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: FASTENAL CO | Date: 11/14/07

Prepared by: Don Ames | Data taken from: NAIC Data

Where traded: NASDAQ | Major product/service: Trading Com

CAPITALIZATION --- Outstanding Amounts | Reference

Preferred ($M) 0.0		% Insiders	% Institution
Common (M Shares) 150.3		0.0	0.0
Debt ($M) 0.0	% to Tot.Cap. 0.0	% Potential Dil.	None

1 VISUAL ANALYSIS of Sales, Earnings and Price

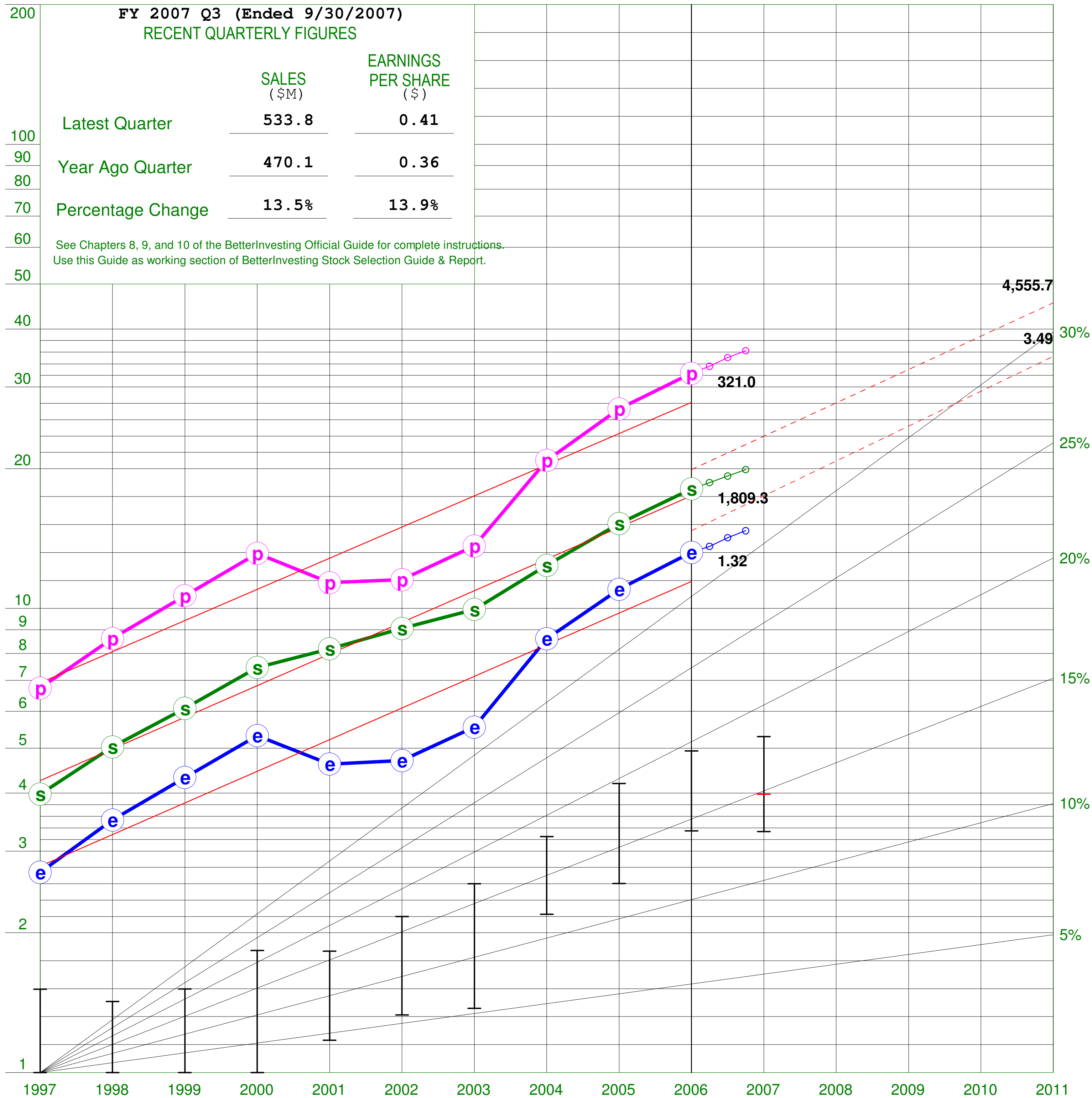
FAST

FY 2007 Q3 (Ended 9/30/2007)

