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Media Questions/Requests

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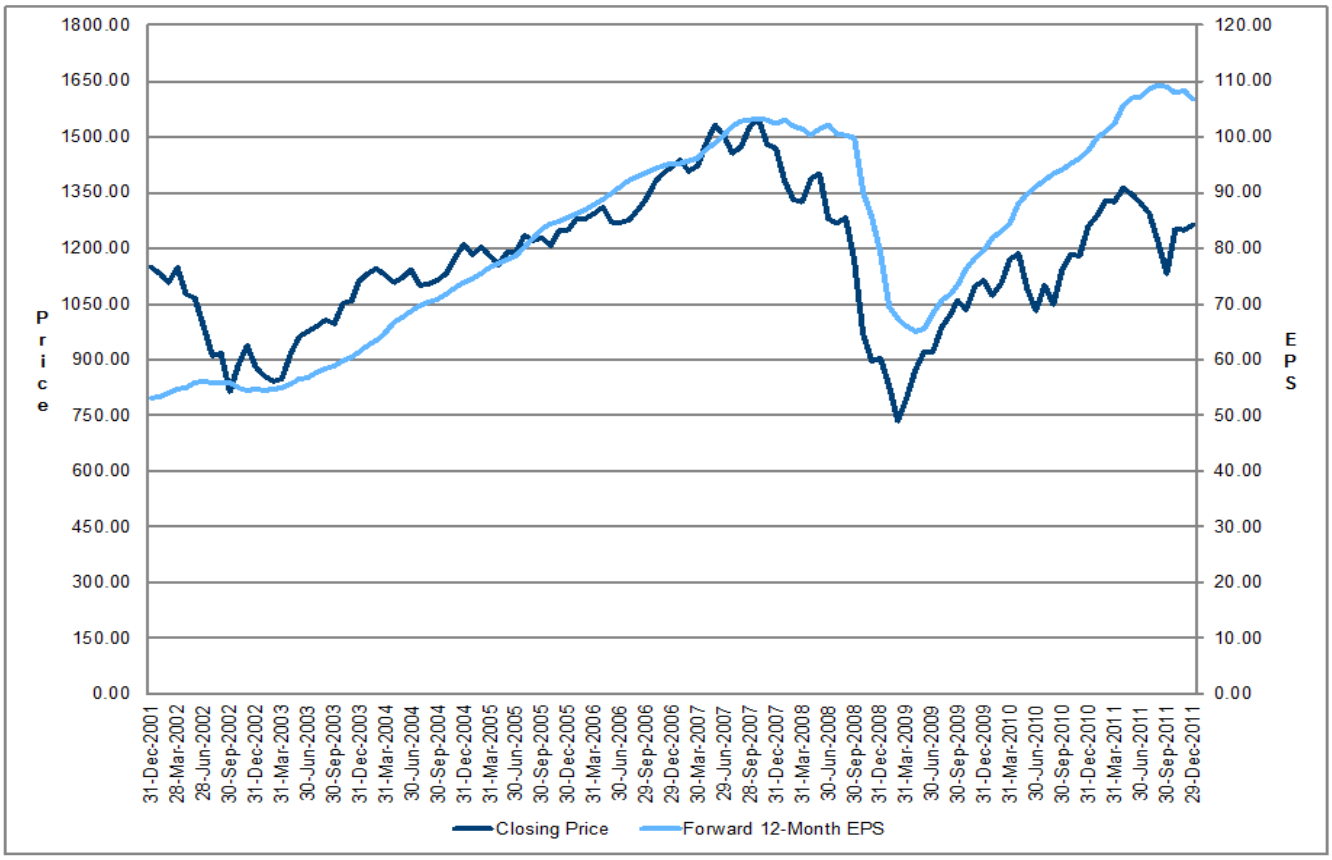
KEY METRICS:

- **Earnings Revisions:** Since September 30, aggregate earnings for Q4 2011 have decreased 5.9%. The Materials (-27.0%), Telecommunications Services (-21.5%), and Financials (-10.3%) sectors have witnessed the largest percentage decreases in earnings.
- **Earnings Guidance:** For current fiscal quarter, 82 companies have issued negative EPS guidance and 28 companies have issued positive EPS guidance.
- **Earnings Growth:** The blended earnings growth rate for Q4 2011 is 11.8%. The Financials (76.1%) and Energy (19.2%) sectors have the highest growth rates for the quarter.
- **Valuations:** The current 12-Month forward P/E ratio is 11.8. This P/E ratio is below the average forward 12-Month P/E ratio over the past 10 years (14.7).
- **Earnings Scorecard:** Of the 21 companies that have reported earnings for Q4 2011 to date, 57% have reported earnings above the mean estimate.

Forward 12-Month EPS Estimate and Price: 10 Years



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COMMENTS:

Topic of the Week: Sharpest Cuts to EPS Estimate since Q1 2009

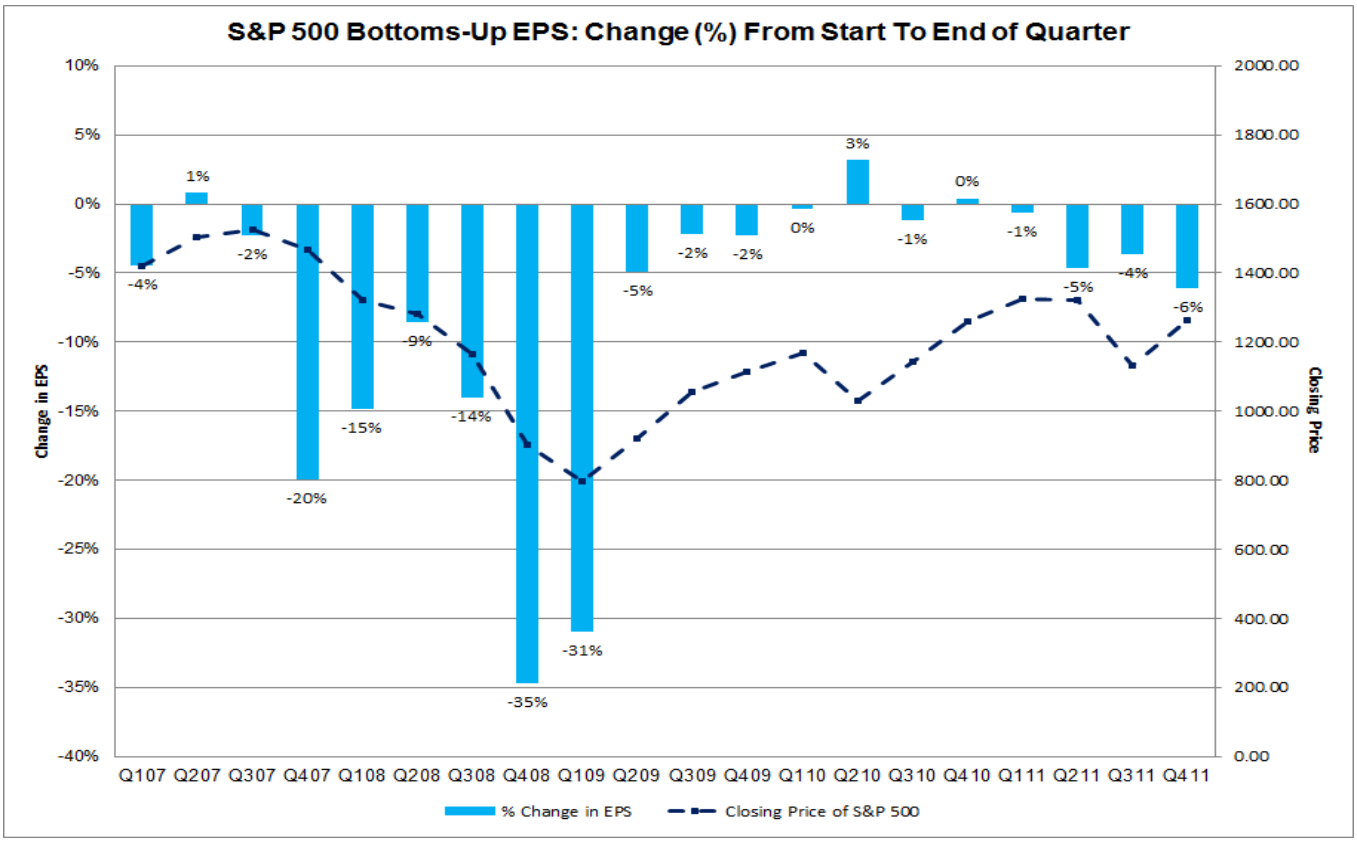
With the end of the fourth quarter today, it marks a good point in time to measure downward revisions to estimates for companies in the S&P 500 for the fourth quarter. In aggregate, projected dollar-level earnings for the index today ($231 billion) are about 6% below expectations at the start of the quarter ($246 billion).

How significant is a 6% decline in expected earnings? How does that percentage compare to the previous quarter? How does it compare to decreases in other quarters over the past few years? How does it compare to the level of downward revisions to estimates during the peak years of the most recent earnings recession?

The chart below shows the change in the bottoms-up EPS estimate for the S&P 500 from the start of the quarter through the end of the quarter over the past five years. As the chart shows, the 6% decline in the EPS estimate for Q4 2011 is higher than the decreases recorded in both Q3 2011 (-4%) and Q2 2011 (-5%).

