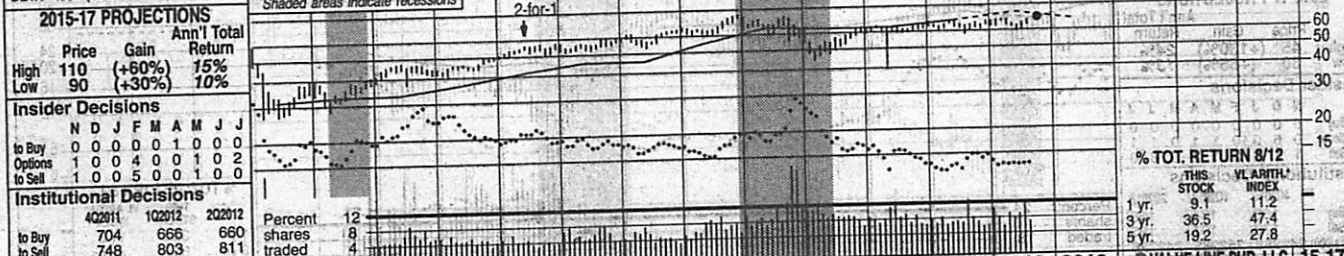


PROCTER & GAMBLE NYSE:PG

RECENT PRICE **69.22** P/E RATIO **18.1** (Trailing: 17.8 Median: 20.0) RELATIVE P/E RATIO **1.18** DIV YLD **3.3%** VALUE LINE **1196**

TIMELINESS 3 Raised 9/21/12	High: 40.9	47.4	50.0	57.4	59.7	64.7	75.2	73.8	63.5	65.4	67.7	69.7	Target Price Range
SAFETY 1 Raised 1/11/02	Low: 28.0	37.0	39.8	48.9	51.2	52.8	60.4	54.9	43.9	39.4	57.6	59.1	2015 2016 2017
TECHNICAL 3 Lowered 9/28/12	LEGENDS 13.0 x "Cash Flow" p sh Relative Price Strength 2-for-1 split 6/04 Options: Yes Shaded areas indicate recessions												
BETA .60 (1.00 = Market)													



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	VALUE LINE PUB. LLC	15-17
12.87	13.24	13.89	14.44	15.30	15.14	15.47	16.72	20.21	22.95	21.46	24.42	27.53	27.09	27.81	29.85	30.45	30.40	Sales per sh A	37.35
1.57	1.78	1.97	2.34	2.41	2.53	2.55	2.82	3.18	3.51	3.51	4.25	4.97	4.86	4.87	5.21	5.66	5.20	"Cash Flow" per sh	7.50
1.07	1.14	1.28	1.43	1.48	1.56	1.80	2.04	2.32	2.53	2.64	3.04	3.64	3.58	3.53	3.93	3.85	3.90	Earnings per sh AB	6.00
.40	.45	.51	.57	.64	.70	.76	.82	.93	1.03	1.15	1.28	1.45	1.64	1.80	1.97	2.14	2.29	Div'ds Decl'd per sh C	3.00
.79	.79	.96	1.07	1.16	.96	.65	.57	.80	.88	.84	.94	1.00	1.11	1.08	1.20	1.44	1.30	Cap'l Spending per sh	1.30
3.59	3.77	3.89	3.89	4.04	3.98	4.64	5.63	6.19	6.47	19.33	20.87	22.46	21.18	21.20	24.14	23.30	23.70	Book Value per sh D	26.75
2742.4	2701.6	2674.9	2639.6	2611.7	2591.5	2601.5	2594.4	2543.8	2472.9	3178.8	3131.9	3032.7	2917.0	2838.5	2765.7	2748.0	2725.0	Common Shs Outst'g E	2590.0
19.0	24.1	30.8	30.8	29.7	21.4	22.4	21.6	21.3	21.5	21.5	20.5	18.6	16.4	17.0	16.0	16.7	16.5	Avg Ann'l P/E Ratio	16.5
1.19	1.39	1.60	1.76	1.93	1.10	1.22	1.23	1.13	1.14	1.16	1.09	1.12	1.09	1.08	1.00	1.09	1.10	Relative P/E Ratio	1.10
2.0%	1.6%	1.3%	1.3%	1.5%	2.1%	1.9%	1.9%	1.9%	1.9%	2.0%	2.1%	2.1%	2.8%	3.0%	3.1%	3.3%	3.0%	Avg Ann'l Div'd Yield	3.0%

CAPITAL STRUCTURE as of 6/30/12																			2013
Total Debt \$29.8 bill. Due in 5 Yrs \$14.7 bill.																			2013
LT Debt \$21.1 bill. LT Interest \$725 mill.																			2013
(25% of Capital)																			2013
Leases, Uncapitalized Annual Rentals \$289 mill.																			2013
Pension Assets 6/12 \$8.0 bill.																			2013
Pfd Stock \$1195 mill.																			2013
(As of 6/30/12, ESOP owns 62,016,000 Class A shares and 59,545,000 Class B shares; both series are convertible into common stock.)																			2013
Common Stock 2,748,000,000 shares																			2013
MARKET CAP: \$190 billion (Large Cap)																			2013
CURRENT POSITION																			2013
(SMILL)																			2013
Cash Assets	2879	2768	4436																2013
Receivables	5335	6275	6068																2013
Inventory (FIFO)	6384	7379	6721																2013
Other	4184	5548	4685																2013
Current Assets	18782	21970	21910																2013
Accts Payable	7251	8022	7920																2013
Debt Due	8472	9981	8698																2013
Other	8559	9290	8289																2013
Current Liab.	24282	27293	24907																2013

