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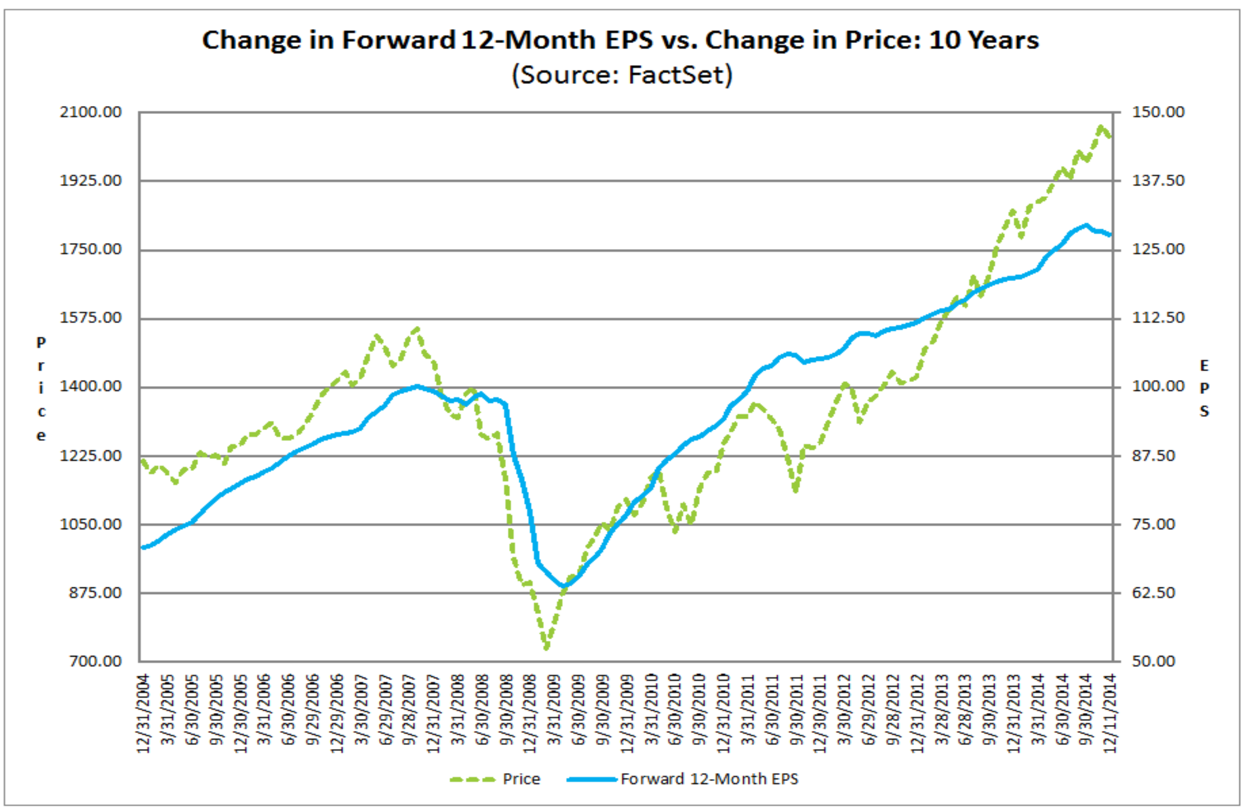
FACTSET EARNINGS INSIGHT

S&P 500 December 12, 2014

Key Metrics

- **Earnings Growth:** The estimated earnings growth rate for Q4 2014 is 3.0%. The Telecom Services sector is expected to report the highest growth in earnings for the quarter, while the Energy sector is expected to report the largest decline in earnings for the quarter.
- **Earnings Revisions:** On September 30, the estimated earnings growth rate for Q4 2014 was 8.4%. All ten sectors have lower growth rates today (compared to September 30) due to downward revisions to earnings estimates, led by the Energy sector.
- **Earnings Guidance:** For Q4 2014, 85 companies have issued negative EPS guidance and 21 companies have issued positive EPS guidance.
- **Valuation:** The current 12-month forward P/E ratio is 15.9. This P/E ratio is based on Thursday's closing price (2035.33) and forward 12-month EPS estimate ($127.82).
- **Earnings Scorecard:** The 3 companies that have reported earnings to date for Q4 2014 have all reported both earnings and sales above the mean estimate.



Topic of the Week:

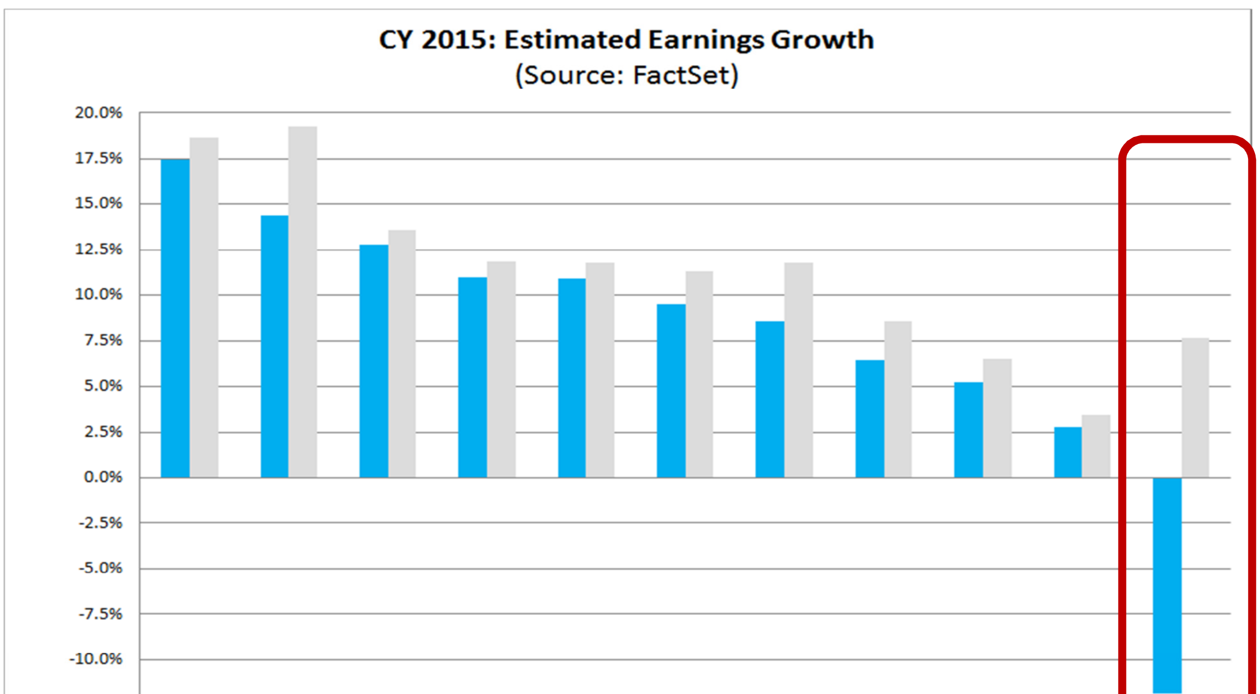
Do Analysts Expect a Rebound in Energy Earnings in 2015?

As the price of crude oil has continued to decline during the fourth quarter (to $59.95 yesterday from $91.16 on September 30), analysts have also continued to lower earnings estimates for companies in the Energy sector in the S&P 500 for the fourth quarter. The aggregate earnings estimate for the S&P 500 Energy sector for the fourth quarter has declined by 22% since September 30 (to $24.5 billion from $30.9 billion). Over this same time frame, the price of the Energy sector has dropped by 15.9% (to $555.82 from $661.05). This is the largest decline in price for all ten sectors during this period

However, are analysts more optimistic about the prospects for earnings for the Energy sector beyond the fourth quarter? Have analysts increased or decreased earnings estimates for companies in this sector for 2015?

It appears analysts are as pessimistic on earnings for the Energy sector for 2015 as well, based on revisions to earnings estimates. The aggregate earnings estimate for the Energy sector for 2015 has also fallen by 22% since September 30 (to $103.7 billion from $133.1 billion). As a result, the Energy sector is now expected to report a year-over-year decline in earnings of 12%, compared to an expectation for growth of 8% in earnings back on September 30.

At the company level, 24 of the 43 companies (or 56%) in this sector have seen EPS estimates for 2015 cut by 20% or more to date, led by Murphy Oil (to $1.88 from $5.07), Marathon Oil Corporation (to $1.09 from $2.83), Apache Corporation (to $3.23 from $6.86), and Hess Corporation (to $2.48 from $5.20). However, the downward estimate revisions to estimates for Exxon Mobil (to $6.28 from $7.65) and Chevron (to $8.42 from $10.99) have been the largest contributors to the decrease in the earnings growth rate for the sector.



	Consumer Disc.	Materials	Financials	Health Care	Info. Tech.	Industrials	S&P 500	Consumer Staples	Telecom Services	Utilities	Energy
Today	17.4%	14.4%	12.8%	11.0%	10.9%	9.5%	8.6%	6.4%	5.2%	2.8%	-11.9%
30-Sep-14	18.6%	19.2%	13.6%	11.8%	11.8%	11.3%	11.8%	8.6%	6.5%	3.4%	7.6%

Q4 2014 Earnings Season Preview: By the Numbers

Overview

Analyst and corporations continue to lower expectations for earnings for the S&P 500 for the fourth quarter. On a per-share basis, estimated earnings for the fourth quarter have fallen by 4.9% since September 30. This percentage is above the 1-year, 5-year, and 10-year averages for an entire quarter. Most of the downward revisions to estimates have occurred in the Energy sector, as expected earnings (on a per-share basis) have fallen by more than 20% during this period. Companies have also lowered the bar for earnings for Q4, as 85 companies in the index have issued negative EPS guidance, while just 21 companies have issued positive EPS guidance. The percentage of companies issuing negative EPS guidance is 80% (85 out of 106), which is well above the 5-year average of 67%.

As a result of the downward revisions to earnings estimates, the year-over-year estimated earnings growth rate for Q4 2014 has declined to 3.0% today from an expectation of 8.4% at the start of the quarter (September 30). As noted above, much of that decrease has occurred in the Energy sector. The sector is now expected to report a 15.3% decline in earnings, compared to an expectation of 8.1% growth in earnings at the start of the quarter. This Energy sector is also expecting the largest year-over-year decrease in earnings of all ten sectors. On the other hand, the Telecom Services and Health Care sectors are predicted to have the highest earnings growth rates for the quarter.

The estimated sales growth rate for Q4 2014 of 1.4% is below the estimate of 3.8% at the start of the quarter. As on the earnings side, much of the decrease in expected revenue growth can be attributed to the Energy sector. This sector is now expected to report a decline of 13.7% in sales, compared to an expectation of a decline of 1.7% in sales at the start of the quarter. The Energy sector is also expecting the largest year-over-year decrease in sales of all ten sectors. On the other hand, the Health Care and Information Technology sectors are expected to report the highest growth in sales for the quarter.

Looking at future quarters, analysts have also cut estimates for Q1 2015, Q2 2015 and all of 2015. The estimated earnings and revenue growth rates for both of these quarters and the full year are lower today compared to the estimates on September 30. Most of these downward estimate revisions have occurred in the Energy sector. Despite the estimates reductions, analysts are looking for record level EPS over three of the next four quarters. Analysts also expect net profit margins to continue to rise to record levels (based on per-share estimates) in 2015.

The forward 12-month P/E ratio is now 15.9, which is above the 5-year and 10-year averages.

During the upcoming week, 1 S&P 500 company is scheduled to report results for the third quarter and 10 S&P 500 companies are scheduled to report results for the fourth quarter.

Estimated Earnings Growth Down This Week Due to Cuts in Energy and Telecom Services

Drop in Earnings Growth Rate This Week Due to Energy and Telecom Services Sectors

The estimated earnings growth rate for the fourth quarter is 3.0% this week, below the estimated earnings growth rate of 3.3% last week. Downward revisions to earnings estimates for companies in the Energy and Telecom Services sectors were mainly responsible for the drop in the earnings growth rate during the week.

In the Energy sector, estimate reductions for ConocoPhillips (to $0.94 from $0.99), Chevron (to $1.95 from $1.97), Exxon Mobil (to $1.46 from $1.47), and Occidental Petroleum (to $1.01 from $1.05) were significant contributors to the decrease in the overall earnings growth rate for the S&P 500 for the week. As a result, the estimated earnings decline for the Energy sector increased to -15.3% from -14.2% over this period.

In the Telecom Services sector, estimate reductions for Verizon (to $0.76 from $0.80) and AT&T (to $0.58 from $0.60) were significant contributors to the decrease in the overall earnings growth rate for the S&P 500 for the week. As a result, the estimated earnings growth rate for the Telecom Services sector decreased to 29.1% from 33.7% over this period.

Verizon: Largest Contributor to Drop in Growth This Week

Overall, Verizon was the largest contributor to the drop in the earnings growth rate for the S&P 500 during the week. The downward estimate revisions for Verizon were related to comments the company made earlier in the week regarding promotional offers:

"As the company is accelerating the upgrades of high-quality customers to 4G, total retail postpaid disconnects are trending higher both sequentially and year over year in this highly competitive and promotion-filled fourth quarter. The company expects that the fourth-quarter impacts of its promotional offers, together with the strong customer volumes this quarter, will put short-term pressure on its wireless segment EBITDA and EBITDA service margin (non-GAAP, based on earnings before interest, taxes, depreciation and amortization) as well as its consolidated EBITDA margin (non-GAAP) and earnings per share. " –Verizon Communications (Dec. 8)

As FactSet StreetAccount noted on Dec ember 9:

"Stock is trading down ~3% following last night's update on Q4 Wireless customer trends as we take a look at some commentary around the release. Analyst reaction was generally negative as most focused on management's suggestion that postpaid ARPU, churn, Wireless EBITDA margins, and EPS are likely to come in weaker than expected, offsetting stronger gross adds. Several notes suggested that the softer customer trends in Wireless are likely attributable to heightened competitive pressure, particularly stemming from Sprint's aggressive pricing plans …We tracked a number of negative estimate revisions for both Q4 and 2015 as analysts believe challenging trends in Wireless are likely to continue as competitive pressures increase."

Energy Sector Has Seen Largest Cuts to Earnings Estimates since September 30

The estimated earnings growth rate for Q4 2014 of 3.0% is below the estimate of 8.4% at the start of the quarter (June 30). All ten sectors have recorded a decline in expected earnings growth since the beginning of the quarter due to downward revisions to earnings estimates, led by the Energy, Telecom Services, and Materials sectors.

The Energy sector has witnessed the largest dip in expected earnings growth (to -15.3% from 8.1%) since the start of the quarter, as the price of crude oil has fallen by 34% (to $59.95 from $91.16) over this time frame. Overall, 18 of the 43 companies in this sector have seen EPS estimates cut by 20% or more to date, led by Marathon Oil Corporation (to $0.23 from $0.73), Murphy Oil (to $0.62 from $1.32), and Hess Corporation (to $0.64 from $1.31). However, the downward revisions to estimates for Exxon Mobil (to $1.46 from $1.83) and Chevron (to $1.95 from $2.64) have been the largest contributors to the decrease in the earnings growth rate for the sector. Since September 30, the price of the Energy sector has declined by 15.9% (to 555.82 from 661.05), which is the largest price decrease of all ten sectors during this period.

The Telecom Services sector has recorded the second largest decline in expected earnings growth (to 29.1% from 41.1%) since the beginning of the quarter. At the company level, Verizon (to $0.76 from $0.86) has been the largest contributor to the drop in growth for the sector. Since the beginning of the quarter, the price of Verizon has dropped by 8.2% (to $45.87 from $49.99). Overall, the value of the Telecom Services sector has decreased by 6.8% (to 150.12 from 161.13) since September 30, which is the second largest decrease in price of any sector over this period.

The Materials sector has recorded the third largest decline in expected earnings growth (to -4.4% from 6.9%) since the beginning of the quarter. Companies that have seen the largest cuts to estimates during this time include Allegheny Technologies (to $0.00 from $0.20), Monsanto (to $0.35 from $0.95), and Freeport-McMoRan (to $0.44 from $0.75). Freeport-McMoRan and Monsanto are also the largest contributors to the decline in the earnings growth rate for the sector. Overall, the value of the Materials sector has decreased by 3.7% (to 301.08 from 312.57) since September 30, which is the third largest decrease in price of any sector over this period.

EPS Estimate Cuts: Above Average

Analysts have already cut earnings estimates in aggregate for the fourth quarter by more than recent averages with a few weeks still remaining in the quarter. The percentage decline in the Q4 bottom-up EPS estimate (which is an aggregation of the earnings estimates for all 500 companies in the index and can be used as a proxy for the earnings for the index) to date is 4.9%. This decline in the EPS estimate is already above the trailing 1-year (-3.1%), 5-year (-2.7%), and 10-year averages (-4.5%) for an entire quarter.

Q4 Earnings Guidance: Negative Guidance (80%) Above Average

At this point in time, 106 companies in the index have issued EPS guidance for the fourth quarter. Of these 106 companies, 85 have issued negative EPS guidance and 21 have issued positive EPS guidance. Thus, the percentage of companies issuing negative EPS guidance to date for the fourth quarter is 80% (85 out of 106). This percentage is well above the 5-year average of 67%.