RECENT QUARTERLY FIGURES

	SALES ($M)	EARNINGS PER SHARE ($)
Latest Quarter	533.8	0.41
Year Ago Quarter	470.1	0.36
Percentage Change	13.5%	13.9%

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.



(1) Historical Sales Growth 17.0 % | (3) Historical Earnings Per Share Growth 17.0 %

(2) Estimated Future Sales Growth 18.0 % | (4) Estimated Future Earnings Per Share Growth 18.9 %

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2 EVALUATING MANAGEMENT

Company **FASTENAL CO (FAST)** 11/14/07

		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)	16.9	17.1	17.5	17.6	13.9	12.7	13.7	16.8	17.7	17.7	15.7	UP	
B	% Earned on Equity (E/S ÷ Book Value)	24.7	24.4	23.3	22.5	16.5	14.3	14.6	19.1	21.2	21.6	18.2	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 39.800 HIGH THIS YEAR 52.940 LOW THIS YEAR 33.050

	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~~	21.7	~~13.3~~	0.47	~~46.2~~	~~28.3~~	0.025	~~5.3~~	~~0.2~~
2	~~2003~~	25.5	~~13.8~~	0.56	~~45.9~~	~~24.9~~	0.105	~~18.9~~	~~0.8~~
3	2004	32.3	21.9	0.86	37.6	25.5	0.200	23.3	0.9
4	2005	42.0	25.5	1.10	38.2	23.2	0.310	28.2	1.2
5	2006	49.3	33.2	1.32	37.3	25.2	0.400	30.3	1.2
6	TOTAL		80.6		113.1	73.9		81.8	
7	AVERAGE		26.9		37.7	24.6		27.3	

8 AVERAGE PRICE EARNINGS RATIO 31.2 9 CURRENT PRICE EARNINGS RATIO 27.1

Proj. P/E [22.77] Based on Next 4 qtr. EPS [1.75] **Current P/E Based on Last 4 qtr. EPS [1.47]** **PEG=120**

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 37.7 (3D7 as adj.) X Estimate High Earnings/Share 3.49 = Forecast High Price $ 131.6 (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E 24.6 (3E7 as adj.) X Estimated Low Earnings/Share ~~1.32~~ 1.47 = $ 36.2

(b) Avg. Low Price of Last 5 Years = 26.9 (3B7)

(c) Recent Severe Market Low Price = 25.5

(d) Price Dividend Will Support Present Divd. / High Yield (H) = 0.460 / 0.012 = 37.8

Selected Estimate Low Price = $ 36.2 (4B1)

C ZONING

131.6 (4A1) High Forecast Price Minus 36.2 (4B1) Low Forecast Price Equals 95.4 (C) Range. 1/3 of Range = 31.8 (4CD)

(4C2) Lower 1/3 = (4B1) 36.2 to 68.0 (Buy)

(4C3) Middle 1/3 = 68.0 to 99.8 (Maybe)

(4C4) Upper 1/3 = 99.8 to 131.6 (4A1) (Sell)

Present Market Price of 39.800 is in the Buy (4C5) Range

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

High Price (4A1) 131.6 Minus Present Price 39.800 / Present Price 39.800 Minus Low Price (4B1) 36.2 = 91.8 / 3.6 = 25.5 (4D) To 1

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

High Price (4A1) 131.6 / Present Market Price 39.800 = (3.307) X 100 = (330.7) - 100 = 230.7 (4E) % Appreciation