In fact, the 6% decline in earnings marks the highest percentage decrease in the bottoms-up EPS estimate during the course of the quarter since the 31% decrease recorded in Q1 2009 during the peak quarters of the earnings recession

However, it is interesting to note that although the bottoms EPS estimate for the S&P 500 decreased 6% during the quarter, the price of the index actually increased 12% (to 1263.02 from 1131.42) over this same time frame. The last quarter that witnessed a decline in the bottoms-up EPS estimate of more than 3% and an increase in the price of the index of more than 10% was Q2 2009. At the end of Q2 2009, the bottoms-up EPS estimate had fallen 5%, while the price of the index had increased by 15%.



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Q4 Earnings Season Overview:

Fewer Companies (57%) Beat EPS Estimates during Q4 2011 "Pre-Season"

Although Alcoa's earnings release (January 9) traditionally marks the start of each quarterly earnings season, about 20 to 25 companies in the S&P 500 report earnings prior to Alcoa's release during the "pre-season."

Of the 21 companies that reported earnings for Q4 2011 during the "pre-season" in the month of December, just 57% reported actual EPS above estimates. This marked the first "pre-season" since Q1 2009 (59%) that the percentage of companies beating EPS estimates was below 60%.

However, there has been little correlation in recent years between the "pre-season" earnings scorecard and the final earnings scorecard. For example, the final percentage of companies reporting EPS above the mean estimate in Q1 2009 was 67%, well above the "pre-season" percentage of 59%.

It is interesting to note that in the last nine quarters that the "pre-season" percentage was below 80%, the final percentage of companies beating EPS estimates was higher than the "pre-season" percentage of companies beating estimates.

Estimate Revisions: Sharpest Cuts (-5.9%) to Earnings Estimates since Q1 2009

During the past week, the earnings growth rate for the fourth quarter dropped to 11.8% from 11.9%. Downward revisions to EPS estimates for Sears Holdings accounted for most of the decline during the week. The mean EPS estimate for Sears Holdings dropped to $0.79 today from $2.21 last Friday.

The earnings growth rate for the S&P 500 has dropped to 11.8% today from 18.9% on September 30, due to cuts to earnings estimates across a number of sectors. On a dollar-level basis, expected share-weighted earnings have decreased by $15B (to $231B today from $246B on September 30). On a percentage basis, share-weighted earnings for the quarter have fallen by 5.9% during this time.

This 5.9% decline in share-weighted earnings reflects the sharpest cut in aggregate earnings for the index during the course of a quarter since Q1 2009.

All ten sectors have recorded a decline in earnings during this time. On a dollar-level basis, six of the ten sectors have seen a decrease of $1 billion or more in share-weighted earnings, led by the Financials (-$4.3B), Materials (-$1.9B), Energy (-$1.7B), and Information Technology (-$1.7B) sectors. On a percentage basis, five of the ten sectors have witnessed a decrease in earnings of more than 5%, led by the Materials (-27.0%), Telecommunications Services (-21.5%), and Financials (-10.3%) sectors.

On the revenue side, the growth rate has fallen to 7.2% today from 8.5% at the start of the quarter, mostly due to cuts to sales estimates for companies in the Energy and Financials sectors. In aggregate, estimated sales for the quarter have dropped 1.3%. On a dollar-level basis, estimated sales have fallen by $33B. Seven of the ten sectors have recorded a decrease in sales. However, only three sectors have seen a decrease in sales of more than 1.5%: Materials (-4.5%), Financials (-3.7%), and Energy (-3.4%). On a dollar-level basis, two sectors account for $23B (or 70%) of the total $33B decline in revenue for the index: Energy and Financials.

Materials and Telecom Services Sectors: Estimate Cuts of More than 20%

At the sector level, the Materials sector has recorded the highest percentage decline (-27.0%) in share-weighted earnings for the fourth quarter of any sector since the start of the quarter. On September 30, the sector was projected to earn $7.2 billion for the fourth quarter. Today, the sector is projected to earn $5.2 billion for the fourth quarter.

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Eleven of the twelve sub-industries in the sector have seen a decline in earnings. Companies in sub-industries involved in the Metals & Mining industry have recorded the largest cuts to estimates since the start of the quarter. The Aluminum (ticker: AA) sub-industry has recorded the largest decline in share-weighted earnings at 85%, followed by the Diversified Metals & Mining (tickers: FCX, TIE) sub-industry at 52% and the Steel (tickers: ATI, X, CLF, NUE) sub-industry at 50%.

The Telecommunications Services sector has witnessed the second highest percentage decline (-21.5%) in share-weighted earnings of any sector during the same time frame. At the start of the fourth quarter, the sector was predicted to earn $5.0 billion. Today, the sector is expecting earnings of $3.9 billion.

The two sub-industries in the sector have both seen a decrease in earnings. Companies in the Wireless Telecommunications Services sub-industry (tickers: S, PCS, AMT) have recorded the largest cuts to estimates since September 30. The projected loss for this sub-industry has nearly doubled since the start of the quarter (to -$945 million today from -$552 million on September 30).

EPS Guidance: High Percentage (75%) of Negative Preannouncements

In terms of earnings guidance, the percentage of companies that have issued negative EPS guidance for their current fiscal quarter stands at 75%. To date, 110 companies (or 22%) of the 500 companies in the index have provided quarterly EPS guidance for their current fiscal quarter. Of these 110 companies, 82 companies have issued negative EPS guidance and 28 companies have issued positive EPS guidance.

Of the companies that have issued EPS guidance, the Consumer Staples (100%), Materials (90%), and Health Care (85%) sectors have the highest percentage of companies that issued negative EPS guidance for the current fiscal quarter (with a minimum of five companies issuing EPS guidance). The Industrials (69%) and Information Technology (69%) sectors have the lowest percentage of companies that issued negative EPS guidance for the current fiscal quarter (with a minimum of five companies issuing guidance).

Excluding AIG, Q4 Earnings Growth Rate for S&P 500 Drops to 4.4% (from 11.8%)

The earnings growth rate for the fourth quarter currently stands at 11.8%. Dollar-level earnings for the index in Q4 2011 are projected to increase $25 billion (to $231B) relative to the dollar-level earnings recorded in the year-ago quarter ($207B). If the final earnings growth rate is 11.8%, it will mark the ninth consecutive quarter of double-digit earnings growth for the index.

At the sector-level, seven of the ten sectors are expecting earnings growth. However, only two sectors are predicted to see double-digit earnings growth: Financials and Energy. The Financials sector is predicted to have the highest earnings growth (76.1%) and be the largest contributor ($16 billion) to dollar-level earnings growth for the index.

However, it is important to note that one company in the Financials sector is projected to account for nearly $15 billion of the $16 billion in dollar-level earnings growth for the Financials sector: AIG.

If AIG is excluded from the index, the Q4 2011 earnings growth rate for the S&P 500 drops by more than 50%, from 11.8% to 4.4%.

Comparisons to weak year-ago earnings are driving the unusually high dollar-level growth for AIG. The current mean EPS estimate for AIG for Q4 2011 is $0.65, relative to actual EPS of -$16.20 reported for Q4 2010. In Q4 2010, the company recorded $4.2 billion net charge to strengthen Chartis loss reserves, which accounted for much of the loss for the quarter.

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Emerging Markets: Impact of Slowing Economic Growth on Q4 Earnings

Countries in the Asia Pacific region (except Japan) and in "emerging markets" regions have reported high economic growth in recent quarters. According to FactSet Economics, nine of the top fifteen nations in terms of year-over-year real GDP growth in Q3 2011 were countries in the Asia Pacific and Latin American regions, including Argentina (10.0%), China (9.1%), Peru (6.6%), and India (6.4%). Over the last few quarters, many corporations have reported their largest revenue growth in the Asia Pacific region and in emerging markets.

However, there have been concerns about slowing growth in developing countries. According to FactSet Economics, three of the four "BRIC" countries have recorded slower GDP growth over the last year. For Q3 2010, Brazil, China, and India recorded GDP growth of 7.1%, 9.6% and 9.1%, respectively. For Q3 2011, GDP growth rates for Brazil, China, and India had fallen to 2.4%, 9.1% and 6.4%.

During the Q3 2011 earnings season, a number of companies specifically mentioned seeing slowing growth in the Asia Pacific and other "emerging markets" regions.

"Difficulties in developed economies prompted most developing countries to halt policy tightening, with several countries reducing interest rates. Our outlook assumes developing countries will grow about 6 percent in 2011, about a percentage point slower than in 2010. –Caterpillar (Oct. 24)

"However, our results were negatively impacted by recessionary demand levels in developed countries, a slowdown in emerging markets and high levels of inflation in material costs." –Whirlpool (Oct. 28)

However, other companies have stated recently that they continue to see strong sales growth in "emerging markets" regions.

"This has been a strong year led by our China and Yum! Restaurant International businesses and I'm pleased to report we have raised our 2011 full-year EPS growth forecast to at least 13%, despite our disappointing U.S. results. We are pleased our global portfolio is delivering another strong year of EPS growth, with our leading position in Emerging Markets growing stronger." – Yum! Brands (Dec. 5)

If companies begin to see a significant slowdown in sales growth in these regions, expectations for earnings and earnings growth for the index could be at risk. The market will closely monitor comments from corporations regarding growth in these areas.

