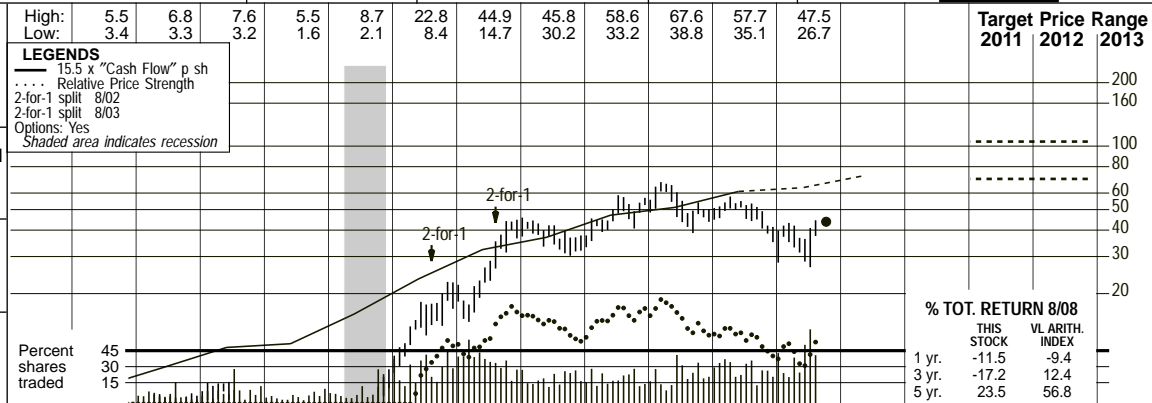


TRACTOR SUPPLY CO. NDQ-TSCO

RECENT PRICE **43.73** P/E RATIO **17.2** (Trailing: 18.1, Median: 17.0) RELATIVE P/E RATIO **1.15** DIV'D YLD **Nil** VALUE LINE

TIMELINESS 2 Raised 9/12/08
SAFETY 3 New 10/10/03
TECHNICAL 3 Lowered 8/29/08
BETA 1.10 (1.00 = Market)



2011-13 PROJECTIONS

Price	Gain	Ann'l Total Return
High 105	(+140%)	24%
Low 70	(+60%)	12%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	1	0	1	0	0	0	0	0	0
to Sell	1	1	0	1	1	1	0	0	0

Institutional Decisions

	4Q2007	1Q2008	2Q2008
to Buy	103	85	111
to Sell	111	123	95
Hlds(000)	34811	33934	36028

Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
Sales per sh ^A	--	--	8.77	11.01	12.88	14.58	17.17	19.62	21.58	23.77	33.18	39.39	45.40	52.44	58.83	72.12	83.35	95.70	Sales per sh ^A	127.25
"Cash Flow" per sh	--	--	.34	.42	.47	.46	.58	.72	.75	1.04	1.51	2.09	2.38	3.04	3.31	3.93	4.10	4.70	"Cash Flow" per sh	6.60
Earnings per sh ^{A B}	--	--	.32	.35	.38	.34	.42	.51	.47	.71	.99	1.45	1.57	2.09	2.22	2.40	2.50	2.85	Earnings per sh ^{A B}	4.30
Div'ds Decl'd per sh	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
Book Value per sh ^C	--	--	1.80	2.29	2.67	3.00	3.43	3.94	4.41	5.07	6.25	7.90	9.68	12.11	14.87	15.08	17.10	19.60	Book Value per sh ^C	29.85
Common Shs Outst'g ^D	--	--	37.63	34.87	34.87	34.92	34.99	35.08	35.17	35.75	36.47	37.39	38.30	39.43	40.28	37.48	36.00	35.50	Common Shs Outst'g ^D	34.50
Avg Ann'l P/E Ratio	--	--	19.1	14.9	15.2	13.9	13.1	11.2	7.5	6.7	15.2	19.3	24.1	22.3	23.8	19.9	19.9	19.9	Avg Ann'l P/E Ratio	20.0
Relative P/E Ratio	--	--	1.25	1.00	.95	.80	.68	.64	.49	.34	.83	1.10	1.27	1.19	1.29	1.05	1.05	1.05	Relative P/E Ratio	1.35
Avg Ann'l Div'd Yield	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Avg Ann'l Div'd Yield	Nil

CAPITAL STRUCTURE as of 6/28/08
 Total Debt \$2.7 mill. Due in 5 Yrs \$2.7 mill.
 LT Debt \$2.1 mill. LT Interest \$.1 mill.
 (Total interest coverage: 19x) (Less than 1% of Cap'l)

Leases, Uncapitalized Annual rentals \$126.4 mill.
No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 36,430,077 shs. as of 7/26/08
MARKET CAP: \$1.6 billion (Mid Cap)