Relative Value: 86.9% **Proj. Relative Value: 73.0%**

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 $ 0.460 / Present Price of Stock $ 39.800 = 0.012 X 100 = 1.2 (5A) Present Yield or % Returned on Purchase Price

B AVERAGE YIELD OVER NEXT 5 YEARS

Avg. Earnings Per Share Next 5 Years 2.47 X Avg. % Payout (3G7) 27.3 = 67.4 / Present Price $ 39.800 = 1.7 (5B) %

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

5 Year Appreciation Potential (4E) 230.7 / 5 = 46.1 %

Average Yield (5B) 1.7 %

Average Total Annual Return Over the Next 5 Years (5C) 47.8 %

	P.A.R.	Tot. Ret.
Average Yield	0.9%	0.7%
Annual Appreciation	22.3%	27.0%
% Compd Ann Rate of Ret	23.1%	27.7%

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Portfolio Management Guide

See Chapter 16 of the Investors Manual for instructions on the use of this guide.

Stock FASTENAL CO   Analyst Don Ames

1 PRICE EARNINGS ZONES

Refer to Section 3, columns D and E, Line 7, of your Stock Selection Guide study of this company for the information in columns 2 and 3 below.

1	2	3	4	5	6
YEAR	Average Price Earnings Ratios for Previous Five Years		Sum of Cols. 2 and 3	Column 4 Divided by 2	Column 5 Multiplied by 1½
	High	Low		Low P/E Guide Line	High P/E Guide Line
2003	37.4	19.1	56.5	28.2	42.4
2004	36.3	20.5	56.9	28.4	42.7
2005	37.2	22.6	59.7	29.9	44.8
2006	38.4	24.7	63.1	31.5	47.3
2007	37.7	24.6	62.3	31.2	46.7

2 PRICE ZONES

See Section 4C of Stock Selection Guide. 1 below is top of Buy Zone. 2 Below is bottom of Sell Zone

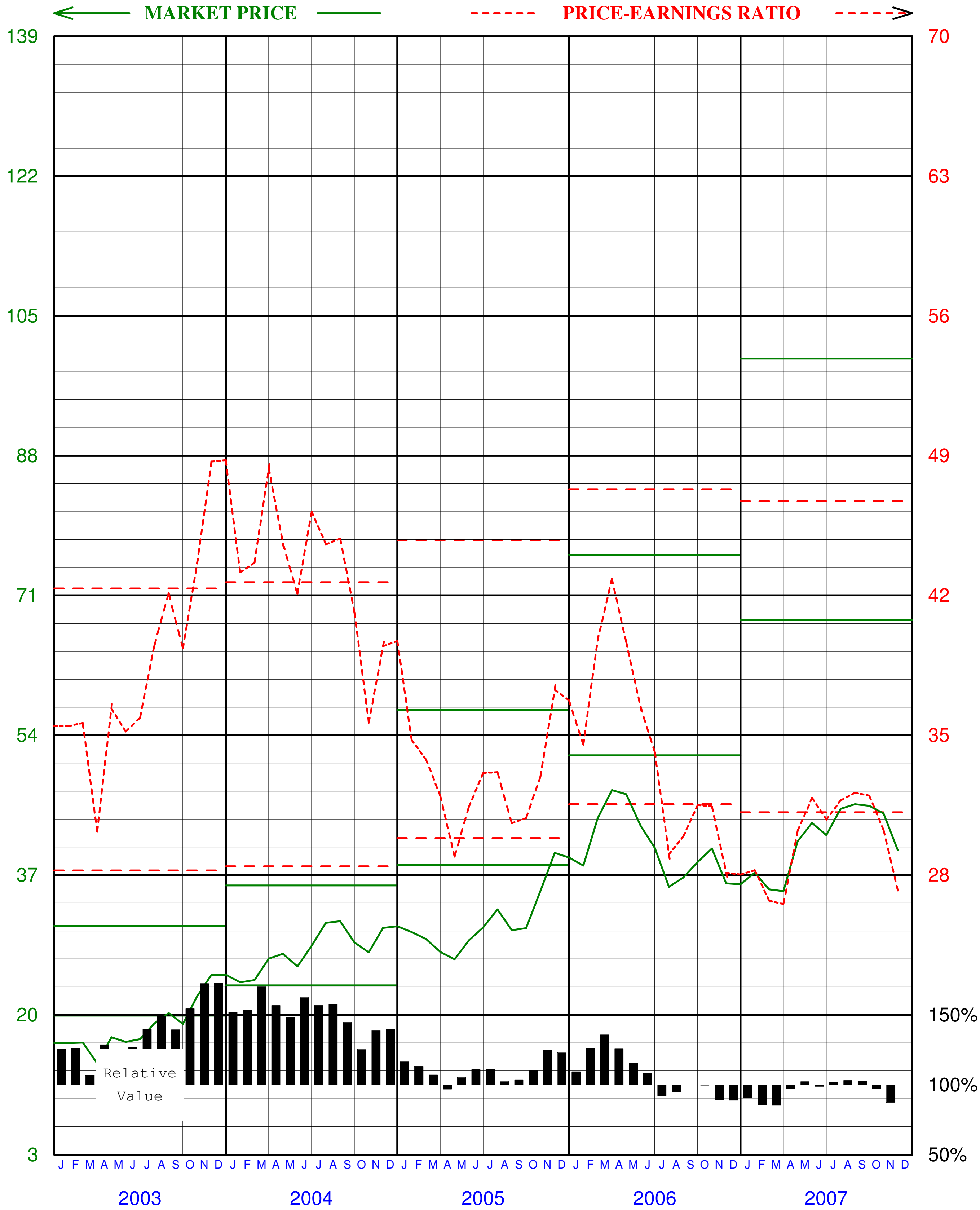
YEAR	1. Consider Buying Below	2.Consider Selling Above
2003	19.9	30.8
2004	23.6	35.7
2005	38.2	57.1
2006	51.6	75.9
2007	68.0	99.8