2012 Estimates: Cuts to Estimates

In terms of estimate revisions for 2012 since the end of the third quarter (September 30), analysts have decreased aggregate estimated earnings for Q1 2012 by 4.4%, for Q2 2012 by 3.8%, Q3 2012 by 2.9%, and Q4 2012 by 3.9%.

The Energy, Financials, Materials, and Telecommunication Services sectors have witnessed the largest percentage reductions in expected earnings for Q1 2012 through Q4 2012.

Valuation: Forward P/E Below 10-Year Average, But Up Since September 30

The current forward 12-month P/E ratio of 11.8 is well below the prior ten-year average forward 12-month P/E ratio of 14.7, but is higher than the 10.4 P/E ratio recorded at the start of the quarter (September 30). The P/E ratio has increased during the quarter due to the combination of an overall increase in the price of the index (up 11.6% since September 30) and small downward revisions to earnings estimates for 2011 and 2012. On a per share basis, forward 12-month earnings are expected to be $106.67, which is slightly below the projection of $109.00 on September 30.

While this projection of over $100 per share in earnings may seem high, it is important to note that more than 70% of companies have reported EPS above estimates over the last ten quarters.

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Will there be a return to the 10-year average valuation for the market anytime soon? If there is going to be a return to this average P/E ratio of 14.7, either future estimates will need to continue to decrease, the price of the index will need to continue to increase, or a combination of the two will need to occur.

The Week Ahead:

During the upcoming week, six companies in the S&P 500 are scheduled to report earnings for the fourth quarter. The "unofficial" start of the Q4 2011 earnings season will take place the following week, as Alcoa is schedule to release results on January 9.

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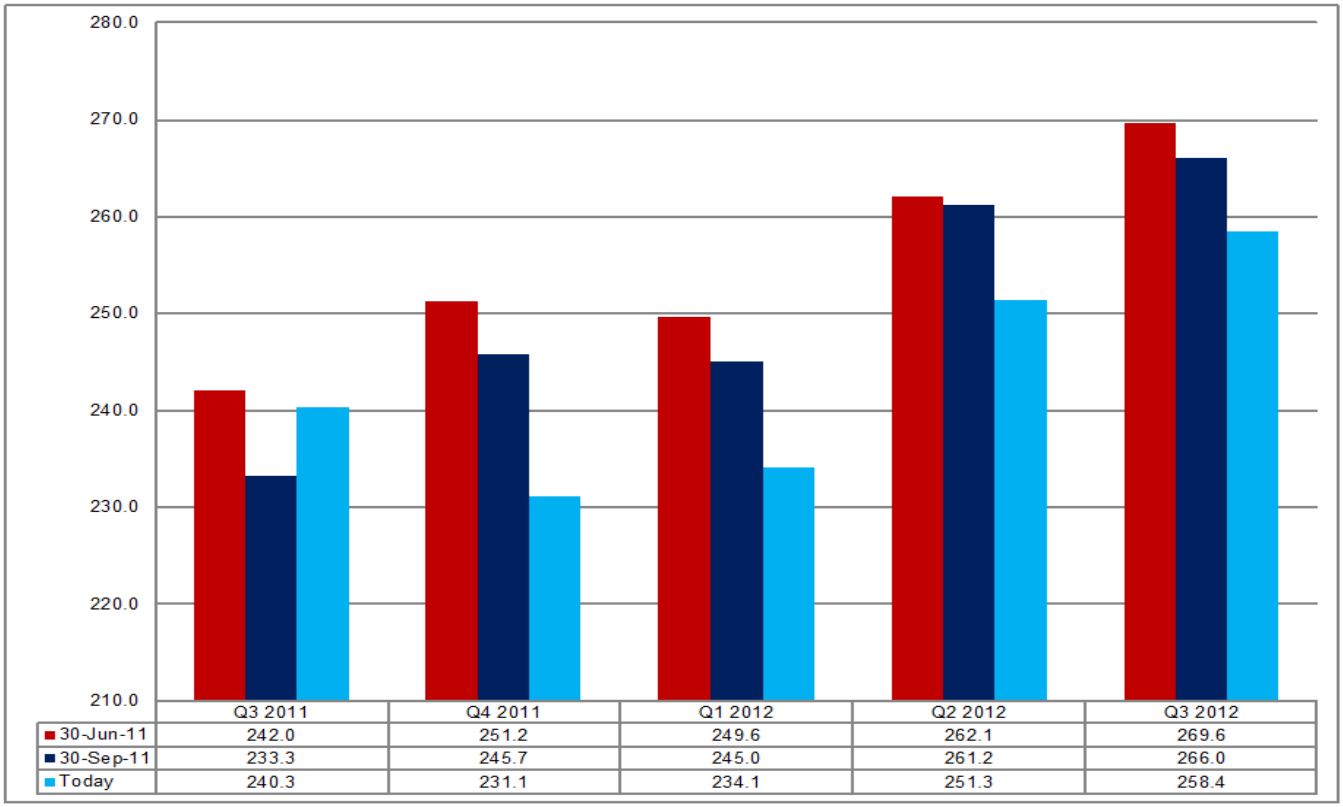
DOLLAR-LEVEL EARNINGS: OVERVIEW (Q3 2011 – Q3 2012)

The numbers below reflect the change in share-weighted earnings since June 30. The share-weighted earnings are calculated by multiplying the total shares outstanding by the estimated (or actual) EPS for all companies in the index for a calendar quarter and aggregating the data.

Q3 2011 – Q3 2012: Share-Weighted Earnings ($B)

Sector	Q311	Q411	Q112	Q212	Q312
Consumer Discretionary	21.3	22.0	20.0	23.3	23.9
Consumer Staples	24.0	24.6	22.6	25.8	26.0
Energy	35.4	32.7	32.6	34.1	35.3
Financials	37.7	37.4	41.2	43.2	43.4
Health Care	29.9	27.2	29.8	30.0	30.2
Industrials	23.7	22.6	22.6	25.5	25.9
Information Technology	45.3	49.9	44.1	47.7	50.2
Materials	7.3	5.2	8.5	9.6	8.1
Telecommunication Services	5.3	3.9	5.1	5.5	5.5
Utilities	10.5	5.7	7.7	6.5	9.9
S&P 500	**240.3**	**231.1**	**234.1**	**251.3**	**258.4**

Q3 2011 – Q3 2012: Change in Share-Weighted Earnings ($B) – Since Jun 30



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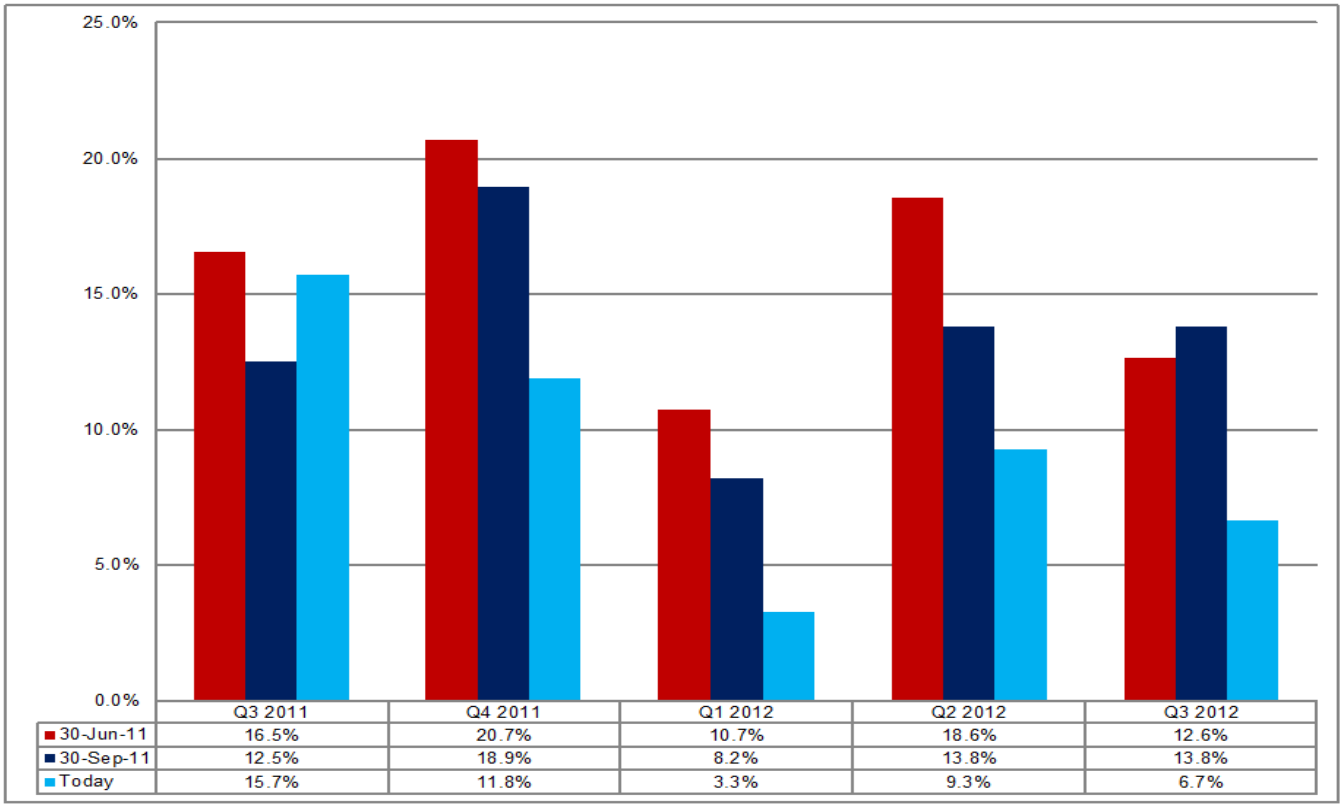
EARNINGS GROWTH RATES: OVERVIEW (Q3 2011 – Q3 2012)

The earnings growth rates reflect the aggregate difference in current estimated earnings and year-ago actual earnings for the constituents in the index at the end of each quarter. The EPS numbers are weighted by the total shares outstanding for both periods.

