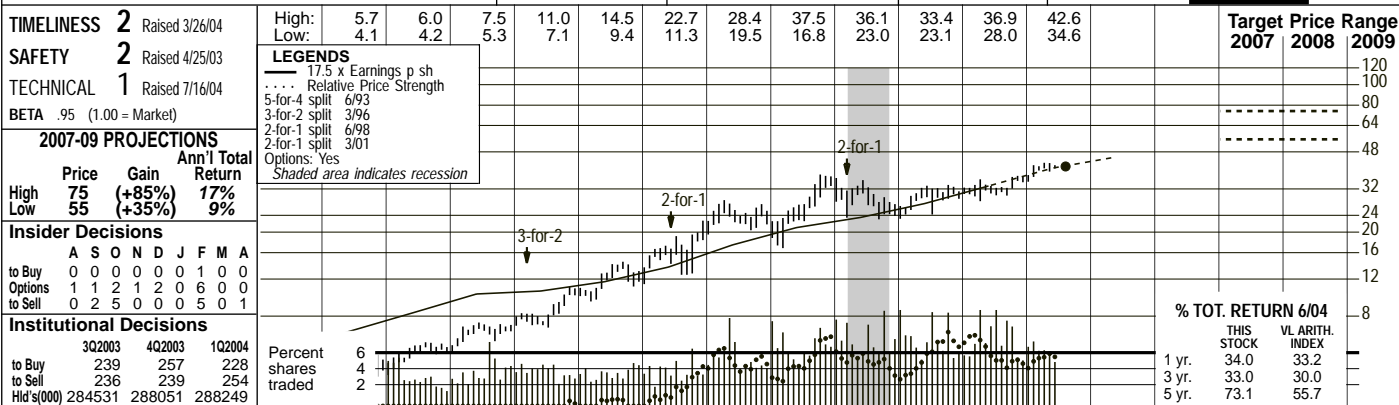


AFLAC INC. NYSE-AFL

RECENT PRICE **40.93** P/E RATIO **17.8** (Trailing: 20.5 Median: 19.0) RELATIVE P/E RATIO **0.98** DIV'D YLD **0.9%** **VALUE LINE**



1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	© VALUE LINE PUB., INC.	07-09
3.22	3.34	3.70	4.51	5.44	6.79	8.30	10.69	10.72	11.02	11.18	13.67	15.57	15.35	16.71	19.42	22.80	25.35	Premium Inc per sh	31.40
.43	.49	.56	.70	.86	1.11	1.34	1.80	1.85	2.02	2.14	2.58	2.93	2.95	3.14	3.50	3.90	4.25	Investment Inc per sh	5.25
.18	.13	.19	.24	.30	.39	.47	.58	.60	.67	.78	1.00	1.20	1.34	1.56	1.89	2.30	2.60	Earnings per sh ^A	3.65
.03	.04	.04	.05	.06	.06	.07	.08	.10	.11	.13	.15	.17	.19	.23	.30	.38	.44	Div'ds Decl'd per sh ^B	.60
1.06	1.15	1.29	1.51	1.75	2.19	2.56	3.76	3.85	6.44	7.09	7.28	8.87	10.33	12.43	13.01	14.70	16.30	Book Value per sh	22.35
607.91	609.47	610.89	613.34	619.12	622.26	624.00	567.97	551.54	532.81	531.37	531.48	529.21	525.10	514.44	510.93	500.00	490.00	Common Shs Outst'g ^C	470.00
173%	195%	159%	211%	231%	225%	209%	178%	220%	187%	230%	325%	298%	279%	236%	252%	290%	290%	Price to Book Value	285%
10.2	16.9	10.7	13.1	13.5	12.8	11.3	11.5	14.2	18.1	20.9	23.8	22.0	21.5	18.8	17.4	17.5	17.5	Avg Ann'l P/E Ratio	17.5
.85	1.28	.79	.84	.82	.76	.74	.77	.89	1.04	1.09	1.36	1.43	1.10	1.03	1.00	1.00	1.00	Relative P/E Ratio	1.15
1.8%	1.7%	2.1%	1.6%	1.4%	1.3%	1.4%	1.3%	1.1%	.9%	.8%	.6%	.6%	.7%	.8%	.9%	.9%	.9%	Avg Ann'l Div'd Yield	.9%