3 CUMULATIVE EARNINGS AND CURRENT PRICE-EARNINGS RATIO COMPUTATIONS

1	2	3	4	5	6	7	8	9	10	11	12
3 Months Ending	Earnings per Share	Total Earnings for last 4 Quarters	Date	Price	P/E Ratio at Time of Meeting	Date	Price	P/E Ratio at Time of Meeting	Date	Price	P/E Ratio at Time of Meeting
03/03	0.13	0.48	04/03	17.26	36.3	05/03	16.72	35.2	06/03	17.04	35.9
06/03	0.15	0.48	07/03	18.95	39.5	08/03	20.22	42.1	09/03	18.89	39.3
09/03	0.16	0.51	10/03	22.24	43.6	11/03	24.84	48.7	12/03	24.88	48.8
12/03	0.13	0.56	01/04	23.95	43.2	02/04	24.22	43.6	03/04	26.85	48.4
03/04	0.19	0.62	04/04	27.43	44.6	05/04	25.88	42.1	06/04	28.42	46.2
06/04	0.23	0.70	07/04	31.19	44.6	08/04	31.39	44.8	09/04	28.80	41.1
09/04	0.23	0.78	10/04	27.62	35.6	11/04	30.58	39.5	12/04	30.78	39.7
12/04	0.22	0.87	01/05	30.07	34.8	02/05	29.23	33.8	03/05	27.65	32.0
03/05	0.25	0.93	04/05	26.76	28.9	05/05	29.06	31.4	06/05	30.63	33.1
06/05	0.30	0.99	07/05	32.82	33.2	08/05	30.29	30.6	09/05	30.55	30.9
09/05	0.31	1.07	10/05	35.07	32.9	11/05	39.70	37.3	12/05	39.13	36.7
12/05	0.26	1.11	01/06	38.15	34.5	02/06	43.91	39.7	03/06	47.34	42.8
03/06	0.32	1.18	04/06	46.81	39.7	05/06	43.00	36.4	06/06	40.29	34.1
06/06	0.34	1.23	07/06	35.57	29.0	08/06	36.68	29.9	09/06	38.59	31.5
09/06	0.36	1.28	10/06	40.24	31.4	11/06	35.99	28.1	12/06	35.88	28.0
12/06	0.30	1.32	01/07	37.28	28.2	02/07	35.27	26.7	03/07	35.05	26.6
03/07	0.36	1.36	04/07	41.12	30.2	05/07	43.34	31.9	06/07	41.86	30.8
06/07	0.40	1.42	07/07	45.07	31.7	08/07	45.61	32.1	09/07	45.41	32.0
09/07	0.41	1.47	10/07	44.48	30.3	11/07	40.02	27.2	12/07		
12/07			01/08			02/08			03/08		
03/08			04/08			05/08			06/08		
06/08			07/08			08/08			09/08		
09/08			10/08			11/08			12/08		
12/08			01/09			02/09			03/09		