Q3 2011 – Q3 2012: Earnings Growth Rates

Sector	Q311	Q411	Q112	Q212	Q312
Consumer Discretionary	18%	2%	3%	5%	11%
Consumer Staples	6%	2%	5%	9%	8%
Energy	52%	19%	1%	-8%	-3%
Financials	8%	76%	7%	66%	14%
Health Care	7%	2%	1%	1%	1%
Industrials	19%	4%	12%	9%	9%
Information Technology	10%	3%	1%	3%	10%
Materials	36%	-10%	-4%	-1%	11%
Telecommunication Services	17%	-11%	4%	12%	4%
Utilities	5%	-1%	-2%	-6%	-6%
S&P 500	**16%**	**12%**	**3%**	**9%**	**7%**

Q3 2011 – Q3 2012: Change in Earnings Growth Rates – Since Jun 30



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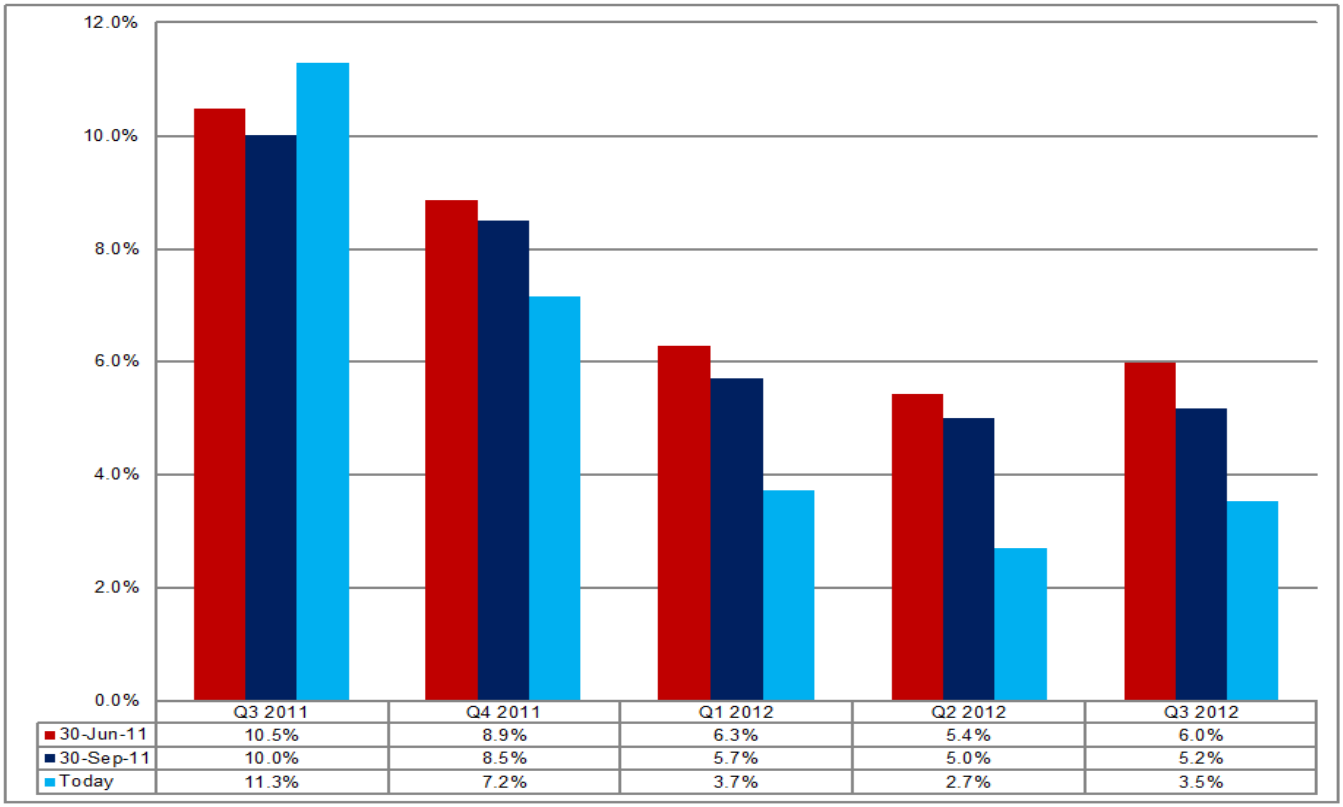
REVENUE GROWTH RATES: OVERVIEW (Q3 2011 – Q3 2012)

The revenue growth rates reflect the aggregate difference in current estimated revenues and year-ago actual revenues for the constituents in the index at the end of each quarter.

Q3 2011 – Q3 2012: Revenue Growth Rates – Since Jun 30

Sector	Q311	Q411	Q112	Q212	Q312
Consumer Discretionary	11%	8%	7%	6%	6%
Consumer Staples	12%	7%	6%	4%	3%
Energy	26%	9%	-3%	-6%	-1%
Financials	4%	3%	2%	5%	3%
Health Care	7%	4%	3%	1%	1%
Industrials	9%	7%	7%	7%	7%
Information Technology	9%	9%	5%	5%	8%
Materials	15%	7%	7%	6%	6%
Telecommunication Services	6%	8%	8%	3%	4%
Utilities	3%	15%	6%	1%	7%
S&P 500	**11%**	**7%**	**4%**	**3%**	**4%**

Q3 2011 – Q3 2012: Change in Revenue Growth Rates – Since Jun 30



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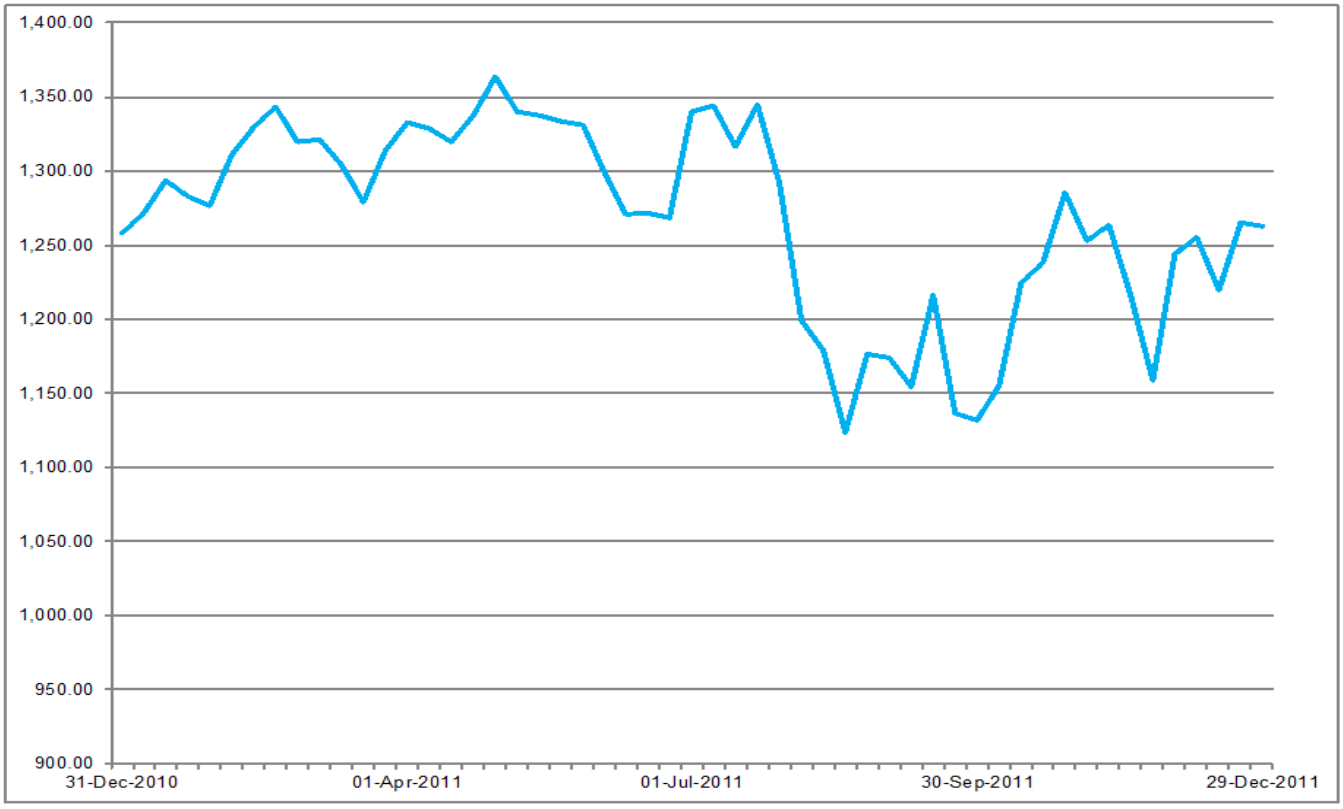
PRICE:

The numbers in the table and chart reflect the change in price of the index over different time periods.