Cash Assets	2879	2768	4366
Receivables	5335	6275	6068
Inventory (FIFO)	6384	7379	6721
Other	4184	5548	4685
Current Assets	18782	21970	21910
Accts Payable	7251	8022	7920
Debt Due	8472	9981	8698
Other	8559	9290	8289
Current Liab.	24282	27293	24907

ANNUAL RATES	Past	Past	Est'd '09-'11
of change (per sh)	10 Yrs.	5 Yrs.	to '15-'17
Sales	6.5%	5.5%	5.0%
"Cash Flow"	7.5%	8.0%	8.0%
Earnings	9.5%	8.0%	8.0%
Dividends	11.0%	11.5%	9.0%
Book Value	19.0%	16.0%	7.5%

BUSINESS: The Procter & Gamble Company makes branded consumer packaged goods, which are marketed in more than 180 countries around the world. Has five reportable segments: Beauty (24% of fiscal 2012 sales, 22% of earnings); Grooming (10%, 16%); Health Care (15%, 17%); Fabric Care & Home Care (32%, 26%); Baby Care & Family Care (19%, 19%). International sales						accounted for 65% of fiscal 2012 top line, Wal-Mart Stores & accounted for 14%. Has approximately 126,000 employees. Officers & directors own less than 1% of common stock (8/12 proxy). President, Chairman & CEO: Robert A. McDonald. Incorporated: OH. Address: One Procter & Gamble Plaza, Cincinnati, Ohio 45202. Telephone: 513-983-1100. Internet: www.pg.com .
Procter & Gamble reported better-than-expected earnings to close out fiscal 2012 (ended June 30th). Despite falling short of our revenue target by roughly \$200 million, the company beat our share-net estimate by a nickel. More specifically, the top line dropped 1% com-						nometic softness. Thus, the top line appeared set to decline about 1% this year, which is quite a ways from our previous target of 2% advance. We lowered our share-earnings target by a nickel, too, despite the fact that management announced plans to repurchase another \$4 billion of common stock over the course

Procter & Gamble reported better-than-expected earnings to close out fiscal 2012 (ended June 30th). Despite falling short of our revenue target by roughly \$200 million, the company beat our share-net estimate by a nickel. More specifically, the top line dropped 1% compared to a year earlier (on an apples-to-apples basis after accounting for the recent divestiture of the snacks business), with unfavorable foreign exchange pressuring sales to the tune of 4%. Adjusted share earnings were \$0.82, on par with the pro forma total reported a year ago. Investors cheered the news, and are seemingly back in this consumer product heavyweight's corner. The stock price rose roughly 3% on the day fourth-quarter results were announced, and is up about 11% since our June review. We recently raised this issue's Timeliness rank one notch, to 3 (Average).

Currency translation and macro-economic softness will likely curb growth in fiscal 2013. Foreign exchange will likely ding sales by another 4% this year, and we are only looking for an internal sales gain of 3%, owing to global economic softness. Thus, the top line appears set to decline about 1% this year, which is quite a ways from our previous target of a 2% advance. We lowered our share-earnings target by a nickel, too, despite the fact that management announced plans to rep

RECENT PRICE	37.32	P/E RATIO	18.0 (Trailing: 19.1 Median: 19.0)	RELATIVE P/E RATIO	1.12	DIV'D YLD	2.9%	VALUE LINE	1971
--------------	-------	-----------	------------------------------------	--------------------	------	-----------	------	------------	------

TIMELINESS 3 Lowered 12/14/12
SAFETY 1 New 7/27/90
TECHNICAL 3 Raised 12/21/12
BETA .60 (1.00 = Market)

High: 31.1 29.0
Low: 21.2 21.5

LEGENDS
— 17.0 x "Cash Flow" p sh
.... Relative Price Strength
2-for-1 split 8/12
Options: Yes
Shaded areas indicate recessions