CURRENT POSITION

	2006	2007	6/28/08
Cash Assets	37.6	13.7	62.9
Receivables	--	--	--
Inventory (LIFO)	593.4	636.0	683.3
Other	48.3	42.2	39.0
Current Assets	679.3	691.9	785.2
Accts Payable	238.9	258.3	394.0
Debt Due	1.1	.8	.6
Other	123.2	120.8	129.5
Current Liab.	363.2	379.9	524.1

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 of change (per sh)
Sales	17.0%	18.5%	13.0%
"Cash Flow"	22.5%	25.5%	11.5%
Earnings	20.5%	25.5%	11.5%
Dividends	--	--	Nil
Book Value	18.0%	21.5%	13.5%

QUARTERLY SALES (\$ mill.)^A

Cal-endar	Mar.Per.	Jun.Per.	Sep.Per.	Dec.Per.	Full Year
2005	377.2	613.3	479.6	597.9	2068.0
2006	465.6	714.9	559.2	629.9	2369.6
2007	559.8	790.9	629.2	723.3	2703.2
2008	576.2	898.3	710	815.5	3000
2009	655	995	795	905	3350

EARNINGS PER SHARE^{A B}

Cal-endar	Mar.Per.	Jun.Per.	Sep.Per.	Dec.Per.	Full Year
2005	.02	.87	.45	.75	2.09
2006	.01	1.05	.44	.72	2.22
2007	.12	1.08	.44	.77	2.40
2008	d.03	1.24	.48	.81	2.50
2009	.01	1.31	.53	1.00	2.85

QUARTERLY DIVIDENDS PAID

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005					
2006					
2007					
2008					

NO CASH DIVIDENDS BEING PAID

BUSINESS: Tractor Supply Co. is a specialty retailer supplying the lifestyle needs of recreational farmers and ranchers. It also serves tradesmen and small businesses. The company provides livestock and pet products (33% of 2007 sales), seasonal products such as snow blowers and mowers (26%), hardware and tools (15%), clothing and footwear (10%), truck and towing (9%), and agricultural

Tractor Supply shares are up 30% since the retailer's second-quarter earnings announcement. Investors were pleased with the tight expense control, well-managed inventories (down 12.2% on a per-store basis compared to last June), and good sales of core consumables, including animal and pet related products. Full-year earnings confirmation, despite the challenging economy, also bolstered the stock.

A modest reduction in the store opening plans doesn't concern us. At the beginning of 2008, TSCO's target was the addition of 95-100 units. The current outlook is for 88 to 93 ribbon-cutting ceremonies. The initial 2009 goal is a similar 90-95 new locations. Thus, the 2008-2009 store unit growth will likely be in the still-vigorous 11%-12% range, contrasted with a 13% rate in the last five years. Tractor's strong finances would enable it to expand at a moderately faster pace if real estate opportunities became available. Note: Many retailers have substantially cut the size of their store-opening programs.

Tractor Supply likes its own shares. The share count has been cut nearly 10%

products (7%). Operates 814 stores in 44 states. These outlie major metropolitan markets and are in rural communities. Has about 9,800 employees. Off/dir. own 12.9% of common; Capital Research, 10.4%; Joseph Scarlett, 10.8% (3/08 Proxy). Chairman & CEO: J. Wright, Inc.; DE. Address: 200 Powell Place, Brentwood, TN 37027. Tel.: 615-366-4600. Internet: www.tractorsupplyco.com.

since the end of 2006. There's still roughly \$22 million left from a prior \$200 million repurchase authorization. Another \$200 million program was approved in early August with a December 2011 expiration date. We believe the company will be an opportunistic purchaser (TSCO bought about 738,000 shares in the June quarter, paying nearly \$34 a share), and have factored in annual earnings increases from buybacks in our projections through 2011.

E-commerce is being ramped up. The current 11,000 SKU's will be expanded in 2008's second half, so TSCO can begin leveraging this operation in 2009.

Store managers are staying with the company. Through the first half, the store manager turnover rate was 2% less than 2007's record low. Established relationships help boost customer traffic and profits.

Timely TSCO stock is a worthwhile 3- to 5-year holding. This assessment is based on annual double-digit increases in store count, along with comp-store gains, margin expansion, and a differentiated product mix (see Business Blurbs).

Jerome H. Kaplan
October 3, 2008

(A) Fiscal year ends on the Saturday closest to December 31st. (B) Diluted earnings per share. Excludes non-recurring charge: '03, \$0.05. Quarters may not sum to annual due to rounding. Next earnings report due October 22nd. (C) Includes intangibles. In 2007: \$10.3 mill. \$27/share. (D) In mill., adjusted for stock splits.

Company's Financial Strength	A+
Stock's Price Stability	40
Price Growth Persistence	65
Earnings Predictability	75