Estimated Earnings Growth: 3.0%

The estimated earnings growth rate for Q3 2014 is 3.0%, which is below the average earnings growth of 5.4% reported by the index over the past three years. Six sectors are expected to report higher earnings relative to a year ago. Two of these six sectors are predicted to see double-digit earnings growth: Telecom Services and Health Care. On the other hand, four sectors are projected to report lower earnings relative to last year, led by the Energy sector.

Telecom Services: Ex-Verizon, Growth Rate Drops to 8%

The Telecom Services sector is expected to report the highest earnings growth rate of all ten sectors at 29.1%. At the company level, Verizon Communications is expected to be the largest contributor to earnings growth for the sector. The mean EPS estimate is $0.76 for Q4 2014, compared to year-ago EPS of $0.66. If Verizon is excluded, the earnings growth rate for the sector would drop to 7.8%.

Health Care: Gilead Sciences Leads Growth

The Health Care sector is projected to report the second highest earnings growth rate at 16.7%. At the company level, Gilead Sciences is expected to report the largest EPS growth of all the companies in the sector. The mean EPS estimate for the company is $2.27 for Q4 2014, compared to year-ago EPS of $0.55 in Q4 2013. Gilead Sciences is also projected to be the largest contributor to earnings growth for the sector. If this company is excluded, the earnings growth rate for the sector would be cut in half to 8.3%.

The Health Care sector is also the largest contributor to earnings growth for the S&P 500 as a whole. If the Health Care sector is excluded, the estimated earnings growth rate for the S&P 500 would be cut in half, falling to 1.4% from 3.0%.

Energy: Broad-Based Decline in Earnings

The Energy sector is projected to report the largest year-over-year decline in earnings (-15.3%) of all ten sectors. Five of the seven sub-industries in this sector are predicted to report a year-over-year drop in earnings. Four of these six sub-industries are expected to report double-digit decreases in earnings: Coal & Consumable Fuels (-59%), Integrated Oil & Gas (-28%), Oil & Gas Refining & Marketing (-18%), and Oil & Gas Exploration & Production (-14%).

This sector is also the largest detractor to earnings growth for the S&P 500 as a whole. If the Energy sector is excluded, the estimated earnings growth rate for the S&P 500 would improve to 5.3% from 3.0%.

Estimated Revenue Growth: 1.4%

The estimated revenue growth rate for Q4 2014 is 1.4%, which is below the average revenue growth of 3.5% reported by the index over the past three years. This growth rate is also well below the estimated growth rate of 3.8% at the start of the quarter (September 30). As on the earnings side, much of the decrease in expected revenue growth can be attributed to the Energy sector. This sector is now expected to report a decline of 13.9% in sales, compared to an expectation of a 1.7% decline at the start of the quarter. Eight sectors are expected to report revenue growth for the quarter, led by the Health Care and Information Technology sectors. Two sectors are predicted to report a year-over-year declines in revenue, led by the Energy sector.

The Health Care sector is expected to report the highest revenue growth of all ten sectors at 8.9%. All six industries in the sector are projected to report sales growth for the quarter. Three of these six industries are projected to report double-digit sales growth: Biotechnology (37%), Health Care Technology (14%), and Health Care Providers & Services (11%).

The Information Technology sector is expected to report the second highest revenue growth at 5.9%. Six of the seven industries in this sector are projected to report sales growth for the quarter, led by the Electronic Equipment, Instruments, & Components (12%), Internet Software & Services (12%), and Semiconductors & Semiconductor Equipment (12%) industries. The only industry expected to report a year-over-year decrease in revenue is IT Services (-3%).

On the other hand, the Energy (-13.9%) sector is projected to reported the largest year-over-year decrease in sales for the quarter. However, only three of the seven sub-industries in the sector are projected to report a decrease in revenue: Integrated Oil & Gas (-22%), Oil & Gas Refining & Marketing (-18%), and Oil & Gas Drilling (-5%).

Q4 2014 Earnings Season: Themes

Economic Themes: U.S., Europe, and China

United States

With the exception of a decline in Q4 2013, economic growth in the U.S. has been relatively consistent in recent quarters. From Q3 2013 through Q3 2014 (excluding the fourth quarter of 2013), quarter-over-quarter (SAAR) GDP growth in the U.S. has averaged 4.1%. According to FactSet Economic estimates, however, economic growth is expected to dip in Q4. The mean estimate for quarter-over-quarter (SAAR) GDP growth in the U.S. for Q4 2014 is currently 2.6%. If this is the final growth rate for the quarter, it will mark the second lowest GDP growth rate for the U.S. since Q2 2013 (1.8%). If economic growth in the U.S. is weaker in Q4, how much will this weakness impact the top and bottom lines of S&P 500 companies for the quarter?

The U.S. remains the key geographic market for the S&P 500. According to FactSet Geographic Revenue Exposure data (based on the most recent fiscal year data), companies in the S&P 500 in aggregate generate about 69% of sales from the North America, almost all of which comes from the U.S.

Europe:

There has been little to no economic growth in Europe in recent quarters. Over the past four quarters (Q4 2013 – Q3 2014), quarter-over-quarter GDP growth in the Eurozone has averaged 0.2%. According to FactSet Economic estimates, this trend is expected to continue in Q4 2014. The mean estimate for quarter-over quarter GDP growth in the Eurozone for Q4 2014 is currently 0.2%. How much will the continued economic weakness in Europe impact the top and bottom lines of S&P 500 companies in Q4?

For more details on economic growth expectations for Europe (and Japan), please see our most recent "FactSet Economic Insight" report at the following link: http://www.factset.com/insight/2014/12/econ-insight-forecast

Europe is still an important geographic market for the S&P 500. According to FactSet Geographic Revenue Exposure data (based on the most recent fiscal year data), companies in the S&P 500 in aggregate generate about 13% of sales from Europe (combination of European Union and non-European Union countries)

China

On a year-over-year basis, economic growth in China has been slowly declining in recent quarters. In Q3 2013, year-over-year growth GDP growth in China was 7.8%. Last quarter (Q3 2014), year-over-year GDP growth in China dipped to 7.3%. According to FactSet Economic estimates, economic growth is expected to remain in the low 7% range. The mean estimate for year-over-year GDP growth in China for Q4 2014 is currently 7.3%. How much will slower economic growth from China impact revenue and earnings for S&P 500 companies in Q4?

China continues to be a vital geographic market for the S&P 500. According to FactSet Geographic Revenue Exposure data (based on the most recent fiscal year data), companies in the S&P 500 in aggregate generate about 10% of sales from the Asia Pacific region, most of which comes from China and Japan.

Currency Themes: Stronger U.S. Dollar

During the course of the fourth quarter, the dollar has strengthened relative to other currencies, including the euro and the yen. The dollar has also strengthened relative to year-ago values for both currencies. In the year-ago quarter (Q4 2013), one euro was equal to $1.36 dollars on average. For Q4 2014 to date, one euro has been equal to $1.25 dollars on average. In the year-ago quarter (Q4 2013), one dollar was equal to $100.39 yen on average. For Q4 2014 to date, one dollar has been equal to $113.22 yen on average. During the Q3 earnings season, "currency" was mentioned by 230 S&P 500 companies during their earnings conference calls. A number of these companies commented on the negative impact of the stronger dollar on revenue and earnings for the quarter. Will this trend continue in Q4?

Commodity Themes: Lower Oil & Gas Prices

During the course of the fourth quarter, the price of oil has continued to plummet. The price of crude oil has dropped by 34% since the start of the quarter (to $59.95 yesterday from $91.16 on September 30). The negative impact of higher oil prices has already been seen in the Energy sector, where the expected earnings growth rate for Q4 has dropped to -15.3% today from 8.1% back on September 30. However, the lower price of oil and gas would normally be expected to have a positive impact on industries that utilize gas and oil (lower costs) or industries that are sensitive to the consumer (more disposable income). Will the positive impact of lower gas and oil prices in other industries offset the negative impact in the Energy sector in Q4?

"Our belief is that the reduced gas prices are giving our customers additional disposable income and helping drive our sales." –Autozone (Dec. 9)

Looking Ahead: Forward Estimates and Valuation

Analysts Have Cut (Energy) Estimates for 2015, Higher Margins Expected

Not only has the estimated earnings growth rate for Q4 declined since the start of the quarter, the estimated earnings growth rates for the first half of 2015 have come down sharply over this same time frame as well. For Q1 2015, and Q2 2015, analysts are currently predicting earnings growth rates of 5.2% and 6.4%, respectively. These earnings growth rates are well below the estimated growth rates of 9.7% and 10.5% for these same two quarters back on September 30. Similar to Q4, most of the decline in the expected earnings growth rates for both quarters can be attributed to analysts lowering earnings forecasts for companies in the Energy sector

Analysts have cut revenue estimates for the first half of 2015 as well. For Q1 2015 and Q2 2015, analysts are currently predicting revenue growth rates of 1.6% and 1.3%. These revenue growth rates are also well below the estimated growth rates of 4.5% and 3.6% for these same two quarters back on September 30.

Given the divergence in expected earnings and revenue growth over the next few quarters, however, analysts are expecting profit margins to continue to expand in 2015. Using the bottom-up sales-per-share (SPS) and earnings-per-share (EPS) estimates for the S&P 500 as proxies for expected sales and earnings for the index over the next few quarters, profit margin estimates can be calculated by dividing the expected EPS by the expected SPS for each quarter. Using this methodology, the estimated net profit margins for Q1 2015 and Q2 2015 are 10.3% and 10.6%. These numbers are above the estimated net profit margin for Q4 2014 (10.1%), and are also well above the average net profit margin of 9.4% recorded over the past four years.

Analysts have also lowered earnings and revenue estimates for all of 2015. The current earnings growth estimate for 2015 of 8.6% is below the estimate of 11.8% on September 30. The current revenue growth estimate for 2015 of 2.9% is below the estimate of 4.3% on September 30. Again, estimate reductions for companies in the Energy sector account for most of the decline in both the earnings growth rate and revenue growth rate for 2015. Please see page 2 for more details

Valuation: Forward P/E Ratio is 15.9, above the 10-Year Average (14.1)

The current 12-month forward P/E ratio is 15.9. This P/E ratio is based on Thursday's closing price (2035.33) and forward 12-month EPS estimate ($127.82).

At the sector level, the Consumer Staples (19.0) and Consumer Discretionary (18.1) sectors have the highest forward 12-month P/E ratios, while the Telecom Services (13.2) and Financials (13.5) sectors have the lowest forward 12-month P/E ratios.

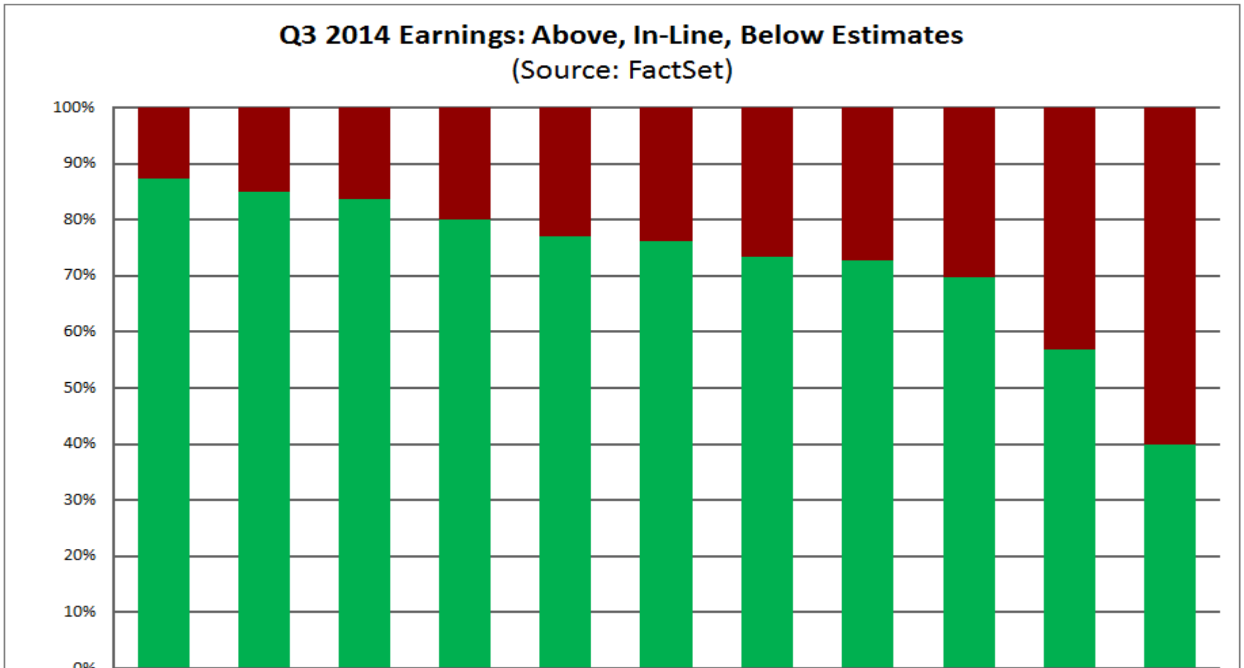
The P/E ratio of 15.9 for the index as a whole is above the prior 5-year average forward 12-month P/E ratio of 13.6, and above the prior 10-year average forward 12-month P/E ratio of 14.1. It is also above the forward 12-month P/E ratio of 15.3 recorded at the start of the fourth quarter (September 30). During the fourth quarter, the price of the index has increased by 3.2%, while the forward 12-month EPS estimate has decreased by 1.3%. The increase in price and decrease in EPS have resulted in the multiple expansion for the index that has occurred since the start of the quarter.

Nine of the ten sectors have forward 12-month P/E ratios that are above their 10-year averages, led by the Health Care (17.6 vs. 14.4), Energy (14.1 vs. 11.9), and Utilities (17.0 vs. 14.4) sectors. The only sector that has a forward 12-month P/E ratio below its 10-year average is the Telecom Services sector (13.2 vs. 14.9).

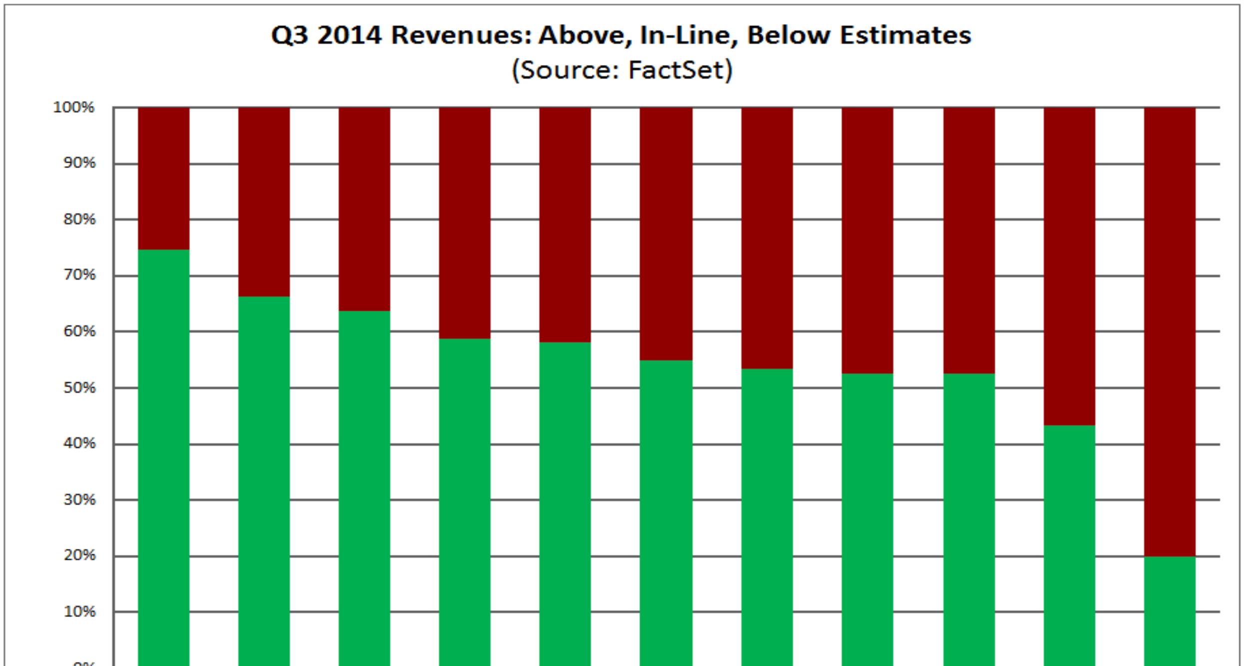
Companies Reporting Next Week: 11

During the upcoming week, 1 S&P 500 company is scheduled to report results for the third quarter and 10 S&P 500 companies are scheduled to report results for the fourth quarter.