2015-17 PROJECTIONS

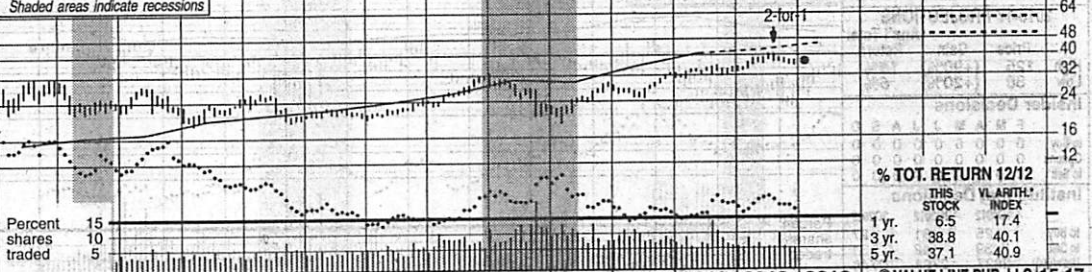
	Price	Gain	Ann'l Total Return
High	60	(+60%)	15%
Low	50	(+35%)	10%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	4	0	2	2	0	0	0	0	1
Options	2	5	2	4	0	4	1	0	0
to Sell	2	5	2	4	0	4	1	0	0

Institutional Decisions

	1Q2012	2Q2012	3Q2012
to Buy	606	569	584
to Sell	667	690	718
Hld's (000)	283493626201862719714		



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005 ^E	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
3.74	3.82	3.82	4.01	4.12	3.53	3.96	4.31	4.56	4.88	5.20	6.22	6.91	6.73	7.66	10.29	10.80	11.55	Sales per sh	14.70
.80	.96	.85	.81	.89	.96	.99	1.16	1.23	1.29	1.40	1.54	1.79	1.75	2.09	2.41	2.50	2.70	"Cash Flow" per sh	3.50
.70	.82	.71	.65	.74	.80	.83	.98	1.03	1.09	1.19	1.29	1.51	1.47	1.75	1.92	2.00	2.20	Earnings per sh ^A	2.90
.25	.28	.30	.32	.34	.36	.40	.44	.50	.56	.62	.68	.76	.82	.88	.94	1.02	1.10	Div'ds Decl'd per sh ^B	1.45
.20	.22	.18	.22	.15	.15	.17	.17	.16	.19	.30	.36	.43	.43	.48	.65	.70	.70	Cap'l Spending per sh	.85
1.24	1.48	1.70	1.92	1.87	2.29	2.39	2.89	3.31	3.45	3.65	4.69	4.43	5.38	6.76	6.99	7.45	7.95	Book Value per sh ^C	9.25
4962.0	4941.3	4931.0	4943.2	4969.5	4972.5	4942.0	4883.1	4818.7	4738.0	4636.0	4636.0	4624.0	4606.0	4584.0	4526.0	4450.0	4375.0	Common Shs Outst'g ^D	4100.0
32.8	38.1	51.3	47.5	37.5	30.5	30.2	22.6	22.6	19.7	18.5	21.1	17.8	16.6	16.2	17.4	18.5		Avg Ann'l P/E Ratio	12.0
2.05	2.20	2.67	2.71	2.44	1.56	1.65	1.29	1.19	1.05	1.00	1.11	1.07	1.11	1.03	1.10	1.15		Relative P/E Ratio	1.95
1.1%	.9%	.8%	1.0%	1.2%	1.5%	1.6%	2.0%	2.2%	2.6%	2.8%	2.5%	2.8%	3.4%	3.1%	2.8%	2.8%		Avg Ann'l Div'd Yield	2.6%

CAPITAL STRUCTURE as of 9/28/12

**Total Debt \$32.730 bill. Due in 5 Yrs. \$16.1 bill.
LT Debt \$16.181 bill. Total Int. \$400.0 mill.
(Total interest coverage: greater than 30x)
(33% of Ca**

Pension Assets-12/11 \$6.2 bill. Oblig. \$8.3 bill.

Pfd Stock None

Common Stock 4,486,000,000 shs.

MARKET CAP: \$167 billion (Large Cap)

CURRENT POSITION (\$MILL.)	2010	2011	9/28/12
Cash Assets	11337	14035	18088
Receivables	4430	4920	5083
Inventory (Avg Cst)	2650	3092	3447
Other	3162	3450	3099
Current Assets	21579	25497	29712
Accts Payable	8859	9009	9803
Debt Due	9376	14912	16549
Other	273	362	656
Current Liab.	18508	24283	27008

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Sales	8.0%	11.0%	10.0%
"Cash Flow"	9.0%	10.0%	9.0%
Earnings	9.0%	9.0%	9.0%
Dividends	10.0%	9.5%	8.5%
Book Value	12.0%	13.0%	6.5%

Cal- endar	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per	
2009	7169	8267	8044	7510	30990
2010	7525	8674	8426	10498	35123
2011	10545	12729	12243	11037	46554
2012	11137	13085	12340	11438	48000
2013	11750	13500	13250	12000	50500

Calendar	EARNINGS PER SHARE ^A				Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per	
2009	.29	.44	.41	.33	1.47
2010	.40	.53	.46	.36	1.75
2011	.42	.59	.52	.39	1.92
2012	.45	.61	.50	.44	2.00
2013	.48	.65	.59	.48	2.20

Cal- endar	QUARTERLY DIVIDENDS PAID \$				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	--	.205	.205	.41	.82
2010	--	.22	.22	.44	.88
2011	--	.235	.235	.47	.94
2012	--	.255	.255	.51	1.02
2013					

BUSINESS: The Coca-Cola Company is the world's largest beverage company. Markets over 500 nonalcoholic beverage brands through a network of company-owned and independent bottlers/distributors, wholesalers, and retailers. Leading company-licensed brands include Coca-Cola, Diet Coke, Sprite, Fanta, Fresca, Dasani, iquaeau vitaminwater, Powerade, and Minute Maid.