Change in Index Price (12 Months)

Sector	Price	1 Week	1 Month	3 Month	12 Month
Consumer Discretionary	310.27	1.2%	4.8%	9.4%	4.7%
Consumer Staples	337.43	1.0%	5.4%	8.7%	11.1%
Energy	521.62	0.3%	4.5%	14.5%	3.0%
Financials	176.33	0.0%	9.0%	7.0%	-18.0%
Health Care	403.13	0.7%	6.9%	8.2%	10.1%
Industrials	294.01	0.5%	6.7%	12.6%	-2.4%
Information Technology	411.77	1.1%	3.5%	5.8%	1.4%
Materials	211.78	-0.2%	3.4%	10.5%	-11.6%
Telecommunication Services	129.57	1.5%	6.9%	5.0%	1.0%
Utilities	184.18	1.7%	6.6%	6.7%	15.4%
S&P 500	**1263.02**	**0.7%**	**5.7%**	**8.8%**	**0.3%**

Change in Index Price (12 Months)



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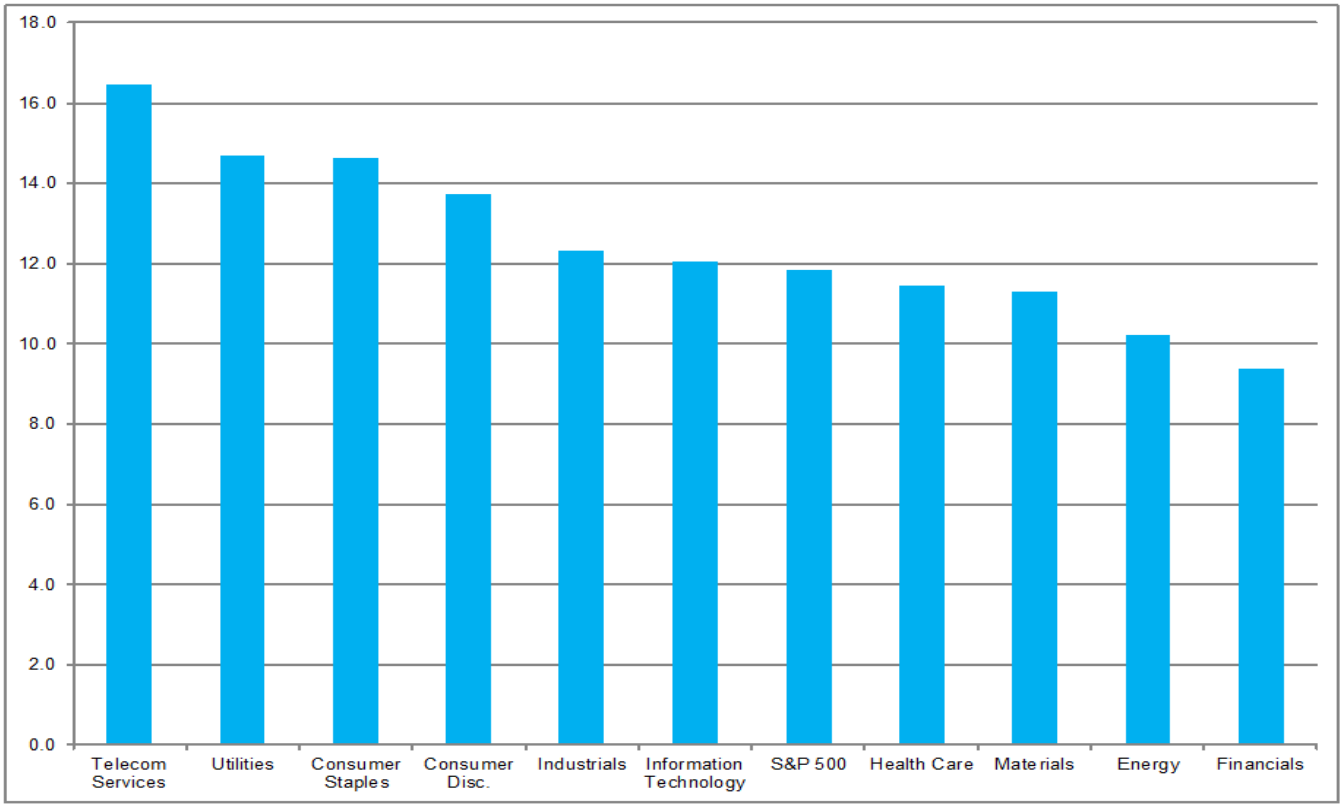
FORWARD 12M PRICE-TO-EARNINGS RATIO: CURRENT

The price-to-earnings ratio below is calculated by dividing the price of the sector and index by the forward 12-month EPS. The forward 12-month EPS is calculated by aggregating pro-rated percentages of the CY 2011 EPS and CY 2012 EPS. The EPS estimates are weighted by the float shares outstanding.

P/E Ratio – Next Twelve Months Aggregate (NTMA)

Sector	Mkt Cap	Price	EPS	P/E
Consumer Discretionary	1,221.5	310.27	22.58	13.7
Consumer Staples	1,320.8	337.43	23.08	14.6
Energy	1,398.7	521.62	51.06	10.2
Financials	1,538.6	176.33	18.81	9.4
Health Care	1,353.3	403.13	35.20	11.5
Industrials	1,224.1	294.01	23.85	12.3
Information Technology	2,175.1	411.77	34.19	12.0
Materials	398.8	211.78	18.77	11.3
Telecommunication Services	360.2	129.57	7.88	16.4
Utilities	443.0	184.18	12.54	14.7
S&P 500	**11,434.0**	**1263.02**	**106.67**	**11.8**

P/E Ratio – Next Twelve Months Aggregate (NTMA)



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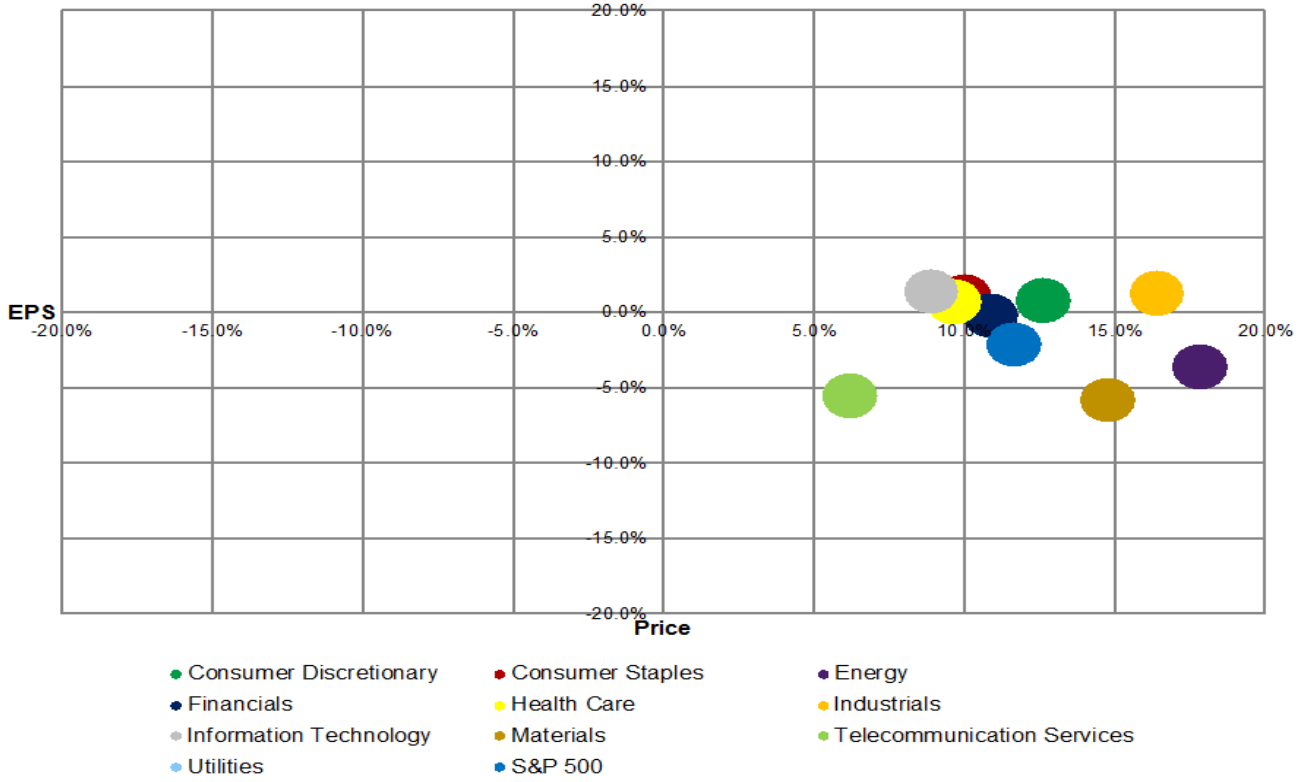
FORWARD 12M PRICE-TO-EARNINGS RATIO: 3 MONTH CHANGE

The price-to-earnings ratio below is calculated by dividing the price of the sector and index by the forward 12-month EPS. The forward 12-month EPS is calculated by aggregating pro-rated percentages of the CY 2011 EPS and CY 2012 EPS. The EPS estimates are weighted by the float shares outstanding.