Company: FASTENAL CO (FAST)

4 CHART OF PRICES AND PRICE-EARNINGS RATIO



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PERT Worksheet-A

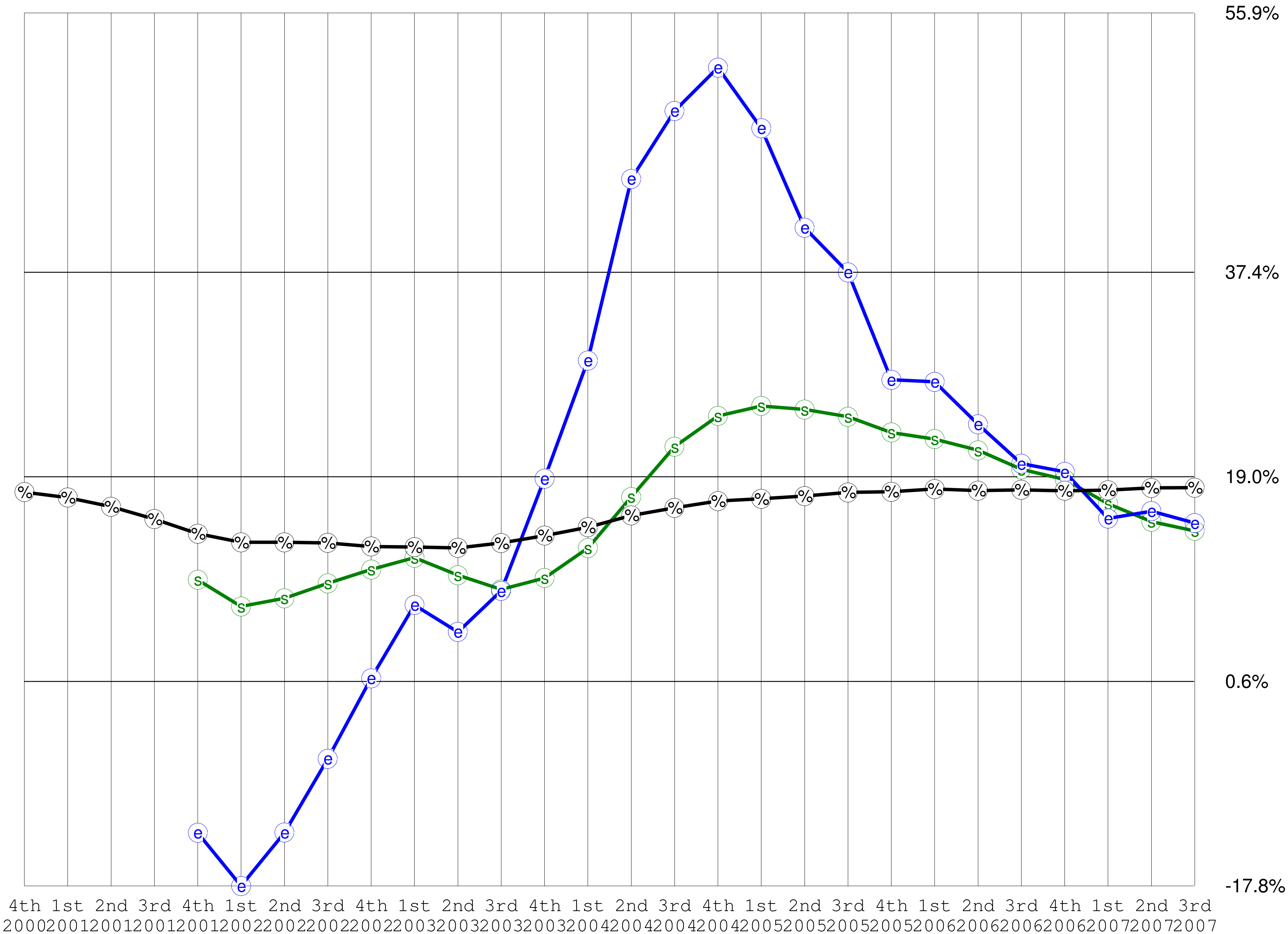
Company FASTENAL CO (FAST)