The Coca-Cola Company probably wrapped up 2012 in solid fashion. (December-quarter sales and earnings are scheduled to be released on February 12th.) Compared to earlier in the year, the final three months should have been fairly smooth sailing, with results benefiting from two extra days in the quarter, lower marketing expenses, as well as some easing in commodity and currency headwinds. In all, the beverage giant was targeting a double-digit increase in operating profits (year over year) for 2012's final stanza, a nice improvement from the 5% gain posted in the first nine months of the year.

Volumes have been advancing at a decent clip. In all, volumes rose 5% worldwide in the first nine months of 2012. These gains, though obscured to a degree on the top line by the aforementioned currency headwinds, still represent a solid achievement against the unsettled backdrop of the global economy. Notably, the company was able to increase market share across most non-alcoholic beverage categories. In the recently commenced year, we expect mid-single digit volume

Business outside the U.S. accounted for 60% of 2011 net sales. Advertising expenses, 7.0% of 2011 revenues. Has approximately 146,200 employees. Directors and Officers own 5.7% of stock. Berkshire Hathaway 8.8% (3/12 Proxy). Chairman and CEO: Muhtar Kent. Inc.: DE. Address: One Coca-Cola Plaza, Atlanta, Georgia 30313. Tel.: 404-676-2121. Internet: www.coca-cola.com.

gains to persist, helping to lift share net 10%, to \$2.20 a share. Emerging markets, in particular, should continue to provide attractive growth opportunities, though we will be keeping an eye on trends in China where volume growth slowed to 2% in the September quarter.

A hike in the dividend is likely forthcoming. The first payout of each new year is typically higher than the preceding one and, even with the recent hike in tax rates, we don't expect Coke to deviate from this trend in 2013. The announcement usually comes in mid-February, with payment taking place on the first of April.

Timeliness. Our ranking system now pegs this equity to merely keep pace with the broader market in the year ahead, but this issue continues to possess a number of attributes that make it worthy of a spot in conservative portfolios. Aside from an above-average dividend yield, its gets our highest mark (100) for Price Stability while also offering decent appreciation potential to 2015-2017.

Robert M. Greene, CFA - January 25, 201

(A) Based on primary shs. through '96, diluted shs. thereafter. Next earnings report due February 12th. Excludes nonrecurring gain/(losses): '99, (16c); '00, (30c); '01, (1c);

(22¢); '03, (9¢); '04, (3¢); '05, (7¢); '06, (1¢); '08, (27¢); '10, 79¢; '11, (8¢). Div'ds historically paid about April 1, July 1, 1, Dec.1. ■ Div'd reinvestment plan avail. (C) Incl. intangibles. \$6.12/sh. (D) In millions. Classification of sales and ex

Company's Financial Strength	A++
Stock's Price Stability	100
Price Growth Persistence	60
Earnings Predictability	100

© 2013, Value Line Publishing LLC. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, infernal use. No part of it may be reproduced, stored, or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-833-004

W
lubric
earn
logge
\$0.54
utabl
passe
from
quar
is to
reach
bette
prim
coun
Do
main
estin
\$2.20
8% i
that
the c
shor

S

✱

Officers
recome
accoun
conver
Timelin
of VLP
portfol
value o
of futu
Survey
Line lo

GENERAL ELECTRIC

NYSE-GE

RECENT PRICE

20.90

P/E RATIO

13.5

(Trailing: 14.4 Median: 17.0)

RELATIVE P/E RATIO

0.85

DIV'D YLD

3.6%

VALUE LINE

175

TIMELINESS

3

Lowered 12/7/12

SAFETY

3

Lowered 3/13/09

TECHNICAL

3

Raised 11/2/12

BETA

1.20

(1.00 = Market)

2015-17 PROJECTIONS

Price

Gain

Ann'l Total Return

High

45

(+115%)

23%

Low

30

(+45%)

13%

Insider Decisions

F M A M J J A S O

to Buy

0 0 2 0 0 0 1 0 1

Options

0 0 0 0 0 0 0 0 0

to Sell

0 0 0 0 0 0 1 0 0

Institutional Decisions

1Q2012

2Q2012

3Q2012

Percent

12

to Buy

752

733

684

shares

8

to Sell

725

735

785

traded

4

Hld's(000)