Q3 2014: Scorecard

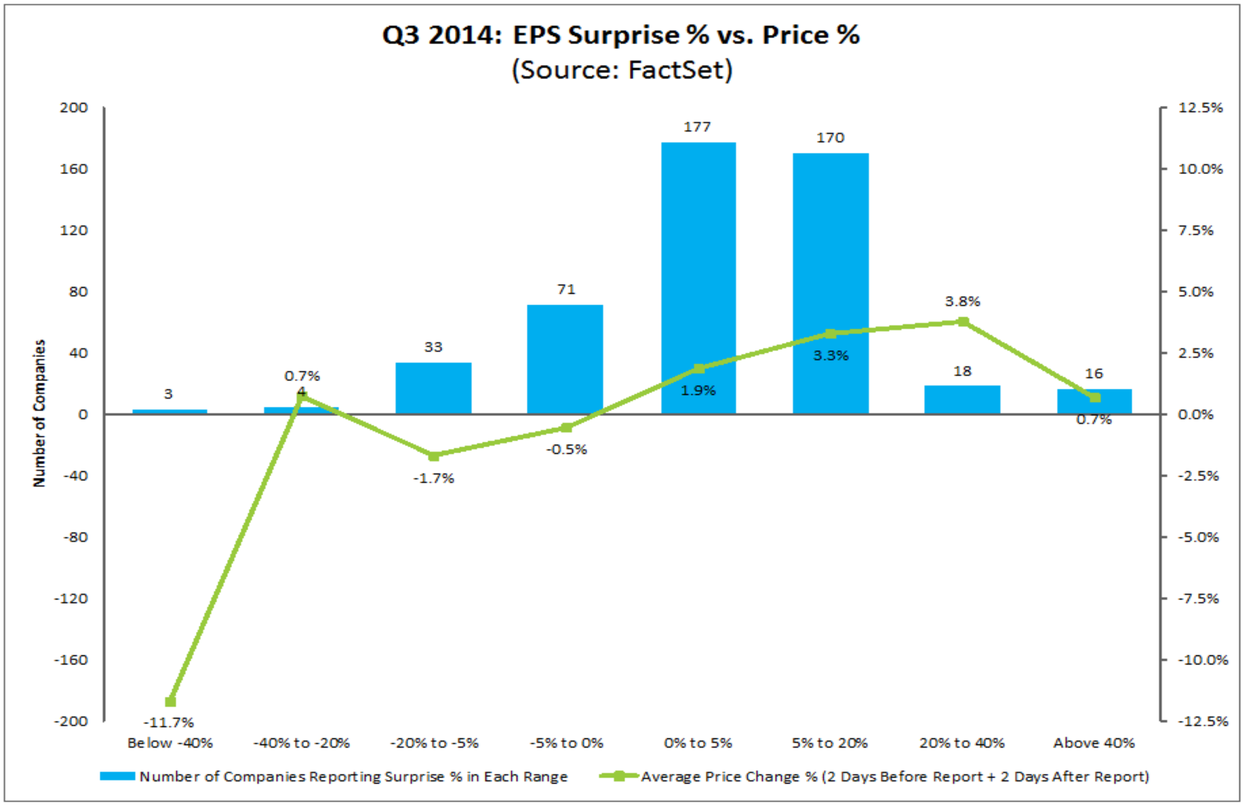


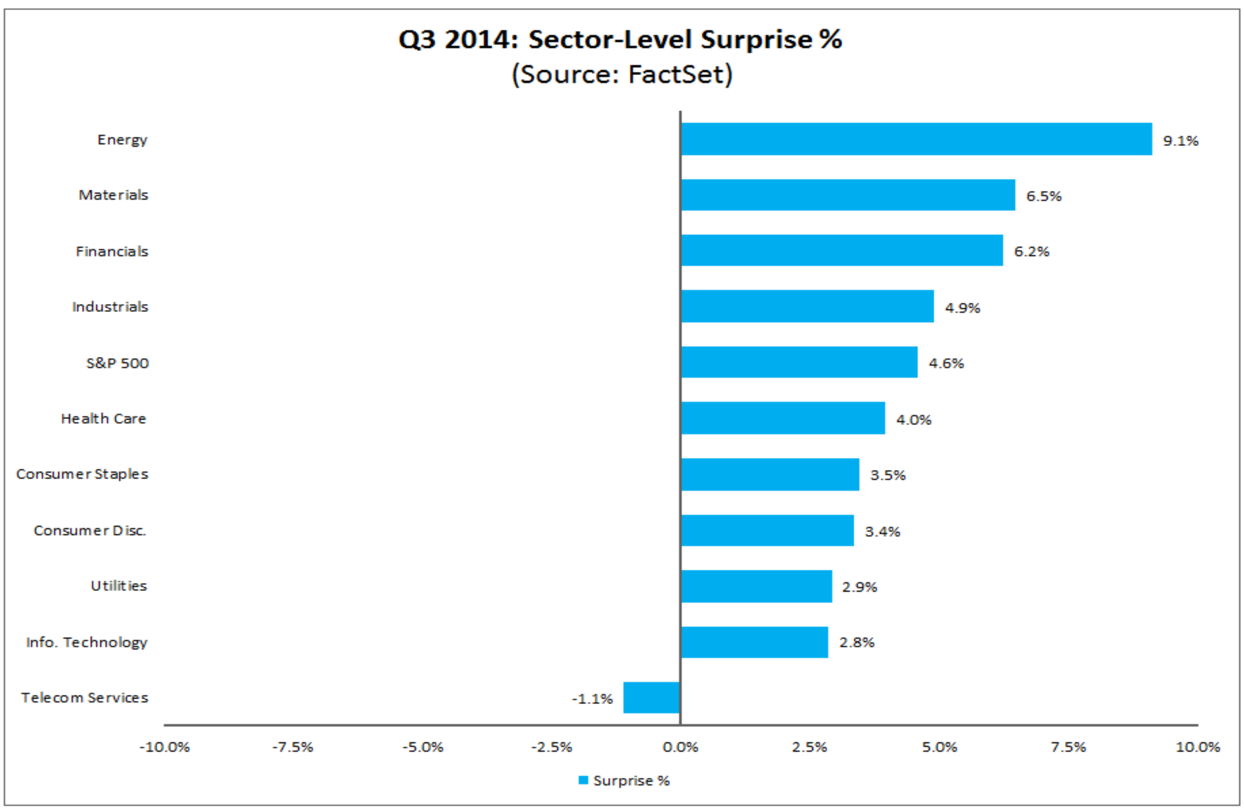
	Industrials	Info. Technology	Health Care	Consumer Staples	S&P 500	Consumer Disc.	Materials	Financials	Energy	Utilities	Telecom Services
Below	13%	15%	16%	20%	23%	24%	27%	27%	30%	43%	60%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	87%	85%	84%	80%	77%	76%	73%	73%	70%	57%	40%



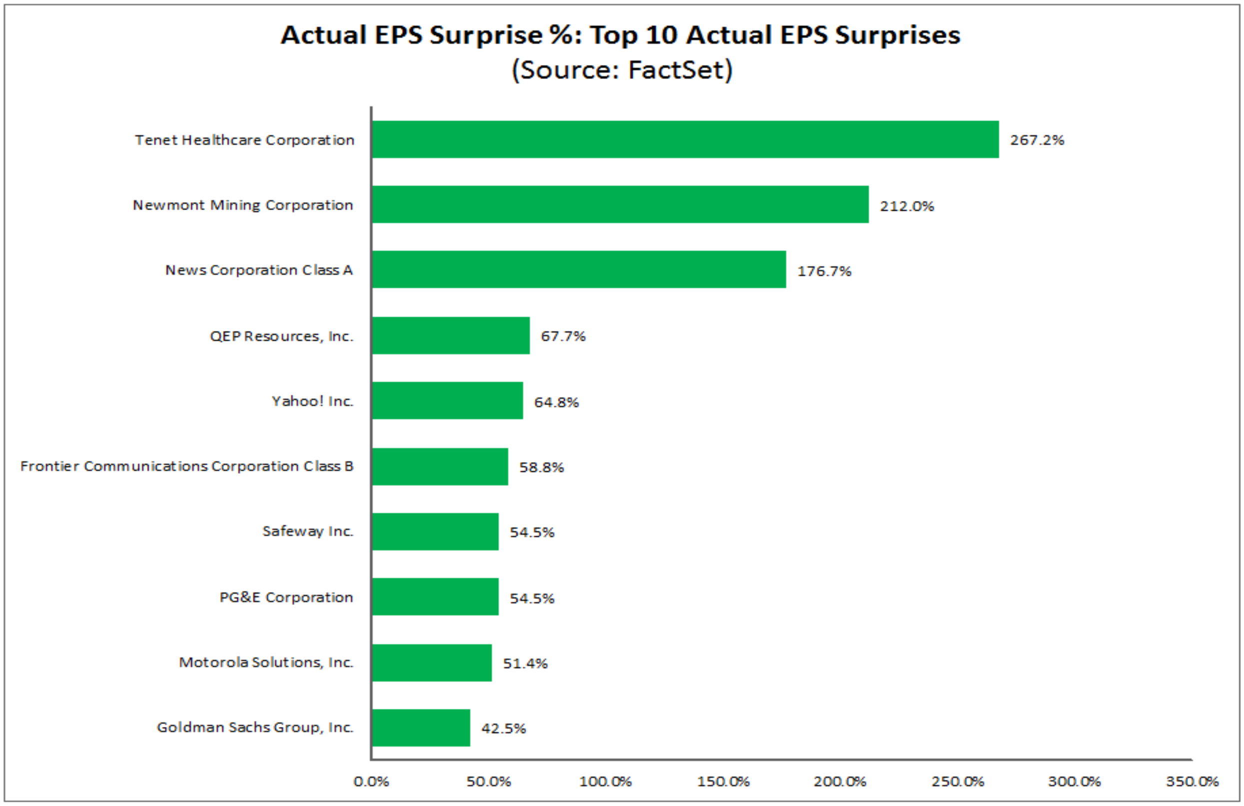
	Health Care	Financials	Info. Technology	S&P 500	Energy	Consumer Disc.	Materials	Consumer Staples	Industrials	Utilities	Telecom Services
Below	25%	34%	36%	41%	42%	45%	47%	48%	48%	57%	80%
In-Line	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Above	75%	66%	64%	59%	58%	55%	53%	53%	52%	43%	20%