P/E Ratio – Next Twelve Months Aggregate (NTMA): 3 Months

Sector	Today	1 Week Ago	4 Weeks Ago	13 Weeks Ago
Consumer Discretionary	13.7	13.7	13.6	12.3
Consumer Staples	14.6	14.6	14.2	13.4
Energy	10.2	10.3	10.3	8.4
Financials	9.4	9.5	9.3	8.4
Health Care	11.5	11.5	11.0	10.5
Industrials	12.3	12.4	12.2	10.7
Information Technology	12.0	12.1	12.1	11.2
Materials	11.3	11.4	11.4	9.3
Telecommunication Services	16.4	16.2	15.4	14.6
Utilities	14.7	9.3	8.9	8.5
S&P 500	**11.8**	**11.7**	**11.5**	**10.4**

Change (3 Month) in Sector Price and Sector EPS (NTMA)



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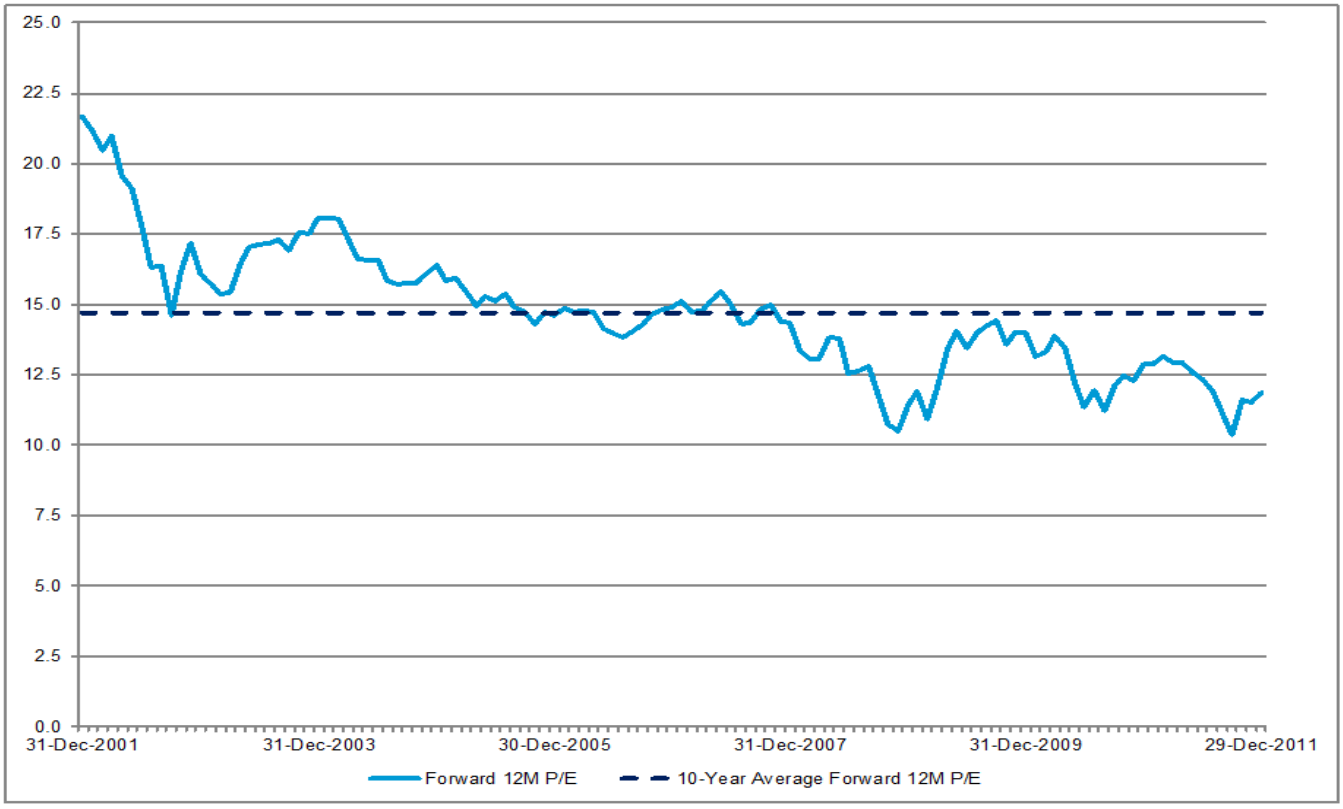
PRICE-TO-EARNINGS RATIO: LONG-TERM AVERAGES

The price-to-earnings ratio below is calculated by dividing the price of the sector and index by the forward 12-month EPS. The forward 12-month EPS is calculated by aggregating pro-rated percentages of the CY 2011 EPS and CY 2012 EPS. The EPS estimates are weighted by the float shares outstanding.

P/E Ratio – Next Twelve Months Aggregate (NTMA): 10 Years

Sector	Today	1 Year Avg.	5 Year Avg.	10 Year Avg.
Consumer Discretionary	13.7	14.1	16.3	17.3
Consumer Staples	14.6	14.1	14.8	16.7
Energy	10.2	10.9	11.4	12.7
Financials	9.4	10.4	11.8	11.9
Health Care	11.5	11.3	12.5	15.4
Industrials	12.3	13.3	14.1	15.9
Information Technology	12.0	12.6	15.6	20.1
Materials	11.3	12.2	14.8	15.8
Telecommunication Services	16.4	15.4	13.9	14.7
Utilities	14.7	8.5	9.8	11.5
S&P 500	**11.8**	**12.0**	**13.1**	**14.7**

P/E Ratio – Next Twelve Months Aggregate (NTMA): 10 Years



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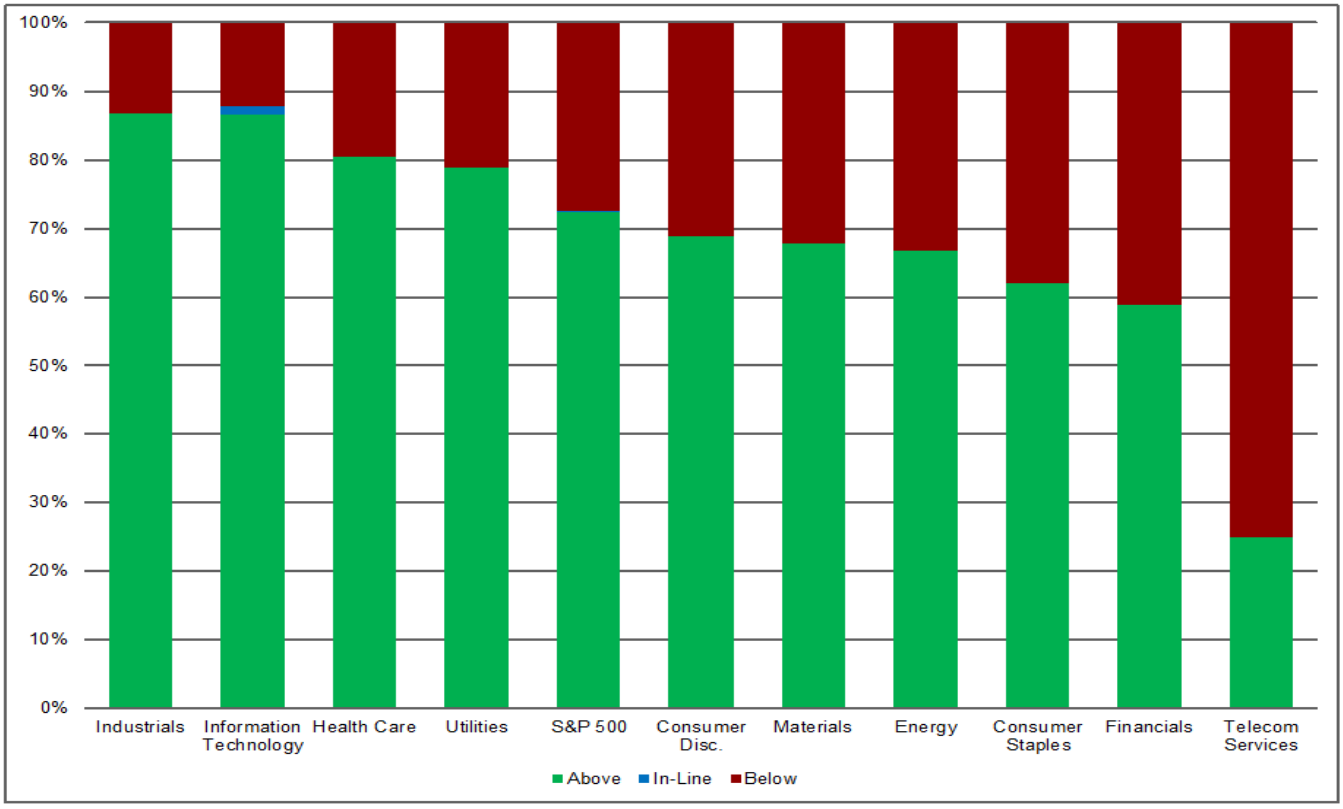
Q3 2011: EARNINGS SCORECARD

The earnings scorecard tracks the percentage of companies that report actual EPS above, equal to, and below the mean EPS estimate. The "Surprise" number reflects the aggregate difference (weighted by the total shares outstanding) between actual earnings and estimated earnings. The Q3 calendar quarters reflects numbers for companies with an August, September, or October quarter-end.