564092

1265477

5689752

1996

1997

1998

1999

2000

2001

2002

2003

2004

2005

2006

2007

2008

2009

2010

2011

2012

2013

VALUE LINE PUB. LLC

15

8.02

9.28

10.24

11.33

13.07

12.69

13.21

13.33

14.44

14.28

15.90

17.30

17.32

14.70

14.15

13.93

14.10

14.55

Revenues per sh

18.20

1.12

1.25

1.54

1.77

2.06

2.14

2.12

2.24

2.38

2.56

2.90

3.28

2.81

2.07

2.13

2.28

2.35

2.60

"Cash Flow" per sh

3.45

.73

.83

.93

1.07

1.29

1.41

1.51

1.55

1.61

1.72

1.99

2.20

1.78

1.03

1.15

1.31

1.50

1.70

Earnings per sh

2.80

.32

.36

.42

.49

.57

.64

.73

.77

.82

.91

1.03

1.15

1.24

.61

.46

.61

.68

.76

Div'ds Decl'd per sh

1.12

.24

.22

.21

.21

.26

.29

.24

.97

1.24

1.38

1.62

1.79

1.52

.81

.92

1.20

1.35

Cap'l Spending per sh

1.12

3.15

3.52

3.96

4.32

5.08

5.52

6.39

7.87

10.47

10.43

10.93

11.57

9.93

11.00

11.20

11.01

11.95

12.65

Common Shs Outst'g

17.2

9667.3

9793.8

9813.9

9854.5

9932.0

9925.9

9969.9

10063

10586

10484

10277

9987.6

10537

10663

10615

10573

10425

10400

19.4

25.1

30.3

35.9

40.1

30.8

20.7

18.1

20.5

20.5

17.3

17.2

15.7

13.0

14.4

13.9

13.5

13.5

Avg Ann'l P/E Ratio

15.0

1.22

1.45

1.58

2.05

2.61

1.58

1.13

1.03

1.08

1.09

.93

.91

.94

.87

.92

.88

.85

.85

Relative P/E Ratio

100.0

2.2%

1.7%

1.5%

1.3%

1.1%

1.5%

2.3%

2.7%

2.5%

2.6%

3.0%

3.0%

4.4%

4.6%

2.8%

3.4%

3.4%

3.4%

Avg Ann'l Div'd Yield

3.0%

CAPITAL STRUCTURE as of 9/30/12

Total Debt \$431.4 bill.

Due in 5 Yrs \$210.0 bill.

LT Debt \$311.0 bill.

LT Interest \$15.0 bill.

(Total Interest Coverage: 2.3x)

(71% of Cap'l)

Leases, Uncapitalized \$1.0 bill.

Pension Assets-12/11 \$50.5 bill.

Obligation \$72.1 bill.

Pfd. Stock None

Pfd. Div'd None

Common Stock 10,486,300,000 shares

MARKET CAP: \$219 billion (Large Cap)

CURRENT POSITION

2010

2011

9/30/12

Cash Assets

122896

131875

134180

Receivables

337267

307470

289558

Inventory (LIFO)

11526

13792

16022

Other

Current Assets

471689

453137

439760

Accs Payable

14657

16400

15851

Debt Due

117959

137611

120435

Other

24101

26995

26437

Current Liab.

156717

181006

162723

ANNUAL RATES

Past 10 Yrs.

Past 5 Yrs.

Est'd '09-'11 to '15-'17

Revenues

1.5%

-1.0%

4.5%

"Cash Flow"

1.0%

-3.5%

9.5%

Earnings

-1.0%

-8.0%

14.0%

Dividends

-9.5%

13.0%

Book Value

8.5%

1.0%

8.0%

QUARTERLY REVENUES (\$mill.) F

Cal-endar

Mar.31

Jun.30

Sep.30

Dec.31

Full Year

2009

38411

39082

37799

41438

156783

2010

36305

37193

35692

41529

150211

2011

35938

36199

36043

39120

147300

2012

35182

36501

36349

39093

147125

2013

36050

37650

37500

39850

151050

EARNINGS PER SHARE

Cal-endar

Mar.31

Jun.30

Sep.30

Dec.31

Full Year

2009

.26

.26

.22

.28

1.03

2010

.21

.30

.29

.36

1.15

2011

.31

.33

.30

.37

1.31

2012

.34

.38

.36

.42

1.50

2013

.36

.41

.40

.53

1.70

QUARTERLY DIVIDENDS PAID

Cal-endar

Mar.31

Jun.30

Sep.30

Dec.31

Full Year

2009

.31

.31

.10

.10

.82

2010

.10

.10

.10

.12

.42

2011

.14

.14

.15

.15

.58

2012

.17

.17

.17

.17

.68

2013

.19

LEGENDS

10.5 x "Cash Flow" p.sh

Relative Price Strength

3-for-1 split 5/00

Options: Yes

Shaded areas indicate recessions

% TOT. RETURN 12/12

THIS STOCK

VL ARITH' INDEX

1 yr. 21.2 17.4

3 yr. 52.6 40.1

5 yr. -31.0 40.9

BUSINESS:

General Electric Company is one of the largest & most diversified technology and financial services companies in the world. With products ranging from aircraft engines, power generation, water processing, and household appliances to medical imaging, business and consumer financing, and industrial products, it serves customers in more than 100 countries. 2011 research & development outlays: \$4.6 billion, 3.1% of revenues; 2011 international sales: \$77.5 billion, 52.6% of total top line. Employees approximately 301,000. Officers & directors own less than 1% of common stock; BlackRock, 5.0% (3/12 Proxy). Chairman & CEO: Jeffrey M. Immelt. Incorporated: NY. Address: 3135 Easton Turnpike, Fairfield, CT 06428. Telephone: 203-373-2211. Internet: www.ge.com.