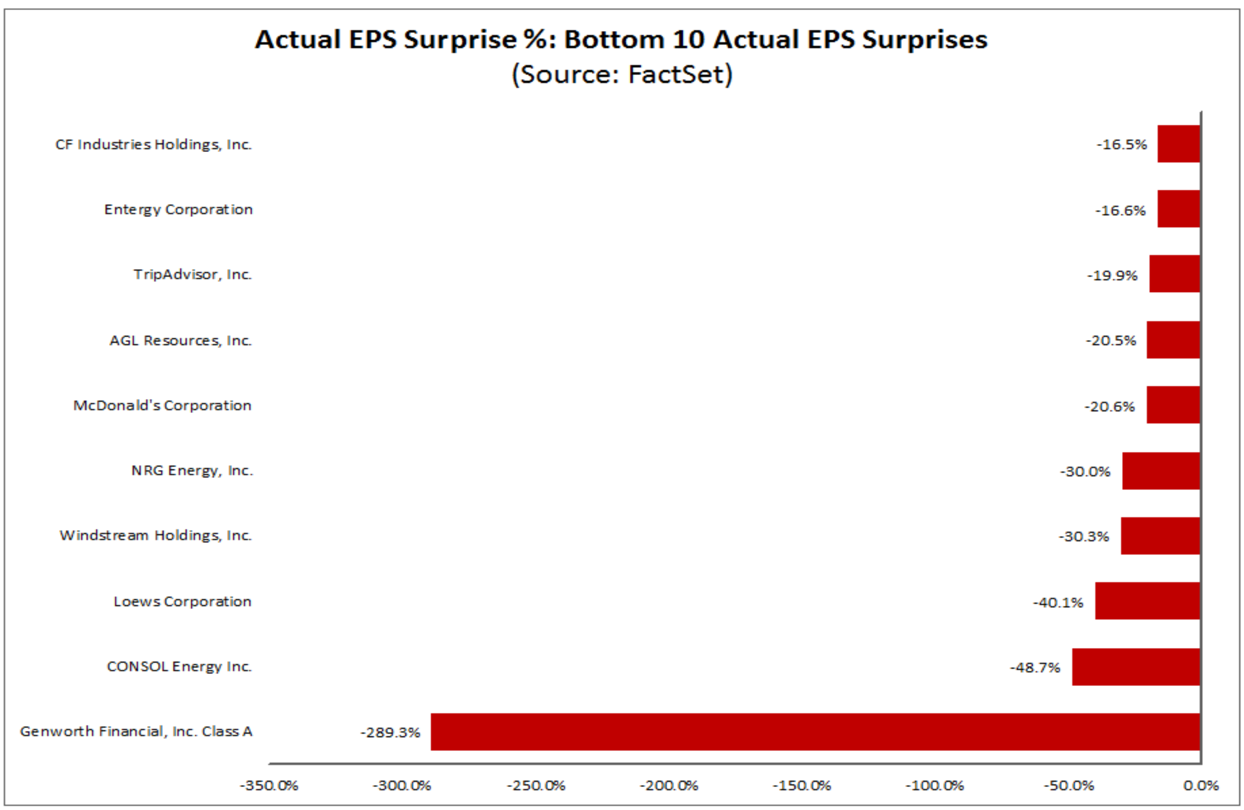
Q3 2014: Scorecard



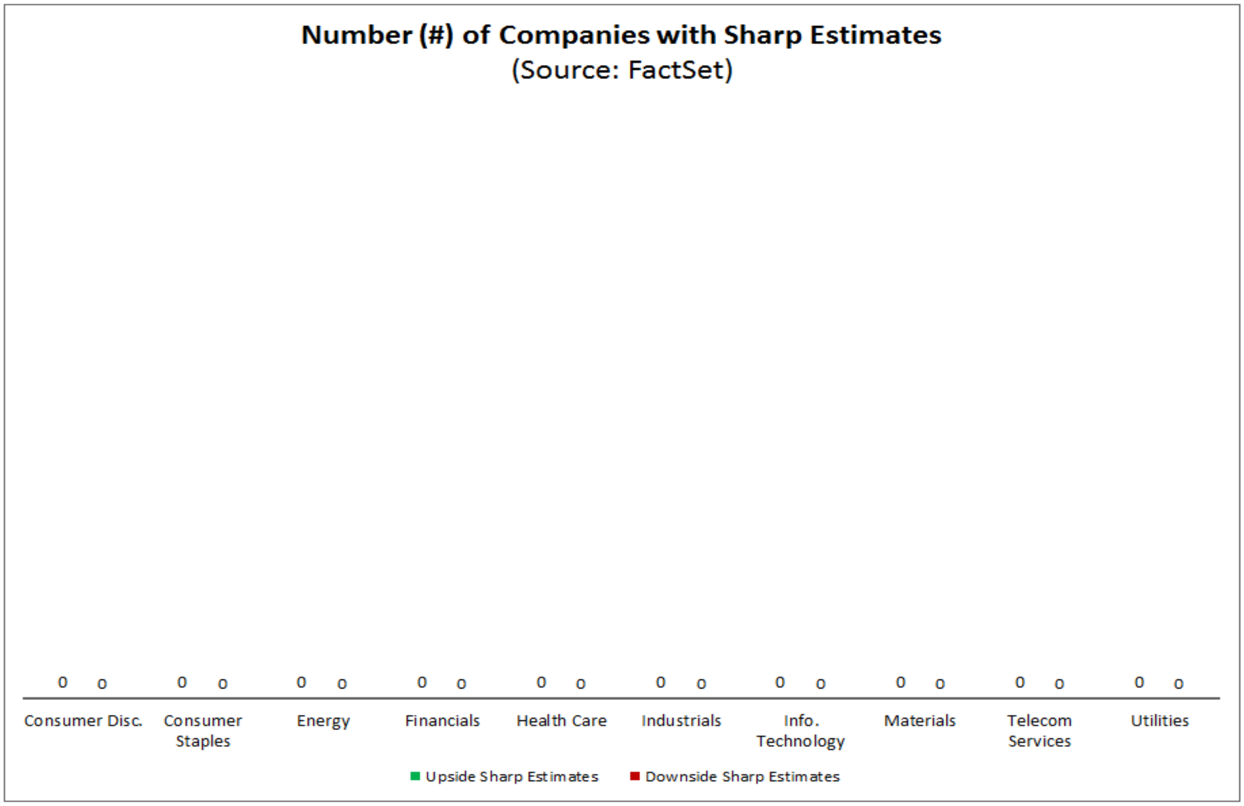


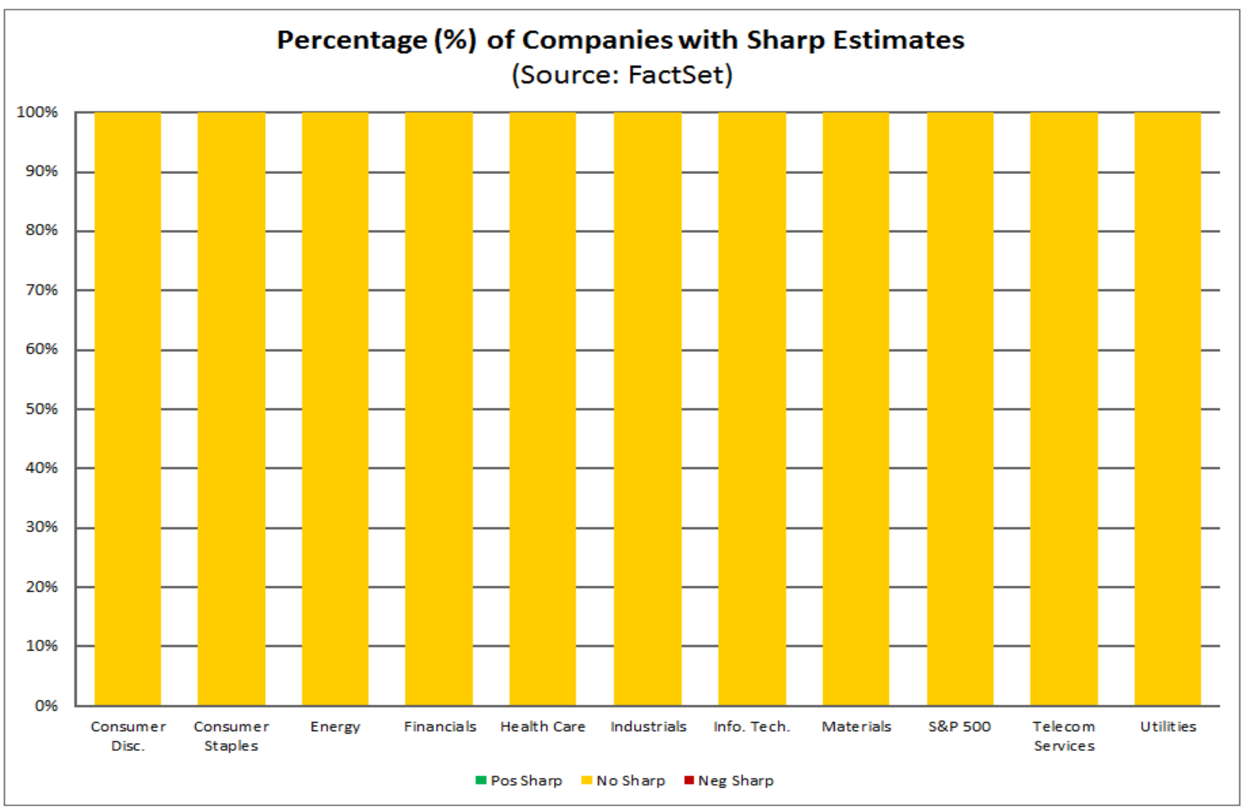
Q3 2014: Scorecard



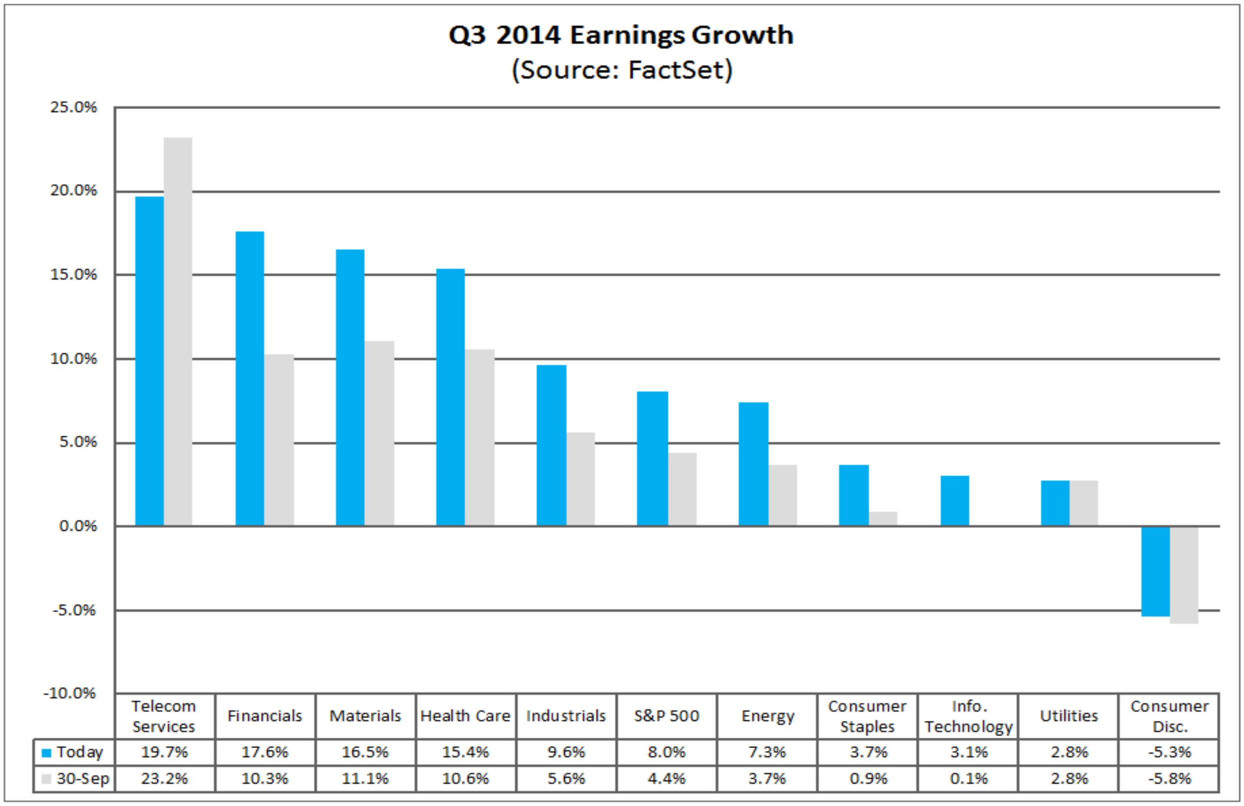


Q3 2014: Projected EPS Surprises (Sharp Estimates)

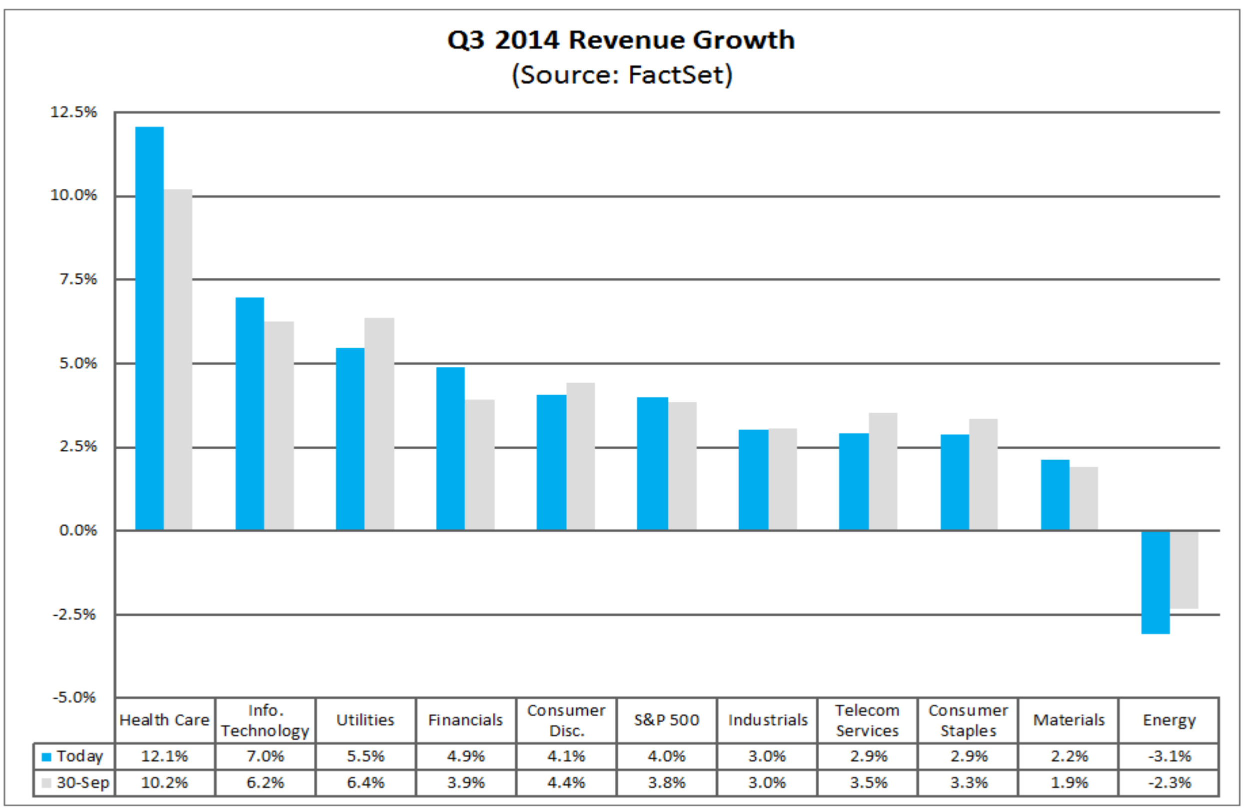




Q3 2014: Growth

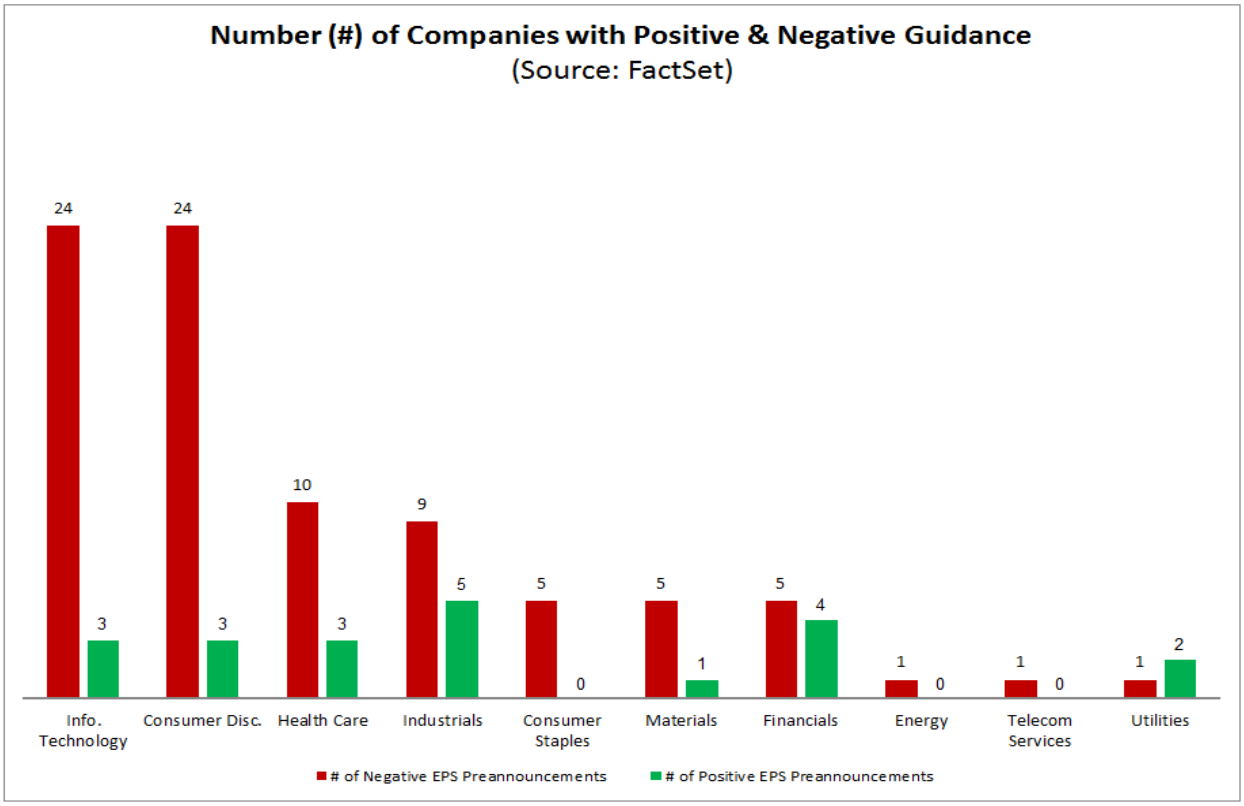


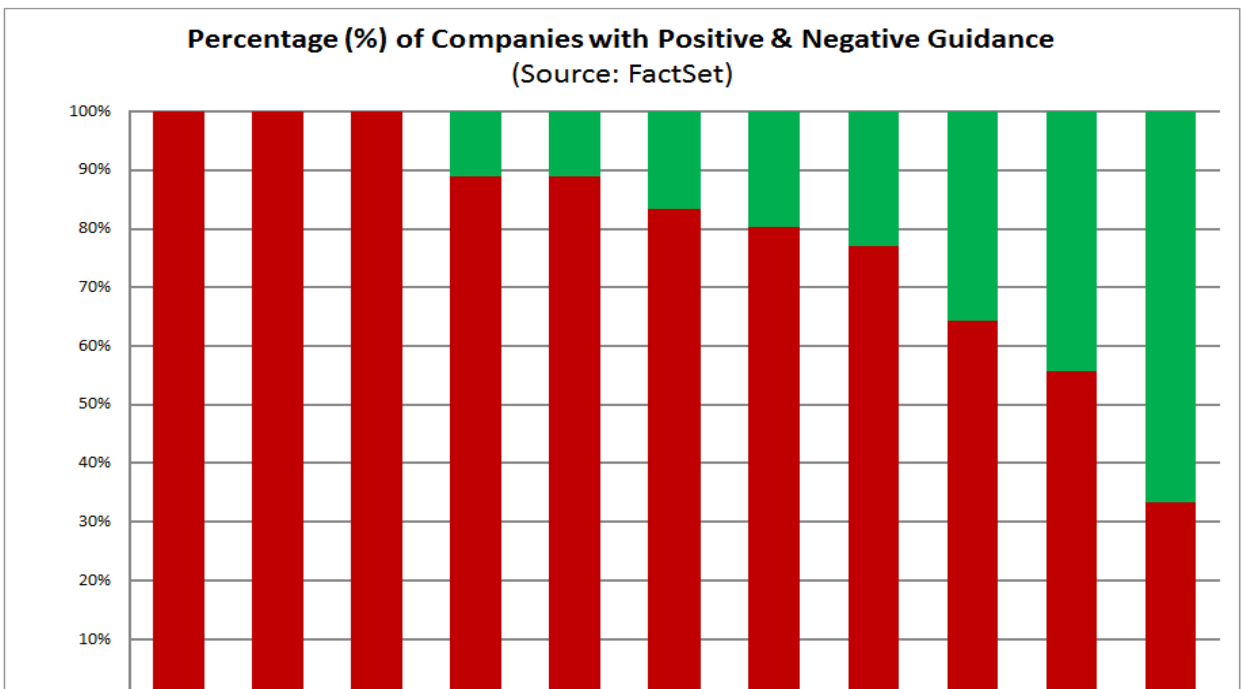
	Telecom Services	Financials	Materials	Health Care	Industrials	S&P 500	Energy	Consumer Staples	Info. Technology	Utilities	Consumer Disc.
Today	19.7%	17.6%	16.5%	15.4%	9.6%	8.0%	7.3%	3.7%	3.1%	2.8%	-5.3%
30-Sep	23.2%	10.3%	11.1%	10.6%	5.6%	4.4%	3.7%	0.9%	0.1%	2.8%	-5.8%



	Health Care	Info. Technology	Utilities	Financials	Consumer Disc.	S&P 500	Industrials	Telecom Services	Consumer Staples	Materials	Energy
Today	12.1%	7.0%	5.5%	4.9%	4.1%	4.0%	3.0%	2.9%	2.9%	2.2%	-3.1%
30-Sep	10.2%	6.2%	6.4%	3.9%	4.4%	3.8%	3.0%	3.5%	3.3%	1.9%	-2.3%

