	1.2				
2	2001	33.1	18.6	0.61	54.3	30.5	0.110	18.0	0.6				
3	2002	33.2	15.8	0.62	53.5	25.5	0.130	21.0	0.8				
4	2003	18.3	7.2	0.55	33.3	13.1	0.140	25.5	1.9				
5	2004	22.0	16.3	0.68	32.4	24.0	0.150	22.1	0.9				
6	TOTAL		65.7		240.6	112.8		109.4					
7	AVERAGE		13.1		48.1	22.6		21.9					
8	AVERAGE PRICE EARNINGS RATIO				35.3		9	CURRENT PRICE EARNINGS RATIO				22.9	

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 $\frac{48.1}{3D7 \text{ as adj.}}$ $\frac{31.4}{3D7 \text{ as adj.}}$ X Estimated High Earnings/Share 1.78 = Forecast High Price \$ 55.9 (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E $\frac{22.6}{3E7 \text{ as adj.}}$ $\frac{15.0}{3E7 \text{ as adj.}}$ X Estimated Low Earnings/Share 0.68 0.81 = \$ 12.2

(b) Avg. Low Price of Last 5 Years = 13.1

(c) Recent Severe Market Low Price = 7.2

(d) Price Dividend Will Support $\frac{\text{Present Divd.}}{\text{High Yield (H)}}$ = $\frac{0.180}{0.019}$ = 9.3

Selected Estimate Low Price = \$ 12.2 (4B1)

C ZONING

55.9 (4A1) High Forecast Price Minus 12.2 (4B1) Low Forecast Price Equals 43.7 (C) Range. 1/3 of Range = 10.9 (4CD)

(4C2) Lower 1/3 = 12.2 (4B1) to 23.1 (Buy) Note: Ranges changed to 25%/50%/25%

(4C3) Middle 1/3 = 23.1 to 45.0 (Maybe)

(4C4) Upper 1/3 = 45.0 to 55.9 (4A1) (Sell)

Present Market Price of 18.520 is in the Buy (4C5) Range

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

High Price (4A1) 55.9 Minus Present Price 18.520 = 37.4 = 5.9 To 1
Present Price 18.520 Minus Low Price (4B1) 12.2 = 6.3

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

High Price (4A1) 55.9 = (3.018) X 100 = (301.8) - 100 = 201.8 (4E) % Appreciation
Present Market Price 18.520

Relative Value: 64.9% Proj. Relative Value: 55.3%

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.

A Present Full Year's Dividend \$ 0.180
Present Price of Stock \$ 18.520 = 0.010 X 100 = 1.0 (5A) Present Yield or % Returned on Purchase Price

B AVERAGE YIELD OVER NEXT 5 YEARS
Avg. Earnings Per Share Next 5 Years 1.30 X Avg. % Payout 21.9 21.6 = 28.1 = 1.5 %
Present Price \$ 18.520 (5B)

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

		P.A.R.	Tot. Ret.
5 Year Appreciation Potential (4E)	201.8		
Average Yield (5B)	1.5 %	0.9 %	0.7 %
Average Total Annual Return Over the Next 5 Years (5C)	41.9 %	17.4 %	24.7 %
		18.3 %	25.4 %

Trailing 4 quarters

PERT Worksheet-A Graph

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