CAPITAL STRUCTURE as of 3/31/04																			
Total Debt \$1423.0 mill. Due in 5 Yrs \$975.0 mill.																			
LT Debt \$1423.0 mill LT Interest \$40.0 mill.																			
(17% of Cap'l)																			
Leases, Uncapitalized: Annual rentals: \$41.0 mill.																			
Pension Assets-12/03 \$83.2 mill.																			
Oblig. \$207.8 mill																			
Pfd Stock None																			
Common Stock 508,597,571 shs.																			
as of 5/3/04																			
MARKET CAP: \$20.8 billion (Large Cap)																			
FINANCIAL POSITION (SMILL.)																			
2002				2003				3/31/04											
Bonds				31053				35247				37051							
Stocks				258				73				70							
Defer'd Acq				4277				5044				5193							
Other				9470				10600				10975							
Total Assets				45058				50964				53289							
Res'ves, Prems				29797				35588				36700							
Policy Claims				1753				2115				2158							
Other				7114				6615				7438							
Total Liab'ties				38664				44318				46296							

BUSINESS: AFLAC Incorporated is the world's largest underwriter of supplemental cancer insurance, most of which is sold through trade and employee organizations in Japan. Also sells life, Medicare supplement, accident, and long-term convalescent care policies. The company is authorized to conduct insurance business in 50 states and Japan. Japanese operations, concentrated in supplemental cancer insurance, accounted for roughly 75% of revenues and profits in 2003. Has about 6,185 employees, 73,887 stockholders. Officers & Dirs. own about 4.1% of common shares outstanding; (3/04 Proxy). Chrm. & CEO: Daniel P. Amos. Pres.: Kriss Cloninger. Inc.: GA. Addr.: 1932 Wynnton Road, Columbus, Georgia. 31999. Tel.: 706-323-3431. Web page: www.aflac.com.

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '01-'03 to '07-'09
of change (per sh)	12.0%	9.5%	10.5%
Premium Inc	13.5%	10.0%	8.5%
Invest Income	18.0%	18.5%	15.0%
Earnings	15.5%	16.5%	16.5%
Dividends	20.5%	15.5%	11.0%
Book Value			

Cal-endar	QUARTERLY PREMIUM INC. (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2001	2029	1980	2034	2038	8081.0
2002	1998	2097	2253	2247	8595.0
2003	2372	2407	2478	2664	9921.0
2004	2773	2800	2850	2977	11400
2005	3050	3075	3100	3200	12425

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2001	.33	.33	.34	.34	1.34
2002	.36	.38	.40	.42	1.56
2003	.46	.48	.47	.48	1.89
2004	.57	.57	.57	.59	2.30
2005	.63	.65	.65	.67	2.60

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2000	.038	.044	.044	.044	.17
2001	.043	.05	.05	.05	.19
2002	.05	.06	.06	.06	.23
2003	.07	.07	.08	.08	.30
2004	.095	.095			

AFLAC's domestic operations seem to have turned the corner. Earlier this decade, the company vastly expanded its salesforce. But the increase in agents proved too difficult for management to train. In 2003, though, the company expanded its management team and developed new training methods. This, along with growing brand awareness resulting from AFLAC's marketing efforts, is the likely reason for U.S. sales advancing 14% year over year in the first period. Going forward, the number of trained domestic agents will probably keep climbing at a steady pace, which should result in commensurate rises in sales and profitability. **Meanwhile, the EVER medical product is driving profits higher in Japan.** Supplemental insurance will likely remain popular in Japan. Not only does this country have the world's oldest population, but its healthcare system is under pressure, resulting in rising co-pays. Beyond new sales of the EVER product to this conservative population, we expect many current customers to upgrade their plans. Finally, product launches, namely Lady MAX, which is an offering suited specifically to

women, figure to boost results in the second half of this year and in 2005. **The cost structure should steadily improve.** Due to strengthening economies in AFLAC's key markets, pricing pressures are easing. This is the main reason that underwriting margins will probably expand. AFLAC's spreads on its annuity business and investment income have been contracting lately. However, the addition of riskier but more profitable investments to its conservative portfolio, and rising interest rates, should allow these revenue streams to become more profitable beginning in the second half of 2004. **These shares are timely and offer worthwhile appreciation potential.** AFL stock trades at a premium to the rest of the life insurance group on a price/book-value and price/earnings basis. But this valuation may be warranted as the company's return on equity is well above its rivals. Also, the issue's good Safety rank and the likelihood that AFLAC will compound earnings at a mid-teens rate over the coming 3 to 5 years makes it a suitable investment for most portfolios. *James M. Herth* July 23, 2004

(A) Diluted operating earnings. Excludes non-recurring gain: '97, \$0.18. Next earnings report due late October. (B) Dividends historically paid in early March, June, September, and December. (C) In millions, adjusted for stock splits. Dividend reinvestment plan available. Company's Financial Strength A Stock's Price Stability 75 Price Growth Persistence 100 Earnings Predictability 100