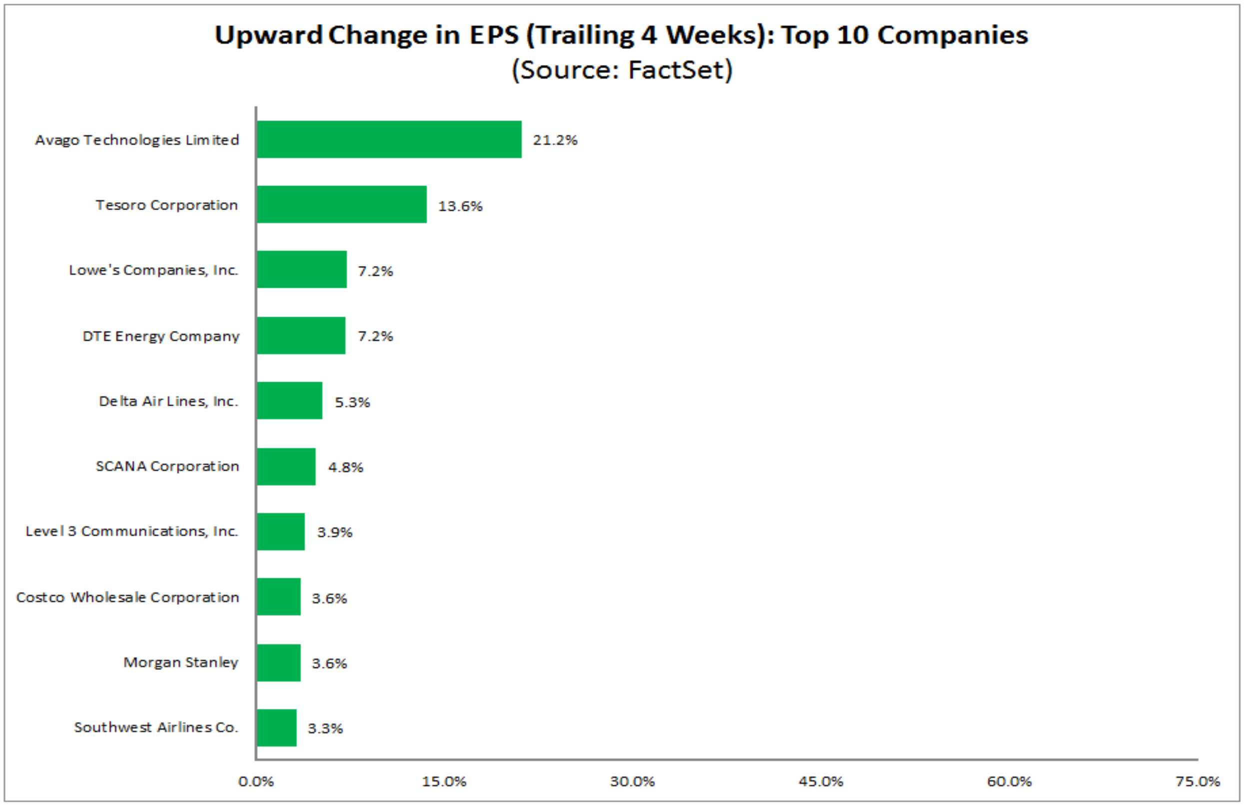
Q4 2014: EPS Guidance

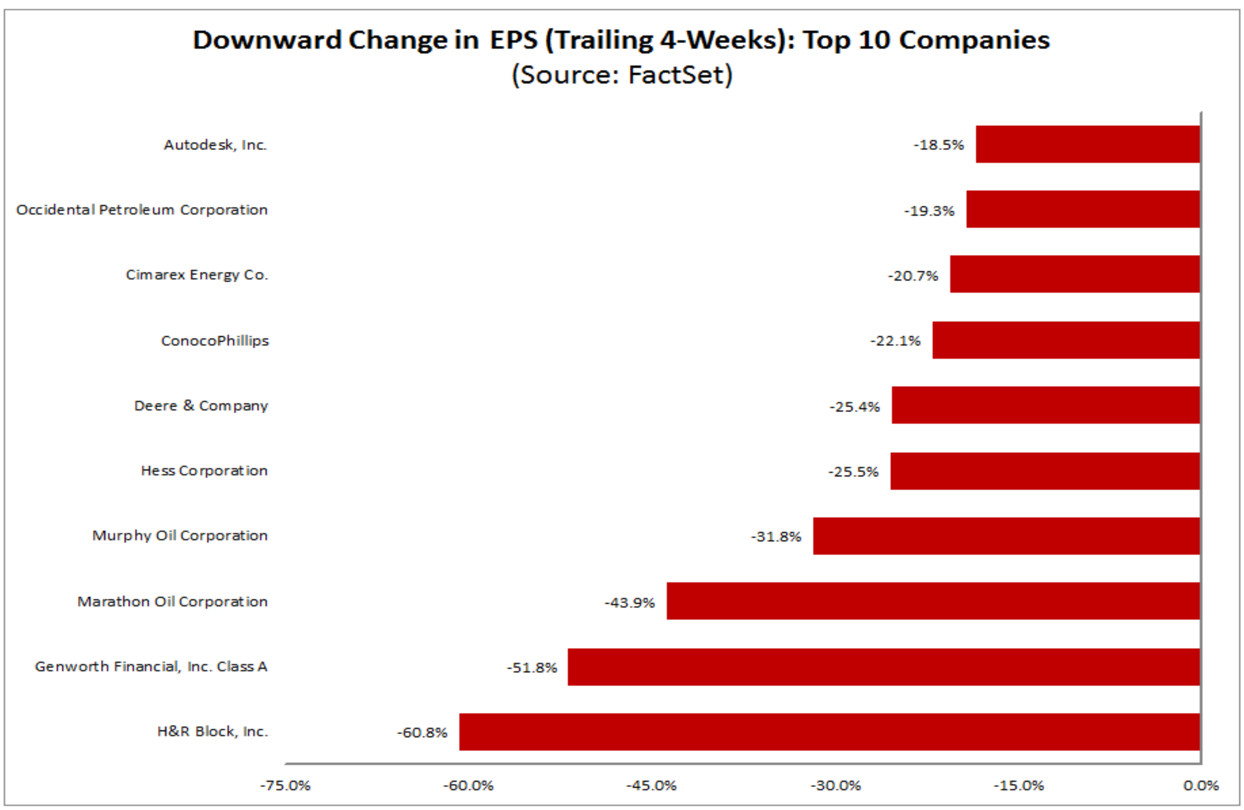




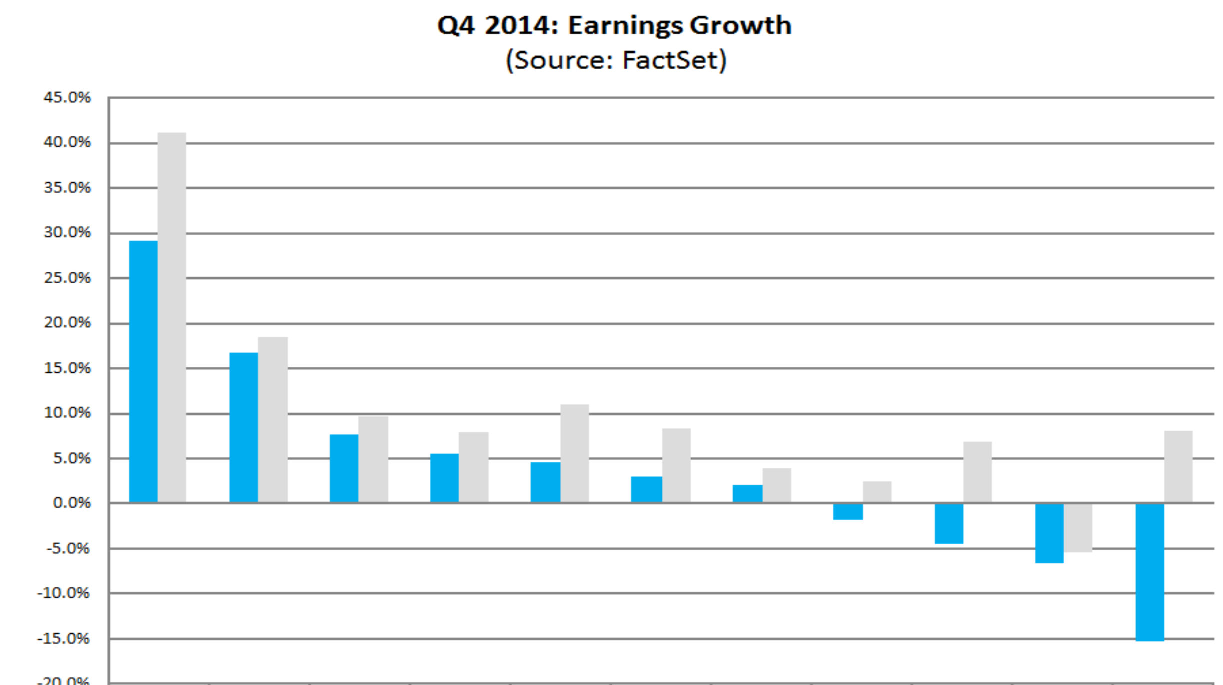
	Consumer Staples	Energy	Telecom Services	Info. Technology	Consumer Disc.	Materials	S&P 500	Health Care	Industrials	Financials	Utilities
Positive	0%	0%	0%	11%	11%	17%	20%	23%	36%	44%	67%
Negative	100%	100%	100%	89%	89%	83%	80%	77%	64%	56%	33%

Q4 2014: EPS Revisions

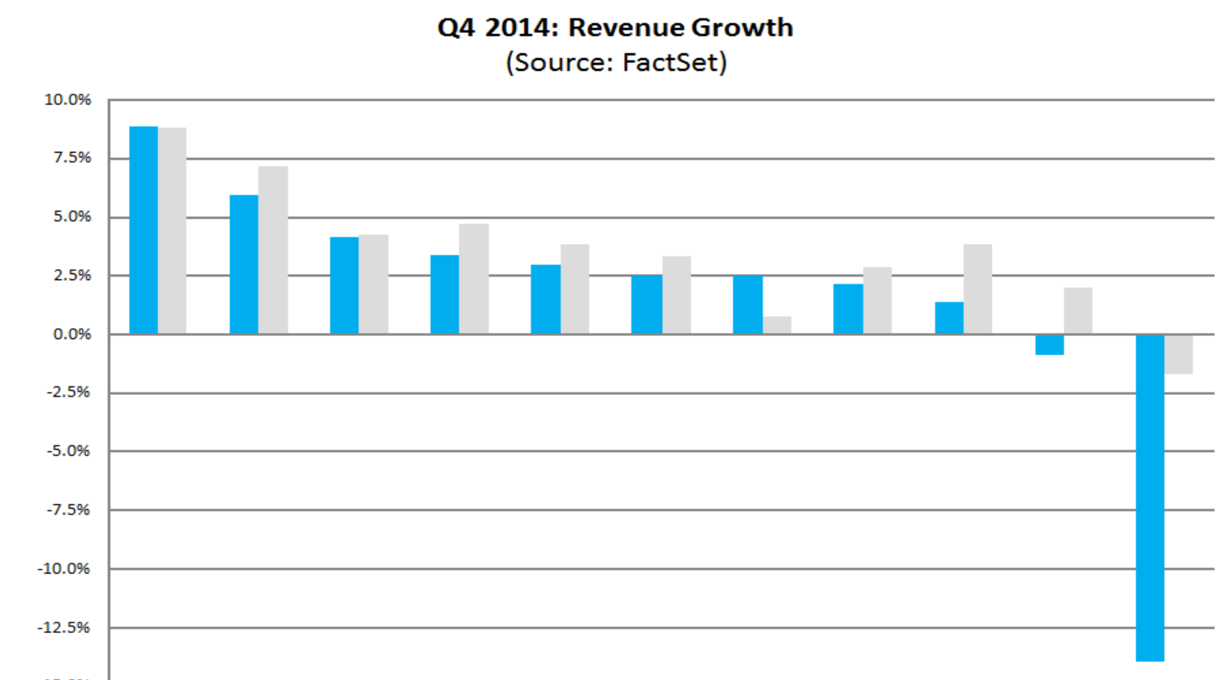




Q4 2014: Growth

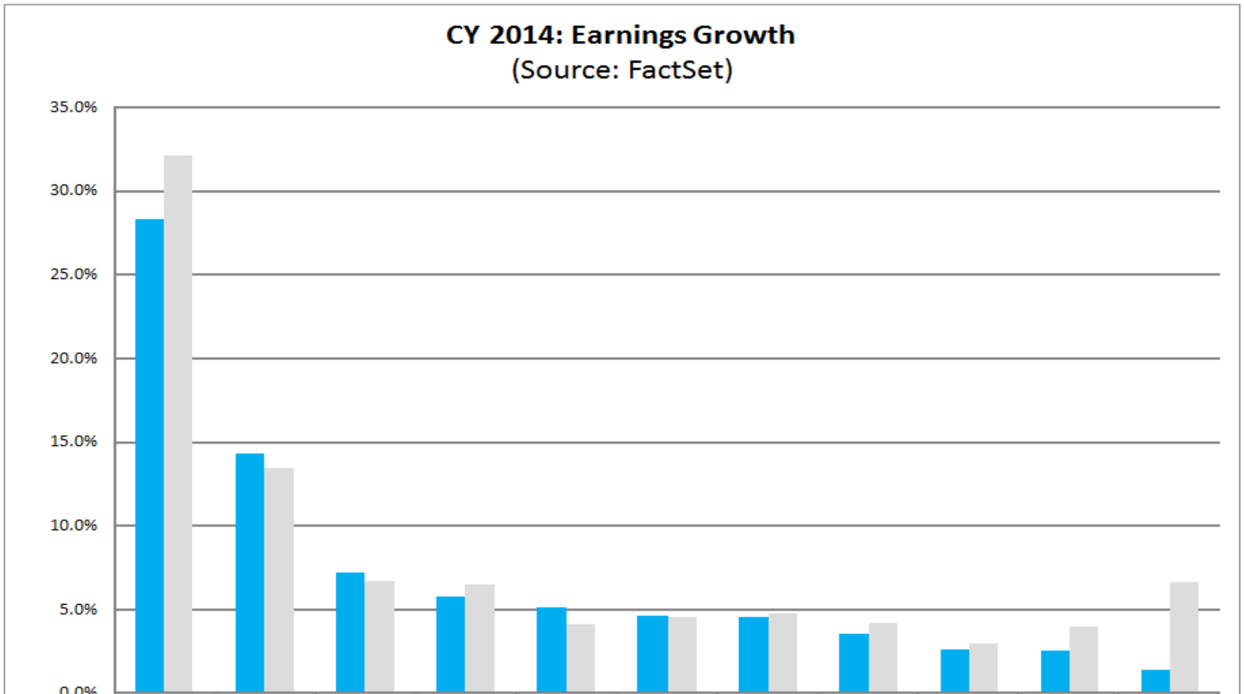


	Telecom Services	Health Care	Industrials	Financials	Consumer Disc.	S&P 500	Info. Technology	Consumer Staples	Materials	Utilities	Energy
Today	29.1%	16.7%	7.8%	5.5%	4.6%	3.0%	2.1%	-1.7%	-4.4%	-6.6%	-15.3%
30-Sep	41.1%	18.4%	9.5%	7.9%	10.9%	8.4%	4.0%	2.5%	6.9%	-5.3%	8.1%

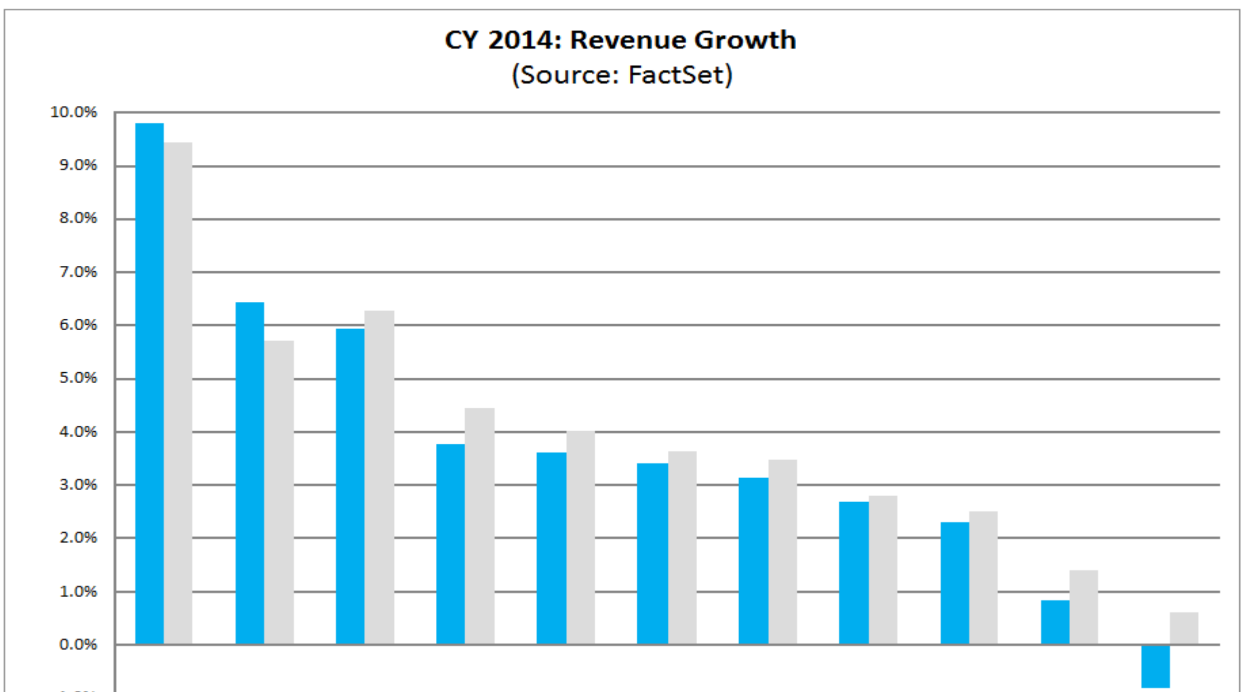


	Health Care	Info. Technology	Telecom Services	Consumer Disc.	Consumer Staples	Industrials	Utilities	Financials	S&P 500	Materials	Energy
Today	8.9%	5.9%	4.1%	3.4%	3.0%	2.5%	2.5%	2.1%	1.4%	-0.9%	-13.9%
30-Sep	8.8%	7.2%	4.2%	4.7%	3.8%	3.3%	0.8%	2.9%	3.8%	2.0%	-1.7%