Q3 2011 Earnings Scorecard: Above, In-Line, Below

Sector	Reported	Above	Match	Below	Surprise
Consumer Discretionary	100%	69%	0%	31%	2%
Consumer Staples	100%	62%	0%	38%	1%
Energy	100%	67%	0%	33%	7%
Financials	100%	59%	0%	41%	9%
Health Care	98%	80%	0%	20%	5%
Industrials	100%	87%	0%	13%	5%
Information Technology	100%	86%	1%	12%	3%
Materials	100%	68%	0%	32%	4%
Telecom Services	100%	25%	0%	75%	4%
Utilities	100%	79%	0%	21%	5%
S&P 500	**100%**	**72%**	**0%**	**28%**	**5%**

Q3 2011 Earnings Scorecard: Above, In-Line, Below



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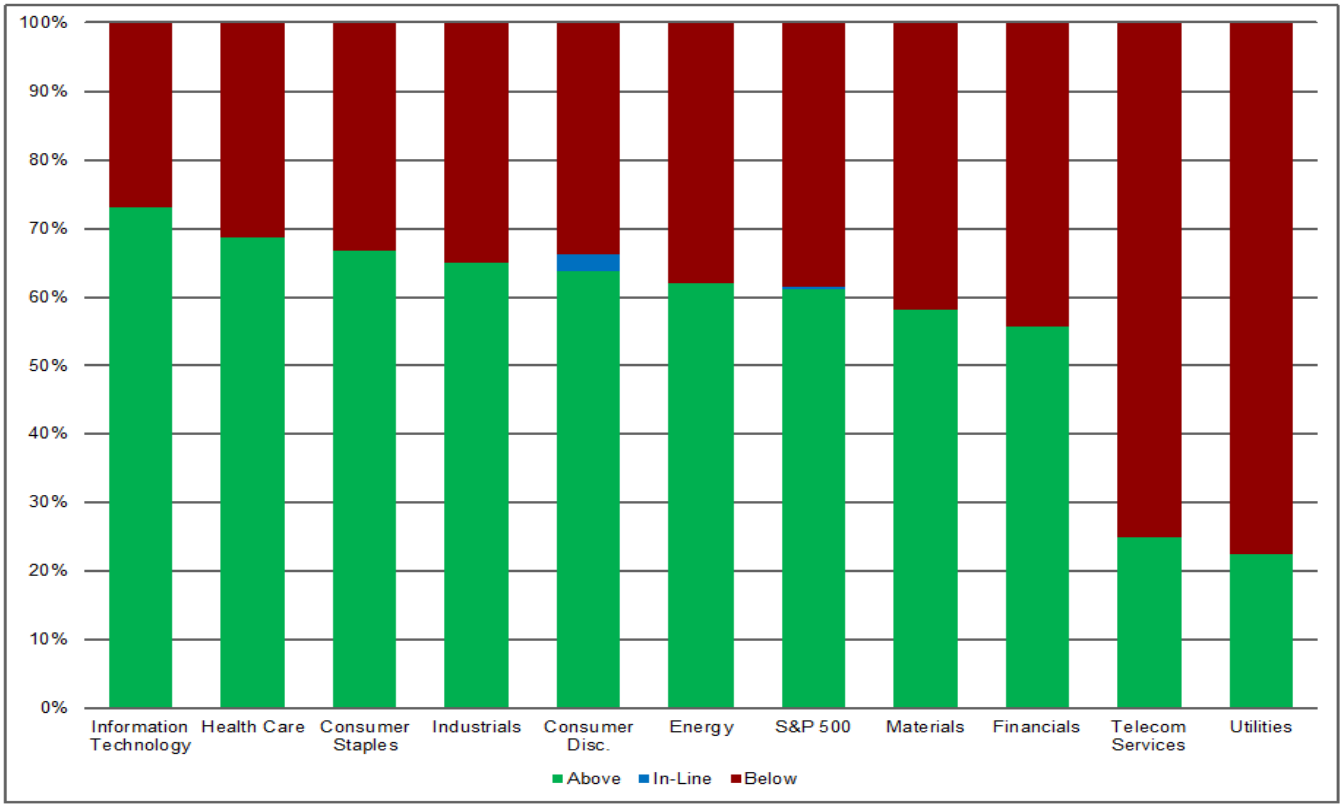
Q3 2011: REVENUE SCORECARD

The revenue scorecard tracks the percentage of companies that report revenue above, equal to, and below the mean revenue estimate. The "Surprise" number reflects the aggregate difference between actual revenues and estimated revenues. The Q3 calendar quarters reflects numbers for companies with an August, September, or October quarter-end.

Q3 2011 Revenue Scorecard: Above, In-Line, Below

Sector	Reported	Above	Match	Below	Surprise
Consumer Discretionary	100%	64%	3%	34%	1%
Consumer Staples	100%	67%	0%	33%	3%
Energy	100%	62%	0%	38%	5%
Financials	100%	56%	0%	44%	2%
Health Care	98%	69%	0%	31%	1%
Industrials	100%	65%	0%	35%	1%
Information Technology	100%	73%	0%	27%	0%
Materials	100%	58%	0%	42%	2%
Telecommunication Services	100%	25%	0%	75%	0%
Utilities	100%	23%	0%	77%	-5%
S&P 500	**100%**	**61%**	**0%**	**39%**	**2%**

Q3 2011 Revenue Scorecard: Above, In-Line, Below



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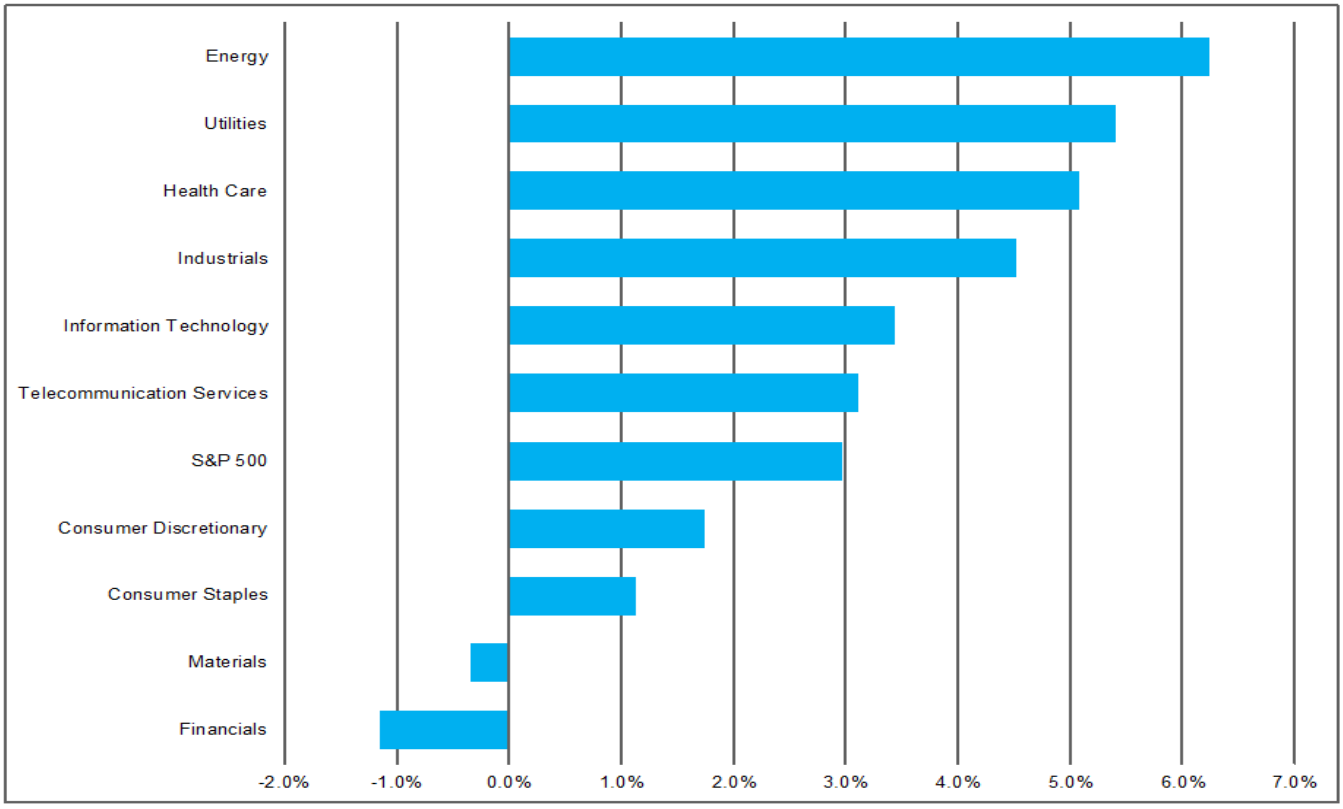
Q3 2011: CHANGE IN DOLLAR-LEVEL EARNINGS

The numbers below reflect the change in share-weighted earnings for Q3 2011 since September 30. The share-weighted earnings are calculated by multiplying the total shares outstanding by the estimated (or actual) EPS for all companies in the index for a calendar quarter and aggregating the data. The Q3 calendar quarter reflects numbers for companies with an August, September, or October quarter-end.