	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
03/00	0.13		32.60	18.5		176.27		38.3						38.3			
06/00	0.14		34.16	18.1		188.59		38.9						38.5			
09/00	0.14		33.88	17.6		192.92		38.4						38.5			
12/00	0.13		30.79	16.4		187.96		38.4	0.53	131.43	17.6	745.7	50.6	38.5			
03/01	0.14	4.2	33.61	16.5	3.1	203.37	15.4	37.9	0.54	132.45	17.1	772.8	50.9	38.4			
06/01	0.13	-9.1	30.82	14.9	-9.8	207.44	10.0	38.5	0.53	129.11	16.3	791.7	49.4	38.3			
09/01	0.11	-17.8	27.56	13.2	-18.7	209.40	8.5	38.0	0.50	122.78	15.2	808.2	46.9	38.2			
12/01	0.09	-30.4	21.64	10.9	-29.7	198.07	5.4	38.6	0.46	113.63	13.9	818.3	43.5	38.3	-13.1	-13.5	9.7
03/02	0.12	-15.2	28.66	13.4	-14.7	214.58	5.5	37.8	0.44	108.68	13.1	829.5	41.5	38.2	-17.8	-17.9	7.3
06/02	0.14	12.0	34.22	14.7	11.0	233.48	12.6	37.9	0.46	112.08	13.1	855.5	42.7	38.1	-13.0	-13.2	8.1
09/02	0.13	10.6	30.99	13.0	12.4	238.09	13.7	38.8	0.47	115.51	13.1	884.2	44.2	38.3	-6.4	-5.9	9.4
12/02	0.09	-2.3	21.41	9.8	-1.1	219.29	10.7	39.8	0.47	115.27	12.7	905.4	44.4	38.6	0.9	1.4	10.7
03/03	0.13	6.8	30.86	13.1	7.7	235.84	9.9	38.5	0.48	117.48	12.7	926.7	45.5	38.7	7.5	8.1	11.7
06/03	0.15	3.6	35.54	14.3	3.8	249.11	6.7	38.1	0.48	118.79	12.6	942.3	46.1	38.8	5.0	6.0	10.1
09/03	0.16	24.0	37.70	14.6	21.7	258.33	8.5	37.6	0.51	125.51	13.0	962.6	48.3	38.5	8.7	8.7	8.9
12/03	0.13	52.9	32.24	12.8	50.6	251.64	14.8	38.8	0.55	136.34	13.7	994.9	52.1	38.2	18.8	18.3	9.9
03/04	0.19	48.0	45.38	16.0	47.0	284.21	20.5	38.1	0.61	150.85	14.5	1,043.3	57.5	38.1	29.5	28.4	12.6
06/04	0.23	58.6	56.18	18.1	58.1	310.14	24.5	37.8	0.70	171.50	15.5	1,104.3	65.3	38.1	45.8	44.4	17.2
09/04	0.23	48.4	56.05	17.2	48.7	325.68	26.1	37.6	0.77	189.85	16.2	1,171.7	72.3	38.1	52.0	51.3	21.7
12/04	0.22	69.2	50.72	15.9	57.3	318.47	26.6	34.1	0.86	208.34	16.8	1,238.5	76.8	36.9	55.9	52.8	24.5
03/05	0.25	32.4	59.73	16.9	31.6	353.81	24.5	37.7	0.93	222.69	17.0	1,308.1	81.9	36.8	50.4	47.6	25.4
06/05	0.30	28.3	72.01	18.8	28.2	383.26	23.6	38.0	0.99	238.52	17.3	1,381.2	87.8	36.8	41.4	39.1	25.1
09/05	0.31	32.6	74.15	18.4	32.3	402.22	23.5	37.8	1.07	256.61	17.6	1,457.8	94.6	36.9	37.4	35.2	24.4
12/05	0.26	18.2	63.17	16.4	24.5	384.04	20.6	37.7	1.11	269.06	17.7	1,523.3	101.6	37.8	27.7	29.1	23.0
03/06	0.32	30.6	77.33	17.9	29.5	431.70	22.0	37.4	1.18	286.66	17.9	1,601.2	108.1	37.7	27.6	28.7	22.4
06/06	0.34	15.3	83.22	18.1	15.6	458.82	19.7	38.1	1.23	297.86	17.8	1,676.8	112.4	37.7	23.7	24.9	21.4
09/06	0.36	18.0	87.40	18.6	17.9	470.09	16.9	37.8	1.28	311.12	17.8	1,744.7	117.4	37.8	20.2	21.2	19.7
12/06	0.30	15.4	73.08	16.3	15.7	448.73	16.8	38.0	1.32	321.03	17.7	1,809.3	121.4	37.8	19.5	19.3	18.8
03/07	0.36	12.5	88.77	18.1	14.8	489.16	13.3	38.7	1.36	332.47	17.8	1,866.8	126.8	38.1	15.3	16.0	16.6
06/07	0.40	17.6	97.86	18.8	17.6	519.71	13.3	38.3	1.42	347.11	18.0	1,927.7	132.5	38.2	15.9	16.5	15.0
09/07	0.41	13.9	99.31	18.6	13.6	533.75	13.5	37.9	1.47	359.03	18.0	1,991.3	137.2	38.2	14.8	15.4	14.1
12/07								*37.3*						38.0			
A	B C	D	E	F	G	H	I	J	K L	M	N	O	P	Q	R	S	T