General Electric has been in the headlines of late due to rumors it is on the acquisition trail. Word around Wall Street is that the industrial behemoth is in late-stage talks to buy Italian aerospace parts supplier Avio, which is owned by European private-equity firm Cinven. Avio makes components for commercial and military jet engines, and propulsion systems for satellite launch vehicles. The two companies are already in bed on a number of high-profile aircraft engine builds, and Avio's roughly \$2 billion in annual revenues could help jump-start the pedestrian sales growth that GE has been enduring of late. A \$4 billion price tag is believed to be all it will take to get this deal done. Output at Airbus and Boeing is on the rise, so we think this pact would be a wise and timely endeavor.

Gains made in 2013 will predominantly be driven by GE Industrial. Organic industrial revenues should climb 2%-6% this year (that number would be as high as 9% if not for foreign exchange fluctuations). Cost containment and competitiveness will remain a primary focus and should perk up margins at a number of in-

dustrial operations. Conversely, wind-related businesses should taper off this year, as the alternative energy credit expires. That, in addition to the continuing unwinding of GE Capital—which should still be able to pay robust amounts of cash to the parent company in 2013—will probably translate to earnings growth of about 13%, to \$1.70 a share.

Management has the levers at its disposal to return substantial amounts of value to shareholders. No dramatic shifts took place as we headed toward the "fiscal cliff". Still, GE plans on returning about \$12 billion in cash to its stockholders this year via dividends and share repurchases. The latter should equate to as much as \$5 billion during the year. This figure will aid in the goal of reducing the number of outstanding shares to 10 billion later this decade.

This blue chip is best suited for buy-and-hold investors. It should trade on par with broader indices in the year ahead, but pick up the pace as we ramp out to 2015-2017. All the while, the stock's yield should hover above 3%.

Erik M. Manning

January 18, 2013

(A) Operating margin includes all expenses except interest, depreciation, and taxes.

(B) Diluted EPS. Excludes nonrecurring and/or discontinued items: '00, 24c; '01, 4c; '02, 10c; '05, (18c); '06, 1c; '07, (3c); '08, (6c); '09, (2c); '10, (9c); '11, (7c). Quarterly EPS may not sum due to rounding. Next earnings report due late April. (C) Divs. historically paid late January, April, July, and October. ■ DRIP available.

(D) Includes intangibles. In '11: \$84.7 billion, \$8.01/share. (E) In millions, adjusted for splits. (F) Revenues may not sum, as reported.

© 2013, Value Line Publishing LLC. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

Company's Financial Strength B++

Stock's Price Stability -65

Price Growth Persistence 10

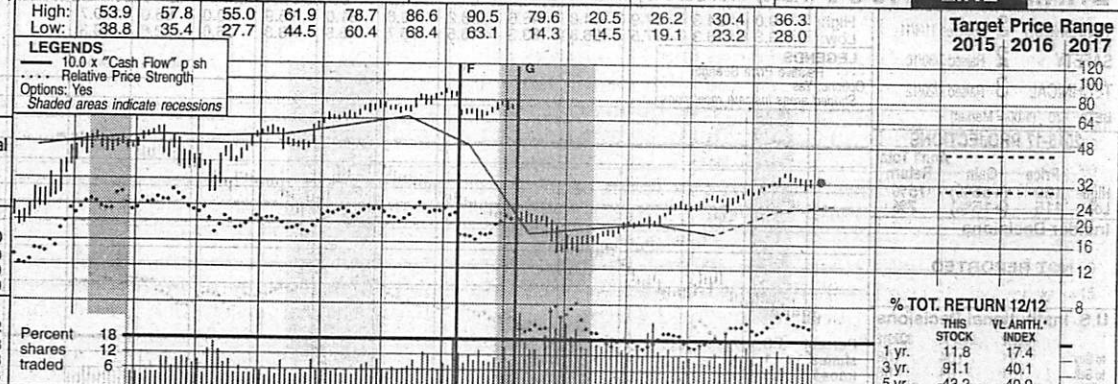
Earnings Predictability 70

To subscribe call 1-800-833-0046

ALTRIA GROUP, INC. NYSE:MO

RECENT PRICE **32.78** P/E RATIO **15.1** (Trailing: 15.8 Median: 12.0) RELATIVE P/E RATIO **0.94** DIV'D YLD **5.4%** VALUE LINE **1991**

TIMELINESS 2 Raised 8/24/12
SAFETY 2 Raised 10/29/10
TECHNICAL 4 Lowered 1/25/13
BETA .55 (1.00 = Market)



2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+35%)	13%
Low	30	(-10%)	4%

Insider Decisions

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

Institutional Decisions

	10/2012	20/2012	30/2012
to Buy	461	483	473
to Sell	450	409	463
High (000)	119907911	148407120	1204808