CY 2014: Growth

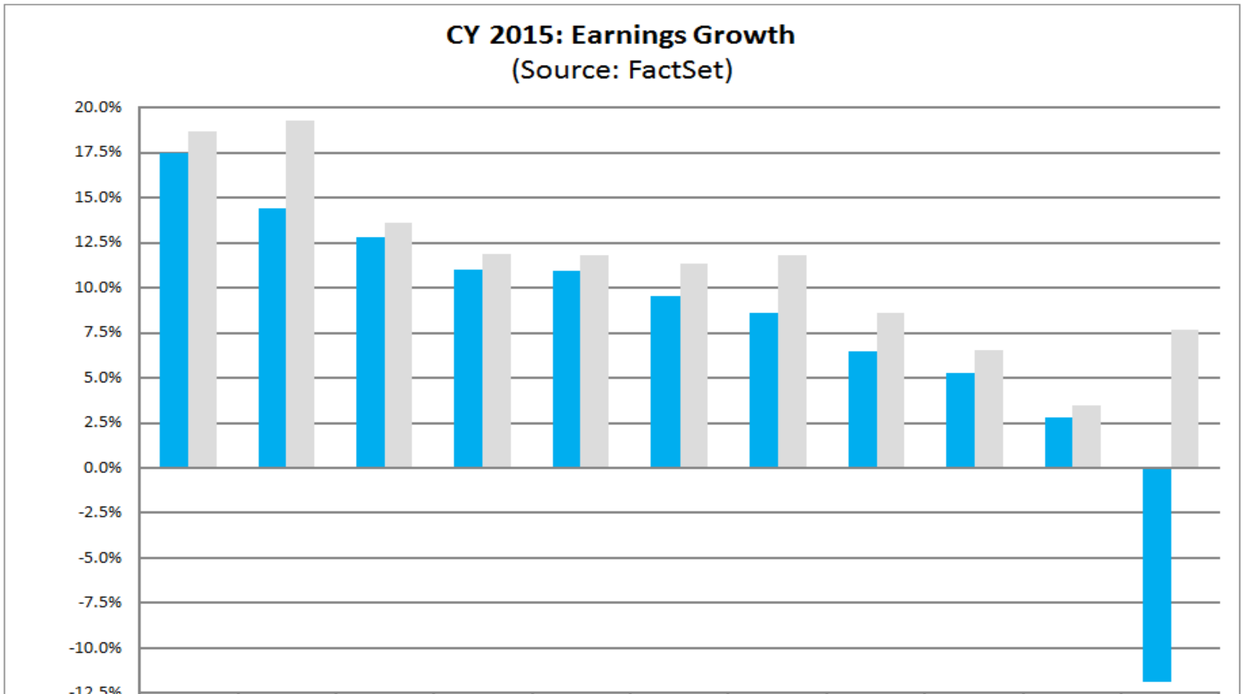


	Telecom Services	Health Care	Industrials	S&P 500	Utilities	Financials	Info. Technology	Materials	Consumer Staples	Consumer Disc.	Energy
Today	28.3%	14.3%	7.3%	5.8%	5.1%	4.7%	4.6%	3.6%	2.6%	2.6%	1.4%
30-Sep	32.1%	13.5%	6.7%	6.5%	4.2%	4.6%	4.8%	4.2%	3.0%	4.0%	6.6%

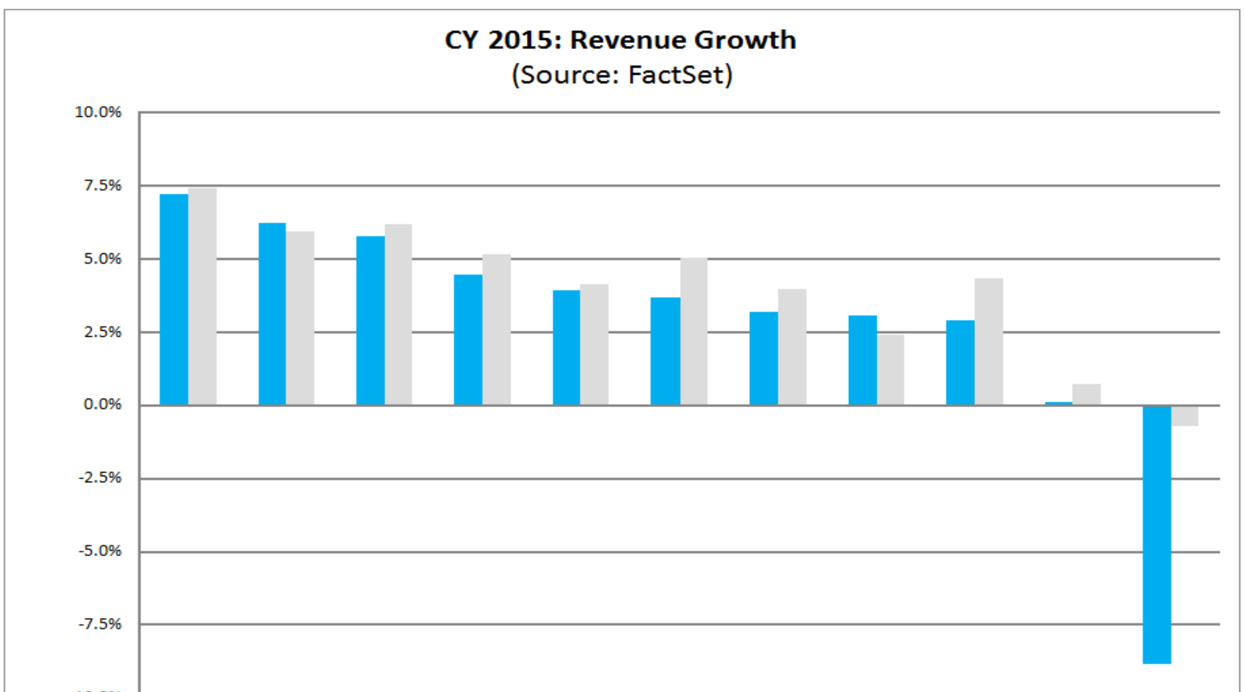


	Health Care	Utilities	Info. Technology	Consumer Disc.	S&P 500	Telecom Services	Consumer Staples	Financials	Industrials	Materials	Energy
Today	9.8%	6.4%	5.9%	3.8%	3.6%	3.4%	3.2%	2.7%	2.3%	0.8%	-0.8%
30-Sep	9.4%	5.7%	6.3%	4.4%	4.0%	3.7%	3.5%	2.8%	2.5%	1.4%	0.6%

CY 2015: Growth

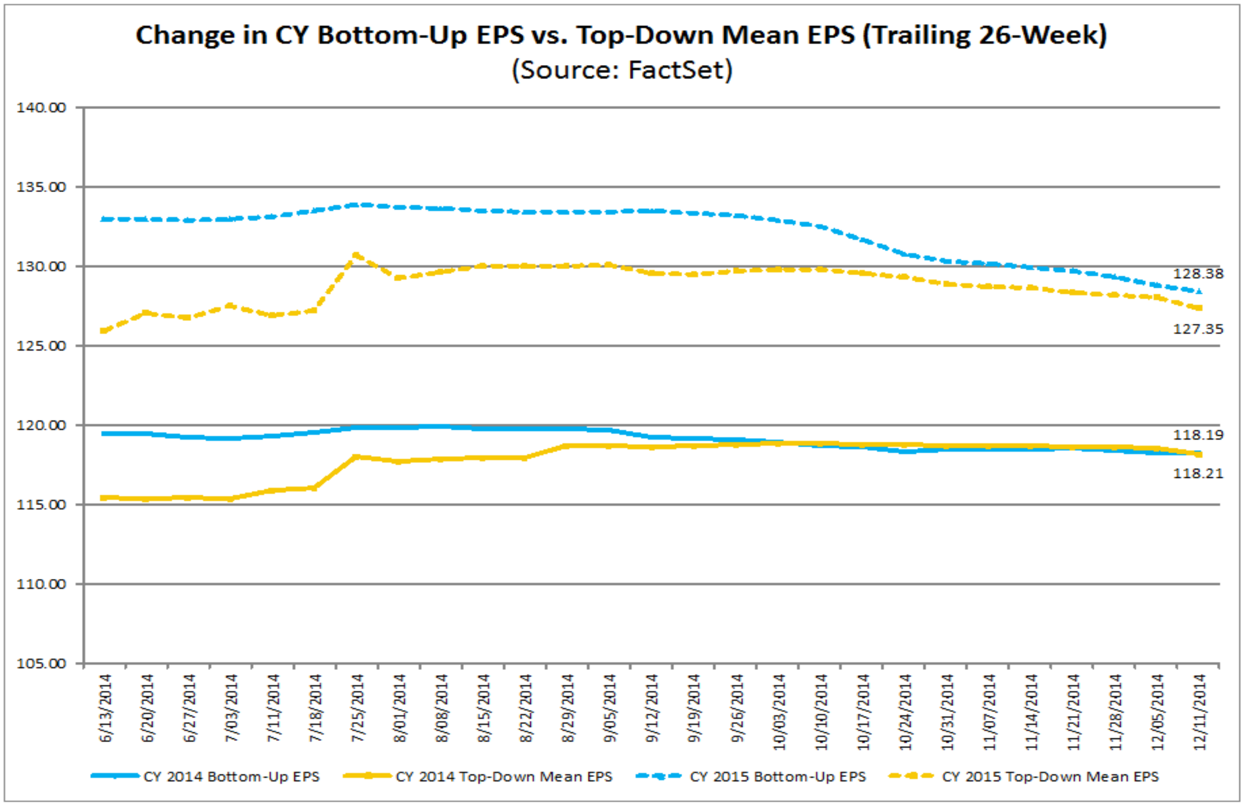


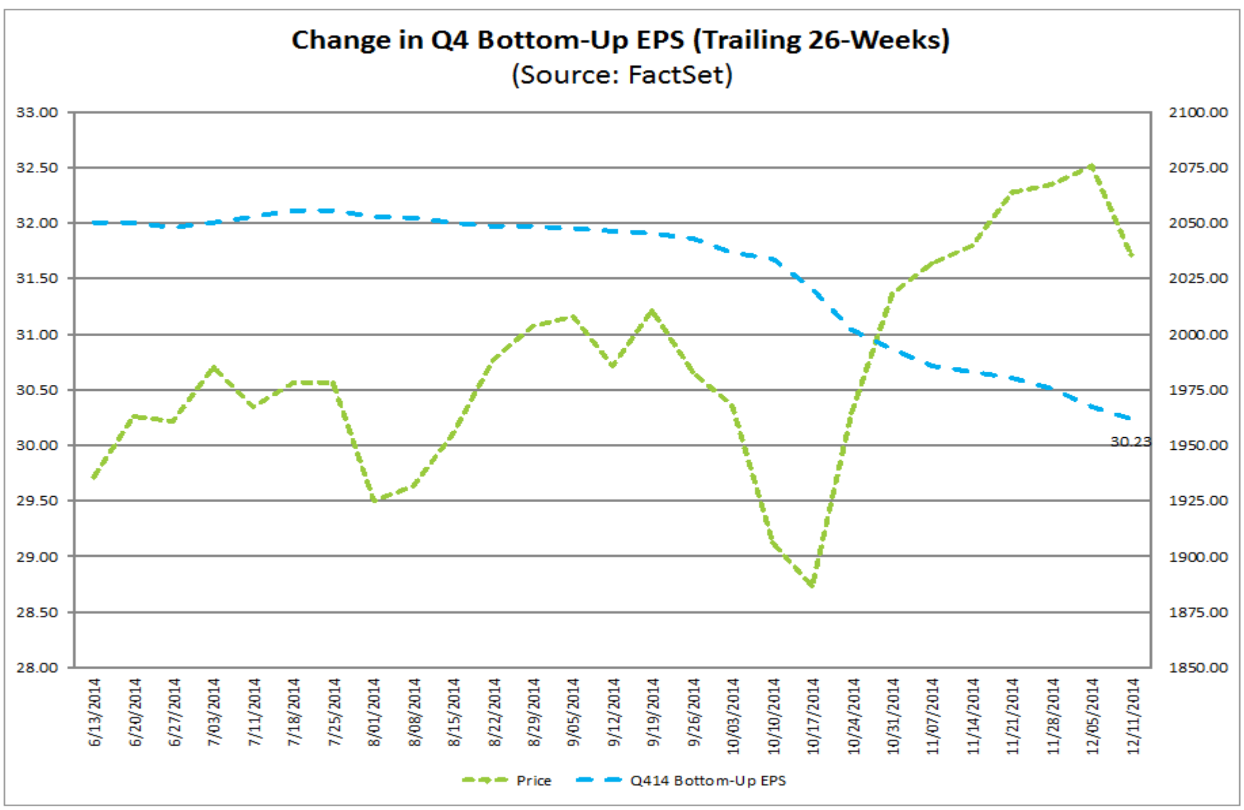
	Consumer Disc.	Materials	Financials	Health Care	Info. Tech.	Industrials	S&P 500	Consumer Staples	Telecom Services	Utilities	Energy
Today	17.4%	14.4%	12.8%	11.0%	10.9%	9.5%	8.6%	6.4%	5.2%	2.8%	-11.9%
30-Sep-14	18.6%	19.2%	13.6%	11.8%	11.8%	11.3%	11.8%	8.6%	6.5%	3.4%	7.6%



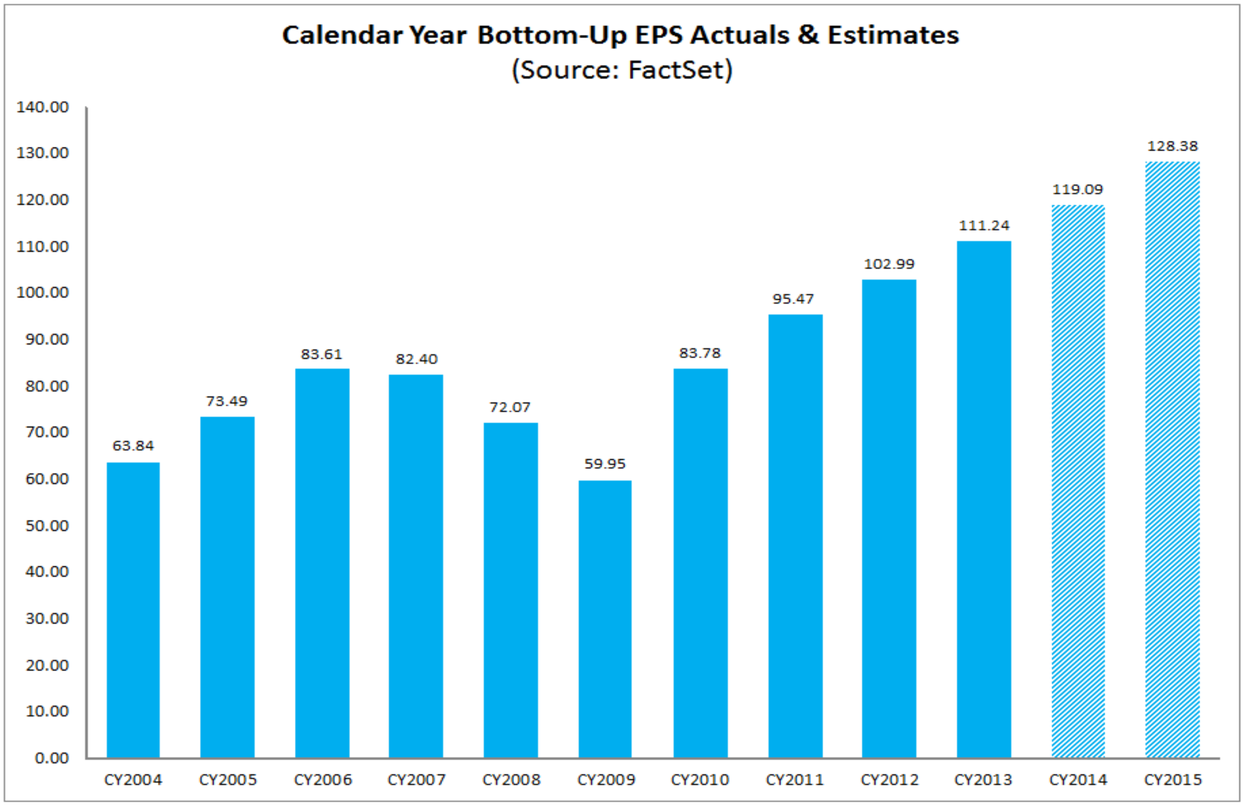
	Info. Technology	Health Care	Consumer Disc.	Consumer Staples	Financials	Materials	Industrials	Telecom Services	S&P 500	Utilities	Energy
Today	7.2%	6.2%	5.8%	4.5%	3.9%	3.7%	3.2%	3.0%	2.9%	0.1%	-8.8%
30-Sep-14	7.4%	5.9%	6.2%	5.2%	4.1%	5.0%	4.0%	2.4%	4.3%	0.7%	-0.7%