Trailing 4 quarters

PERT Worksheet-A Graph

Company FASTENAL CO (FAST)



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PERT Worksheet-B

Company FASTENAL CO Symbol FAST

		PRICE RANGE		P/E RATIO		5 YR AVG P/E RATIO				% PAYOUT		
YEAR	EPS	HIGH	LOW	HIGH	LOW	HIGH	AVG	LOW	DIV/ SHARE	THIS YEAR	5 YR AVG	% HIGH YIELD
1997	0.27	15.1	7.9	56.0	29.4				.005	1.9		.1
1998	0.35	14.2	5.1	40.6	14.6				.005	1.4		.1
1999	0.43	15.1	8.4	35.0	19.5				.010	2.3		.1
2000	0.53	18.3	8.9	34.5	16.8				.020	3.8		.2
2001	0.46	18.3	11.7	39.5	25.4	41.1	31.1	21.1	.022	4.8	2.8	.2
2002	0.47	21.7	13.3	~~46.1~~	~~28.3~~	37.4	28.2	19.1	.025	5.3	3.5	.2
2003	0.56	25.5	13.8	~~45.9~~	~~24.8~~	36.3	28.4	20.5	.105	18.9	7.0	.8
2004	0.86	32.3	21.9	37.5	25.5	37.2	29.9	22.6	.200	23.3	11.2	.9
2005	1.10	42.0	25.5	38.1	23.2	38.4	31.5	24.7	.310	28.2	16.1	1.2
2006	1.32	49.3	33.2	37.4	25.1	37.7	31.1	24.6	.400	30.3	21.2	1.2
10 Year	Avg.			39.8	22.4		31.1					
A	B	C	D	E	F	G	H	I	J	K	L	M