Percent shares traded: 18, 12, 6

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008 ^a	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC 15-17		
28.46	29.71	30.61	33.61	36.38	41.78	39.43	40.17	43.51	46.93	48.36	35.02	9.39	11.35	11.66	11.64	12.65	12.05	Sales per sh	15.40	
3.29	3.30	2.91	4.01	4.63	5.06	5.26	5.22	5.35	5.92	6.59	4.81	1.78	1.89	2.00	1.78	2.35	2.50	"Cash Flow" per sh	3.30	
2.56	2.58	2.20	3.19	3.75	3.87	4.49	4.52	4.57	5.15	5.76	4.36	1.66	1.76	1.87	1.64	2.20	2.35	Earnings per sh ^A	3.15	
1.47	1.60	1.68	1.84	2.02	2.22	2.44	2.64	2.82	3.06	3.32	3.16	1.68	1.30	1.42	1.55	1.67	1.76	Div'ds Decl'd per sh ^B	2.18	
.73	.77	.74	.75	.76	.89	.99	.97	.93	1.06	1.17	2.10	.12	.13	.08	.05	.05	.05	Cap'l Spending per sh	.05	
5.85	6.15	6.66	6.54	6.79	9.12	9.55	12.31	14.91	17.13	18.89	8.80	1.37	1.96	2.49	1.80	2.00	2.25	Book Value per sh ^C	3.85	
2431.3	2425.5	2430.5	2338.5	2208.9	2152.5	2039.3	2037.3	2059.5	2085.0	2097.1	2107.7	2061.4	2076.0	2088.7	2044.0	1900.0	1900.0	Common Shs Outst'g ^D	1950.0	
12.6	16.5	20.2	11.4	7.4	12.2	10.6	9.2	11.4	13.2	13.4	16.3	11.9	9.9	11.8	16.0	14.7		Avg Ann'l P/E Ratio	12.0	
.79	.95	1.05	.65	.48	.63	.58	.52	.60	.70	.72	.87	.72	.66	.75	1.01	.92		Relative P/E Ratio	.80	
4.5%	3.8%	3.8%	5.1%	7.3%	4.7%	5.1%	6.3%	5.4%	4.5%	4.3%	4.5%	8.5%	7.6%	6.6%	6.0%	5.2%		Avg Ann'l Div'd Yield	5.8%	
CAPITAL STRUCTURE as of 9/30/12						80408	81832	89610	97854	101407	73801	19356	23556	24363	23800	24000	24800	Sales (\$mill)	28000	
Total Debt \$13878 mill. Due in 5 Yrs \$3584 mill.						23.0%	21.6%	20.0%	19.4%	19.5%	19.9%	26.6%	26.3%	25.8%	26.5%	27.0%	28.0%	Sales (\$mill)	28000	
LT Debt \$13878 mill. LT Interest \$1163 mill.						1331.0	1440.0	1607.0	1675.0	1804.0	980.0	215.0	291.0	276.0	253.0	260	270	Operating Margin	35.0%	
(Total interest coverage, 4.6x) (79% of Cap'l)						9402.0	9204.0	9420.0	10668	12022	9161.0	3449.0	3641.0	3905.0	3393.0	4180	4440	Depreciation (\$mill)	315	
						35.2%	34.9%	32.4%	29.9%	26.3%	31.5%	33.7%	25.3%	31.7%	39.2%	35.0%	36.0%	Net Profit (\$mill)	6175	
Pension Assets \$5.3 bill. Oblig. \$7.0 bill.						11.7%	11.2%	10.5%	10.9%	11.9%	12.4%	17.8%	15.5%	16.0%	14.3%	17.4%	17.9%	Income Tax Rate	38.0%	
Pld Stock None						d1641	d11.0	2327.0	d377.0	725.0	4108.0	3934.0	d2219	d859.0	411.0	220	415	Net Profit Margin	20.6%	
						19189	18953	16462	17868	14488	7463.0	7339.0	11185	12194	13089	12135	11185	Working Cap'l (\$mill)	1015	
Common Stock 2,025,106,066 shs.						19478	25077	30714	35707	39619	18554	2828.0	4069.0	5192.0	3680.0	3795	4230	Long-Term Debt (\$mill)	10615	
as of 10/19/12						26.0%	22.4%	21.5%	20.9%	22.9%	35.6%	34.7%	27.8%	19.6%	23.7%	28.0%	30.5%	Shr. Equity (\$mill)	7485	
MARKET CAP: \$66.4 billion (Large Cap)						48.3%	36.7%	30.7%	29.9%	30.3%	49.4%	122.0%	89.5%	NMF	NMF	NMF	NMF	Return on Total Cap'l	37.0%	
CURRENT POSITION ^E 2010 2011 9/30/12						22.3%	15.6%	12.2%	12.5%	13.1%	13.5%	NMF	23.3%	17.8%	26.7%	26.0%	24.5%	Return on Shr. Equity	NMF	
(MILL.)						54%	57%	60%	58%	57%	73%	101%	74%	76%	79%	65%	65%	Retained to Com Eq	25.0%	
Cash Assets						2314	3270	2186	BUSINESS: Altria Group, Inc. is the parent company of Philip Morris USA, John Middleton and Philip Morris Capital Corp. In 2011, the company operated 5 segments: Cigarettes (87.9% of operating profits) include <i>Marlboro</i> , <i>Benson & Hedges</i> , <i>Merit</i> , <i>Virginia Slims</i> ; Smokeless products (13.6%); Cigars (2.6%); Wine (1.4%) and fin'l services. (-5.5%). Sold Miller. 6/02. Has a 27.0% interest in										SABMiller. Acq'd Nabisco, 12/00. Spun-off Kraft, 4/07; Spun-off Philip Morris Int'l, 3/08; Acq'd UST, 1/09. Has 9,900 employees.	
Receivables						85	268	196											Capital Research: Global Investors own 7.0% of common shares; officers/dir., less than 1.0% (4/12 proxy). Chairman & CEO: Martin J. Barrington, Inc.; VA. Address: 6601 W. Broad Street, Richmond, VA 23230. Telephone: 804-374-2200. Web site: www.altria.com	
Inventory (LIFO)						1803	1779	1624												
Other						1779	1814	1928												
Current Assets						5981	7131	5934												
Accts Payable						529	503	289												
Debt Due							600													
Other						6311	6540	6059												