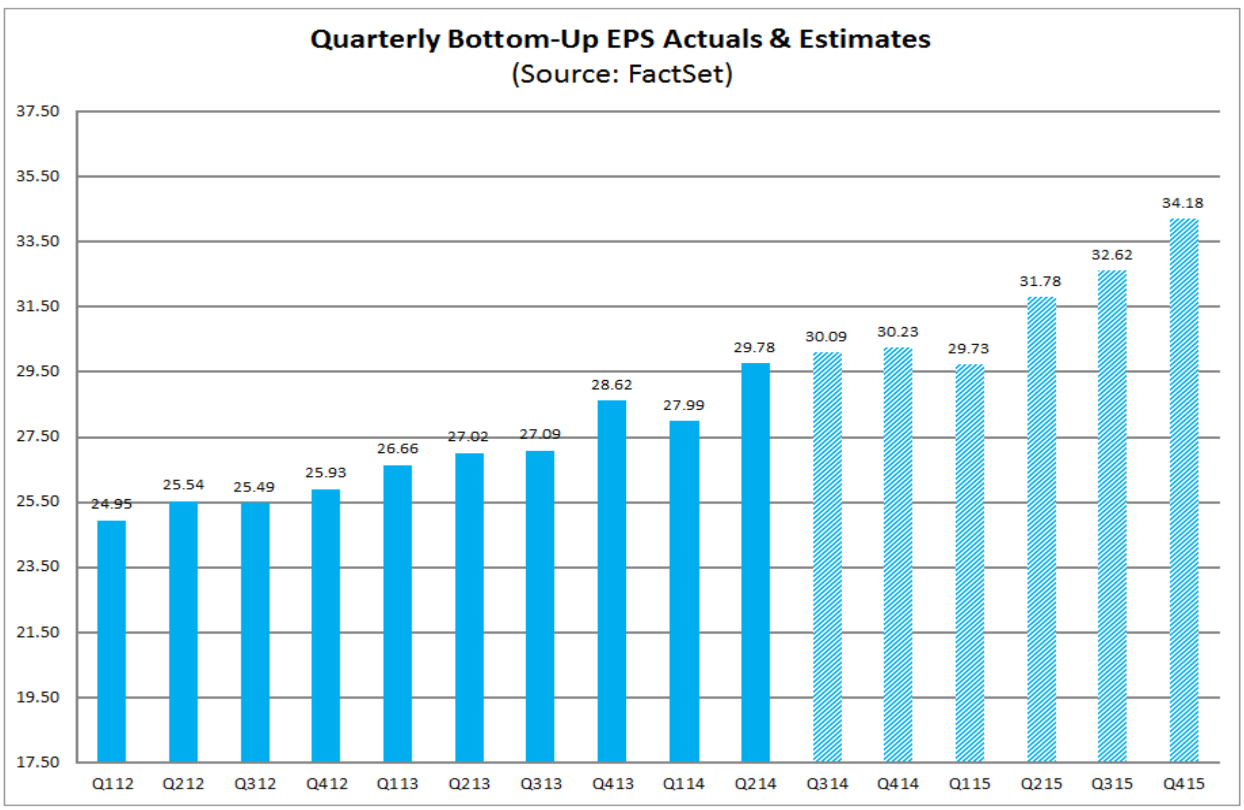
Bottom-up EPS Estimates: Revisions



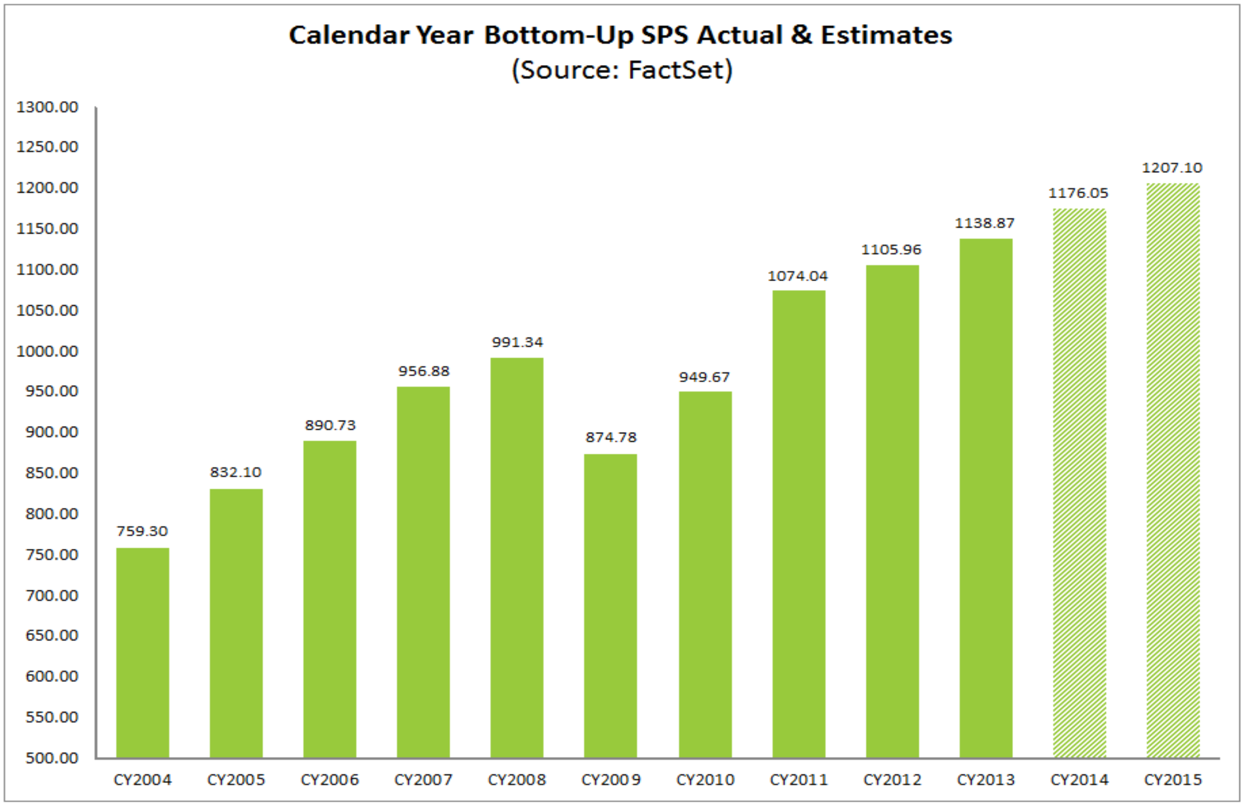


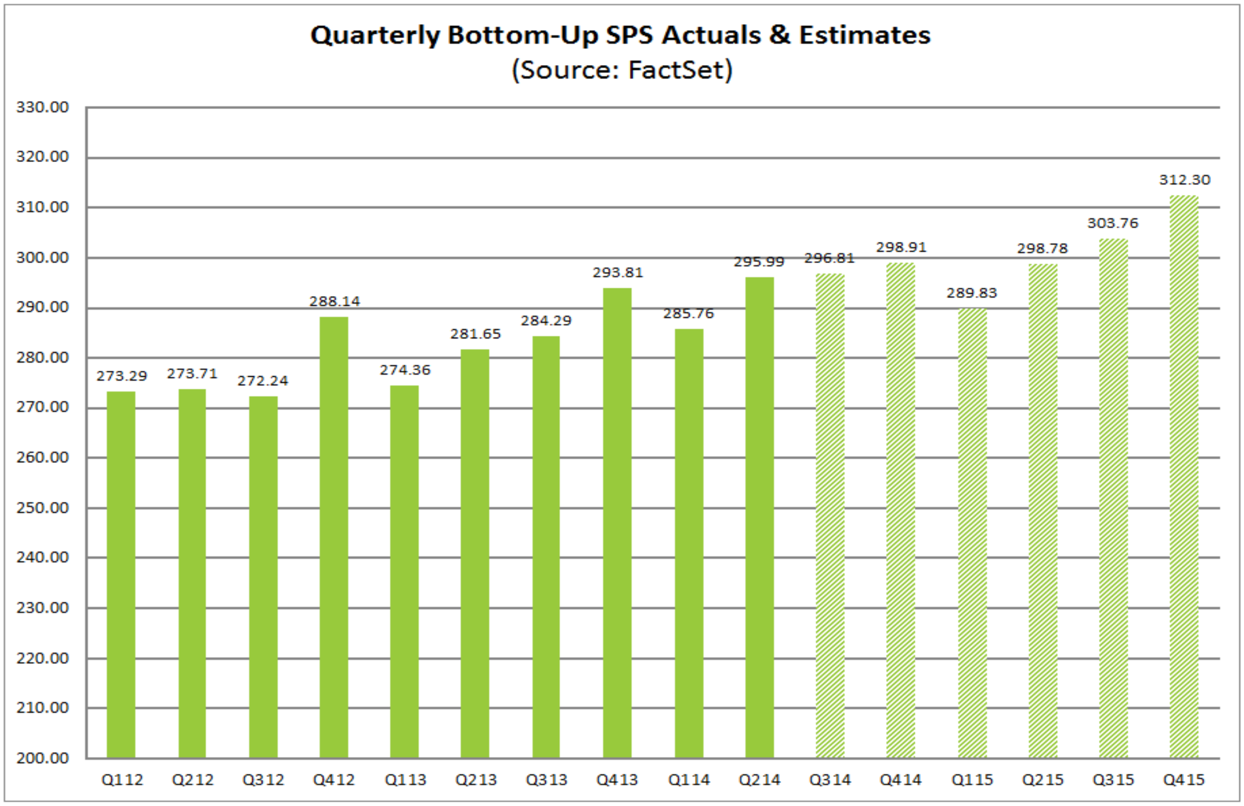
Bottom-up EPS Estimates: Current & Historical



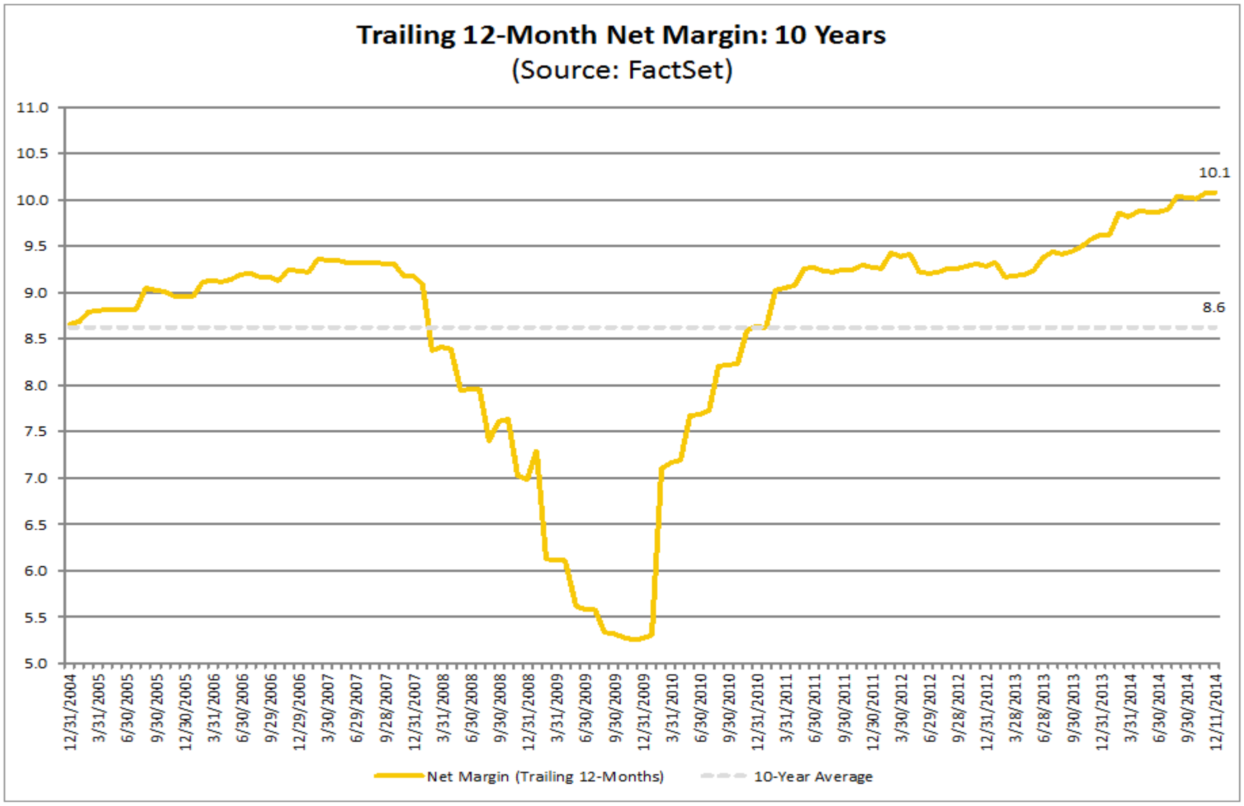


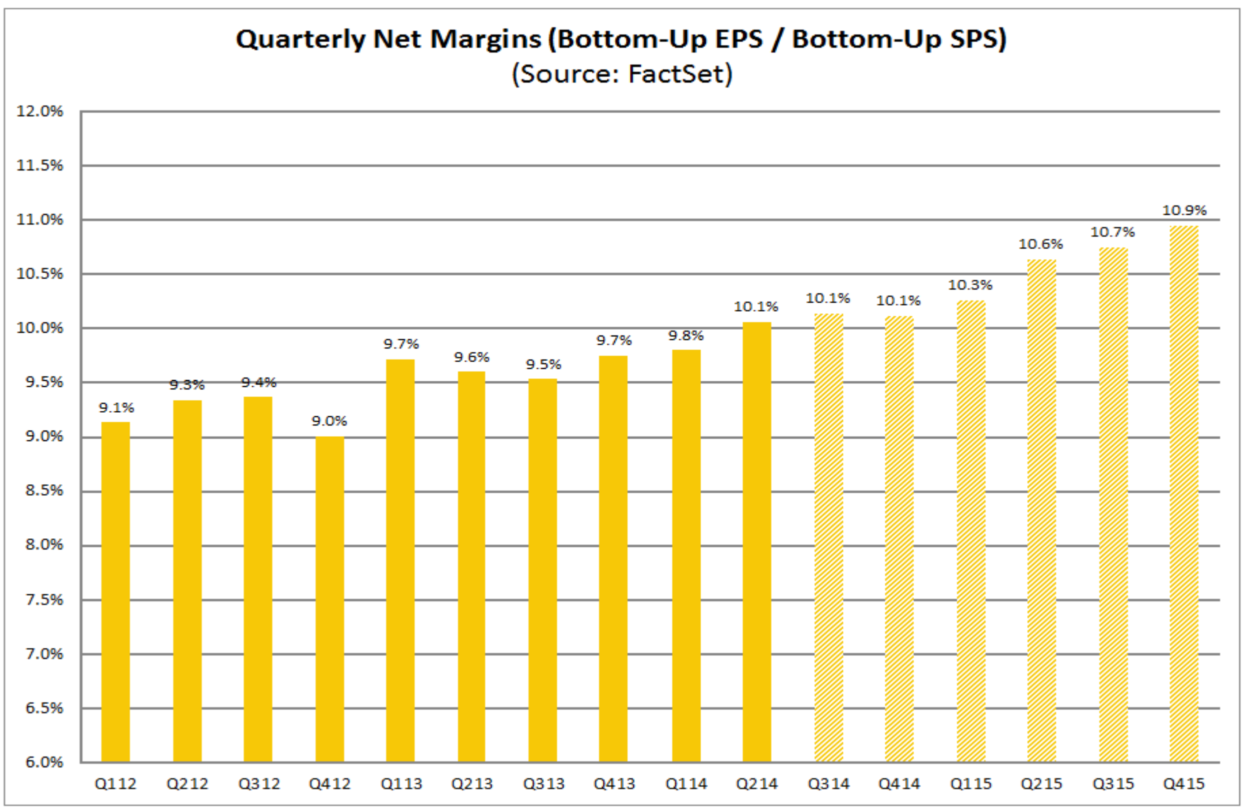
Bottom-up SPS Estimates: Current & Historical