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '09-'11 to 15-'17

Sales	-10.5%	-24.5%	5.0%
"Cash Flow"	-7.0%	-19.0%	9.5%
Earnings	-5.5%	-18.0%	10.0%
Dividends	-2.0%	-12.0%	7.0%
Book Value	-11.5%	-33.5%	11.0%

QUARTERLY SALES (\$mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	4523	6719	6300	6014	23556
2010	5760	6274	6402	5927	24363
2011	5643	5920	6108	6129	23800
2012	5647	5903	6242	6208	24000
2013	5980	6100	6250	6470	24800

EARNINGS PER SHARE^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.39	.50	.48	.39	1.76
2010	.39	.50	.54	.44	1.87
2011	.45	.21	.57	.41	1.64
2012	.49	.59	.58	.54	2.20
2013	.57	.48	.64	.66	2.35

QUARTERLY DIVIDENDS PAID^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.32	.32	.32	.34	1.30
2010	.34	.35	.35	.38	1.42
2011	.38	.38	.38	.41	1.55
2012	.41	.41	.41	.44	1.67
2013	.44				

Altria continued its streak of earnings outperformance in the third quarter. The strength of the company's cigarette brands has provided a nice cushion to an otherwise grim operating environment for the industry. *Marlboro*, part of Altria's Philip Morris USA holding, has been the best-selling brand for over 30 years and continues to set the tone for North American cigarette sales.

Concerns abound for the major tobacco company. For one, domestic cigarette use has consistently decreased over the last few years, creating challenges for the company in Altria's cornerstone segment (In 2011, 87.9% of all sales were derived from cigarette sales). Smokeless products offer an interesting opportunity for growth at Altria, as the company already claims nearly half of this market through its *Skoal* brand. The *Verve* product, a chewable nicotine lozenge, looks to carve out a niche for the company. What's more, the burgeoning popularity of vapor cigarettes, or e-cigarettes, should bear fruit for the cash strong Altria when it decides to fully penetrate the market. Still, a pending plain-packaging mandate that would require all tobacco products to bear cautionary labels, complete with graphic images of diseased organs and other unsightly photos, could severely impede the company from effectively promoting these products.

Like many of its industry peers, Altria's stock is very shareholder friendly. The sizable share buyback program should help cushion the bottom line as the aforementioned headwinds are navigated, while the exceptional dividend yield sweetens the pot for investors. The latter, which is among the highest in the tobacco industry, is supported by a consistently improving cash presence that, although a far cry from pre-recession levels, looks to improve by about 40% in the coming three-to-five years.

These shares should appeal to income-oriented investors. In addition to the robust dividend, Altria stock boasts high ratings for Timeliness (2) and Safety (2). Also, despite the bevy of regulatory difficulties facing the tobacco industry, Altria is relatively poised to weather the storm with its strong cash flow and increasingly diverse product offerings.

Robert L. Harrington January 25, 2013

(A) Diluted earnings. Excl. nonrecr. gains (losses): '99, (11c); '02, 72c; '05, (12c); '08, (17c); '09, (21c); '11, (21c). Next earnings rpt due late April. Quarterly totals may not sum due to changes in share count. (B) Div'ds historically paid in mid-January, mid-April, mid-July, and mid-October. (C) Div'd reinvestment plan available. (D) Incl. intangibles. '11: \$17.27 bill., \$8.37/sh. (E) In millions. (F) Excl. fin'l services and real estate subsidiary (F) Spun-off Kraft Foods. (G) Spun-off Philip Morris Int'l. (H) Pro forma, reflects spinoff of Philip Morris Int'l.

© 2013, Value Line Publishing LLC. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

Company's Financial Strength B+
 Stock's Price Stability 100
 Price Growth Persistence 85
 Earnings Predictability 65

To subscribe call 1-800-833-0046.