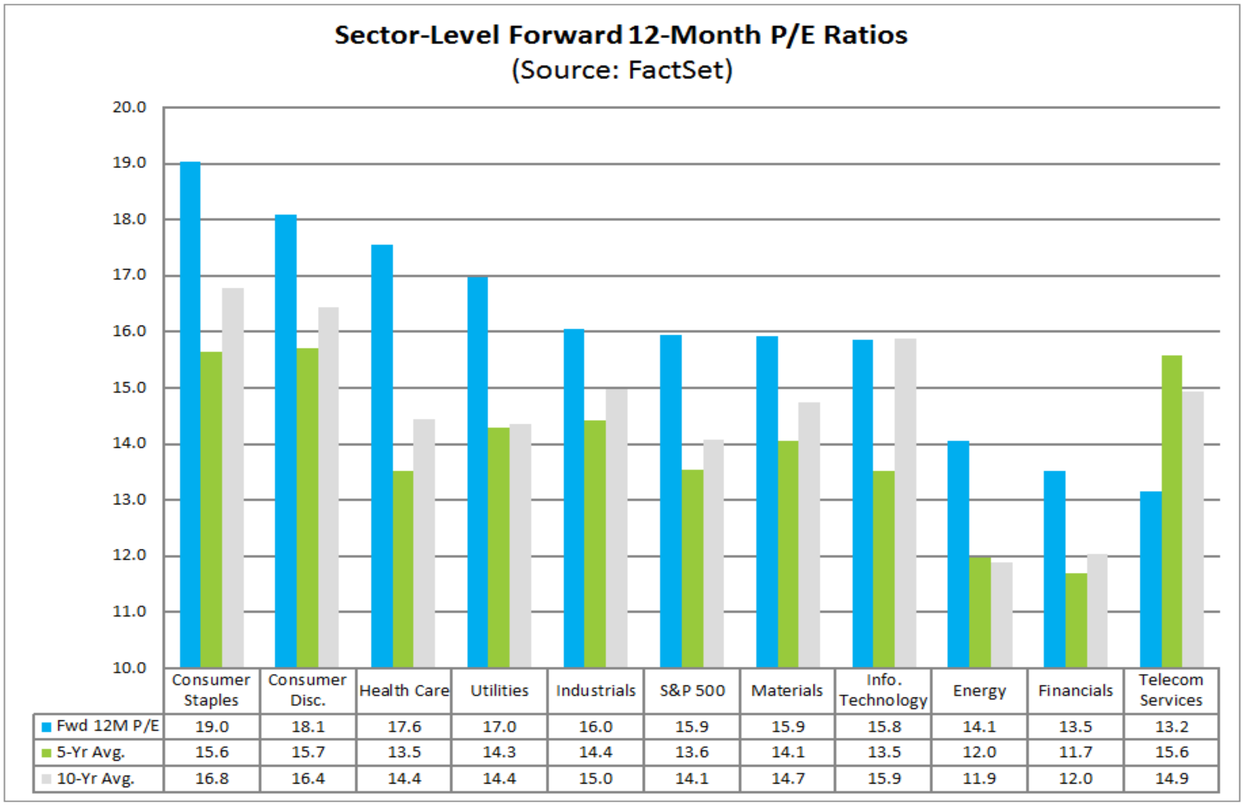


Net Margins: Current & Historical



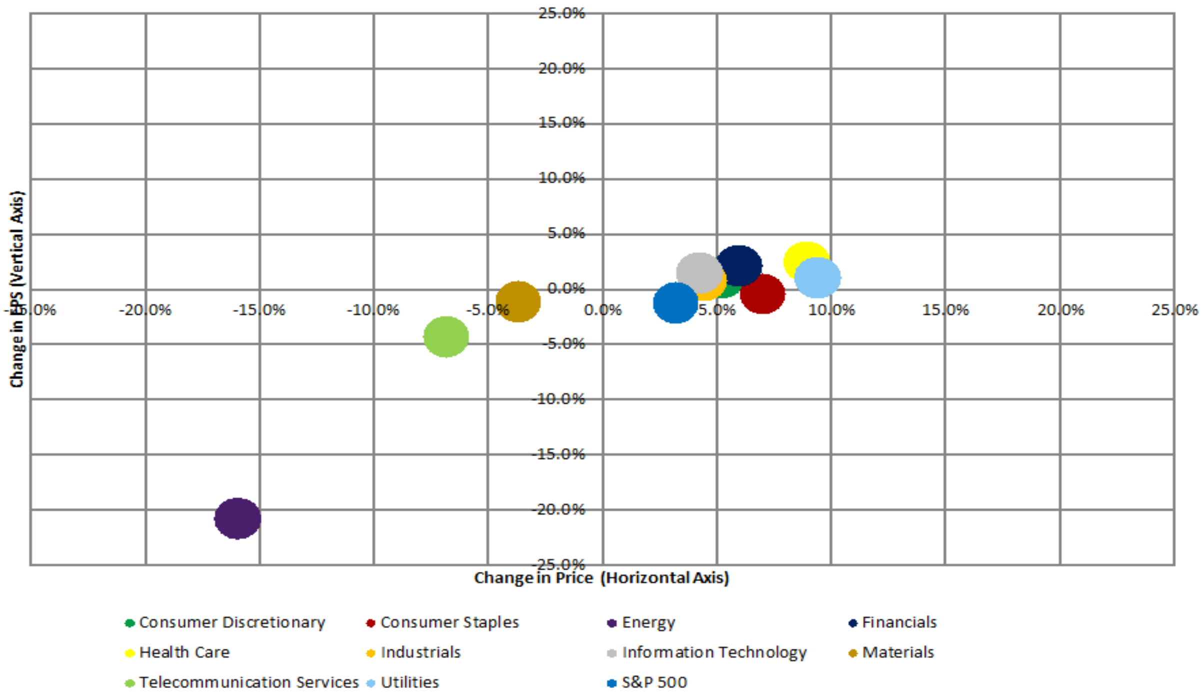


Forward 12M Price / Earnings Ratio: Sector Level

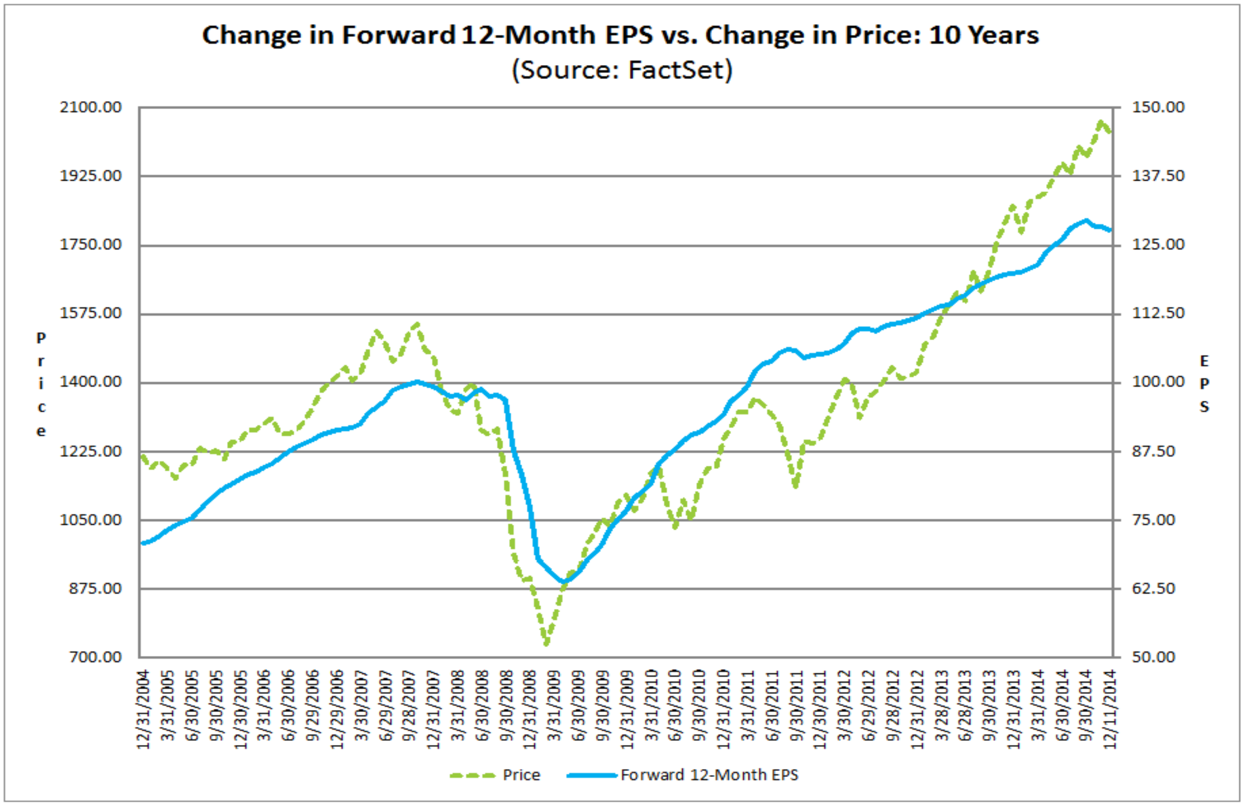


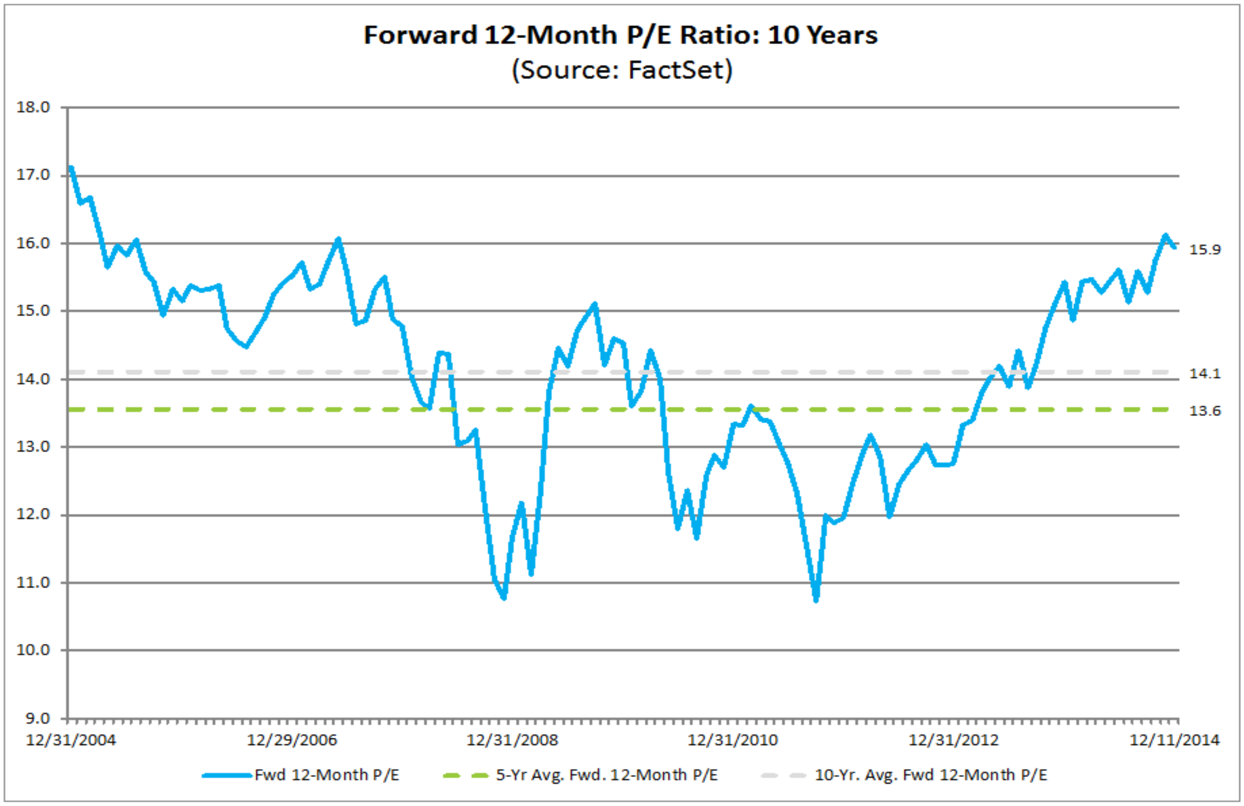
	Consumer Staples	Consumer Disc.	Health Care	Utilities	Industrials	S&P 500	Materials	Info. Technology	Energy	Financials	Telecom Services
Fwd 12M P/E	19.0	18.1	17.6	17.0	16.0	15.9	15.9	15.8	14.1	13.5	13.2
5-Yr Avg.	15.6	15.7	13.5	14.3	14.4	13.6	14.1	13.5	12.0	11.7	15.6
10-Yr Avg.	16.8	16.4	14.4	14.4	15.0	14.1	14.7	15.9	11.9	12.0	14.9

Sector-Level Change in Forward 12-Month EPS vs. Price: Since Sep. 30
(Source: FactSet)

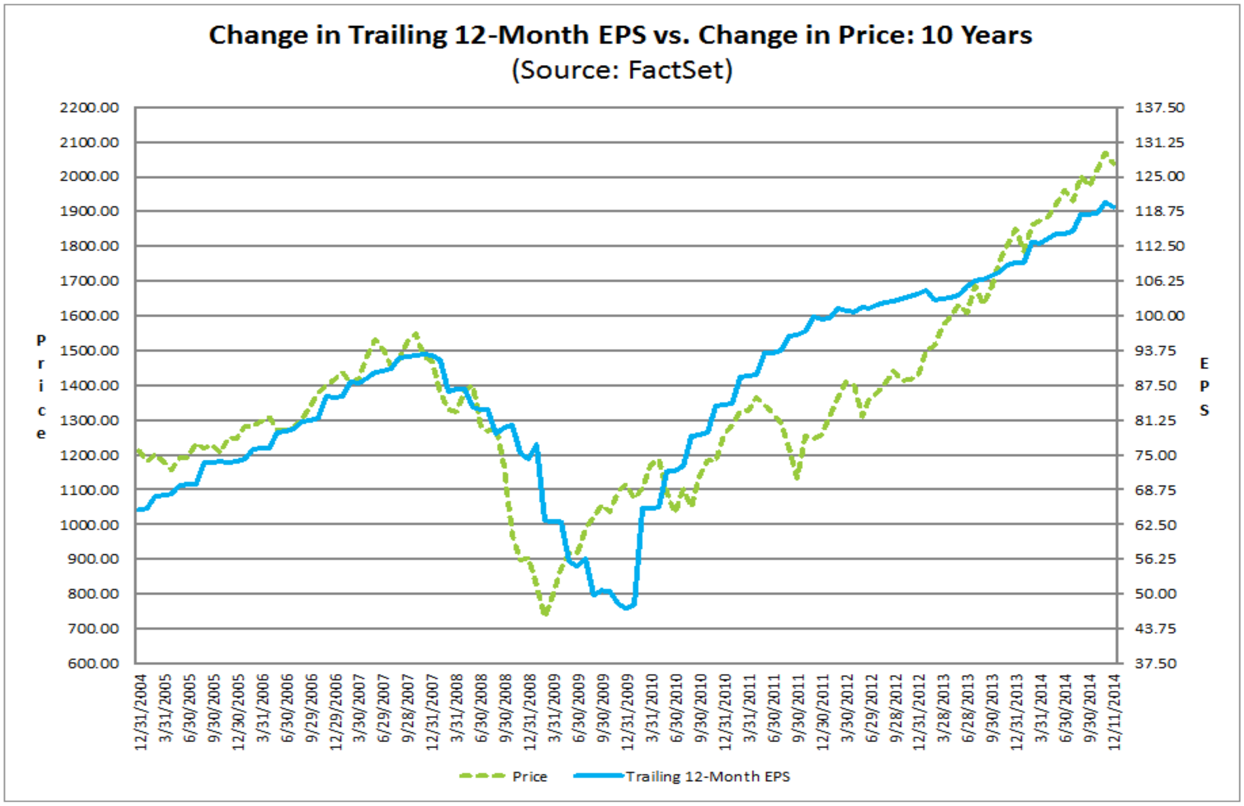


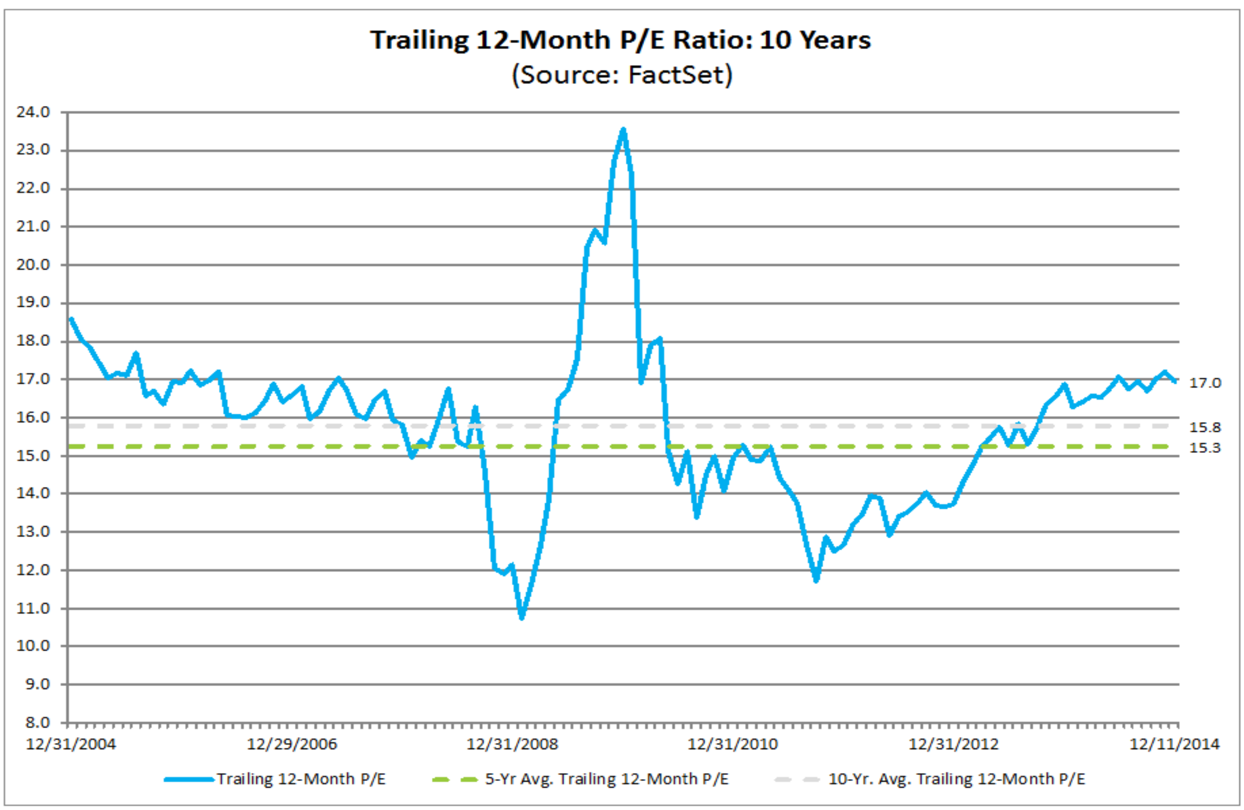
Forward 12M Price / Earnings Ratio: Long-Term Averages





Trailing 12M Price / Earnings Ratio: Long-Term Averages





Important Notice

About FactSet

FactSet (NYSE:FDS) (Nasdaq:FDS) combines integrated financial information, analytical applications, and client service to enhance the workflow and productivity of the global investment community. The company, headquartered in Norwalk, Connecticut, was formed in 1978 and now conducts operations along with its affiliates from thirty locations worldwide, including Boston, New York, Chicago, San Francisco, London, Amsterdam, Frankfurt, Paris, Milan, Tokyo, Hong Kong, Mumbai, Dubai, and Sydney.