Q3 2011 Change in Share-Weighted Earnings ($) – Since Sep 30

Sector	30-Dec-11	30-Sep-11	Diff ($)	Diff (%)
Consumer Discretionary	21.3	20.9	0.4	1.8%
Consumer Staples	24.0	23.7	0.3	1.1%
Energy	35.4	33.3	2.1	6.2%
Financials	37.7	38.1	-0.4	-1.1%
Health Care	29.9	28.4	1.4	5.1%
Industrials	23.7	22.6	1.0	4.5%
Information Technology	45.3	43.8	1.5	3.4%
Materials	7.3	7.3	0.0	-0.3%
Telecommunication Services	5.3	5.2	0.2	3.1%
Utilities	10.5	10.0	0.5	5.4%
S&P 500	**240.3**	**233.3**	**6.9**	**3.0%**

Q3 2011 Change in Share-Weighted Earnings (%) – Since Sep 30



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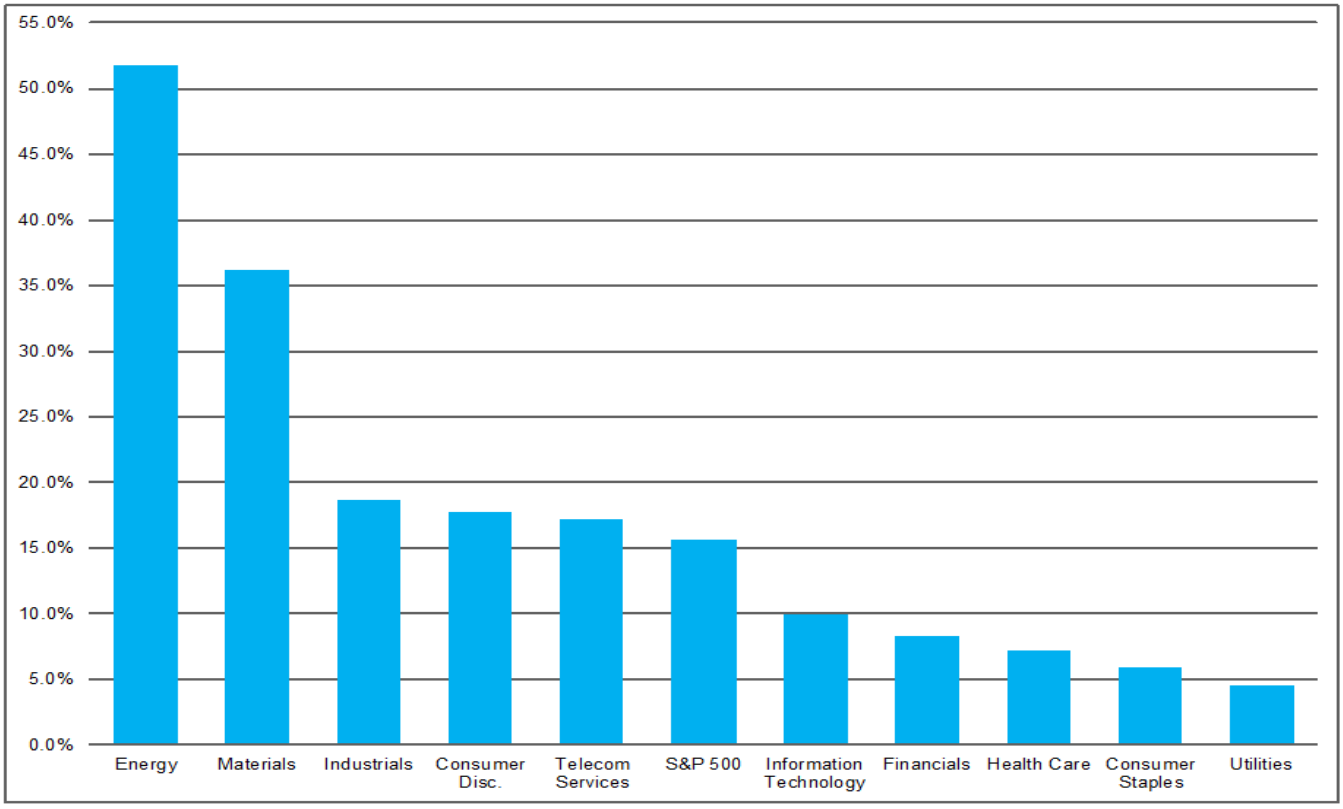
Q3 2011: EARNINGS GROWTH RATES

The Q3 2011 earnings growth rates reflect the aggregate difference in the blended (actual and estimated) earnings and year-ago actual earnings for the constituents in the index at the end of the quarter. The EPS numbers are weighted by the total shares outstanding for both periods. The Q3 calendar quarter reflects numbers for companies with an August, September, or October quarter-end.

Q3 2011 Earnings Growth ($)

Sector	Q311	Q310	Diff ($)	Diff (%)
Consumer Discretionary	21.3	18.1	3.2	18%
Consumer Staples	24.0	22.7	1.3	6%
Energy	35.4	23.3	12.1	52%
Financials	37.7	34.8	2.9	8%
Health Care	29.9	27.9	2.0	7%
Industrials	23.7	19.9	3.7	19%
Information Technology	45.3	41.1	4.1	10%
Materials	7.3	5.4	1.9	36%
Telecommunication Services	5.3	4.5	0.8	17%
Utilities	10.5	10.0	0.5	5%
S&P 500	**240.3**	**207.7**	**32.6**	**16%**

Q3 2011 Earnings Growth (%)



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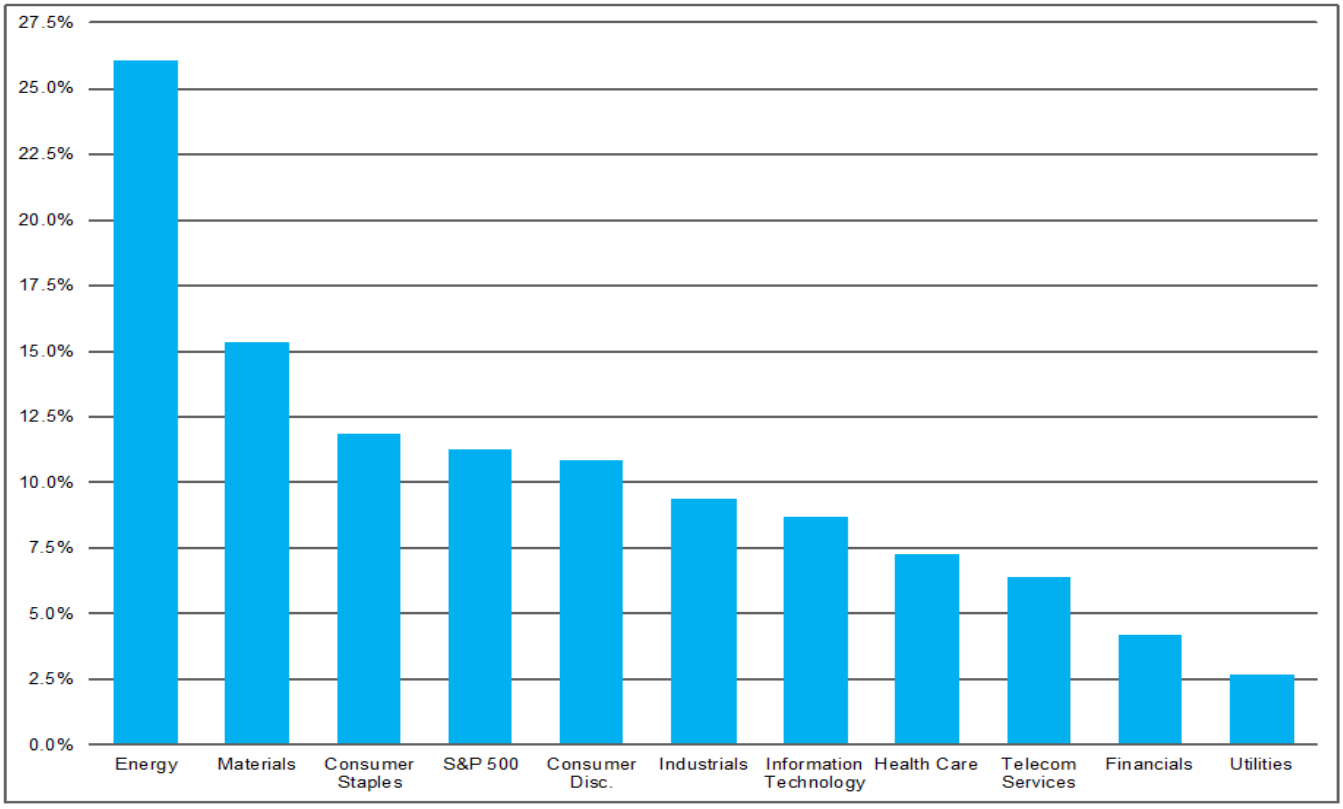
Q3 2011: REVENUE GROWTH RATES

The Q3 2011 revenue growth rates reflect the aggregate difference in the blended (actual and estimated) revenues and year-ago actual revenues for the constituents in the index at the end of the quarter. The Q3 calendar quarter reflects numbers for companies with an August, September, or October quarter-end.

Q3 2011 Revenue Growth ($)

Sector	Q311	Q310	Diff ($)	Diff (%)
Consumer Discretionary	318.4	287.1	31.2	11%
Consumer Staples	400.5	358.1	42.4	12%
Energy	399.7	317.1	82.7	26%
Financials	264.6	253.9	10.7	4%
Health Care	293.3	273.4	19.9	7%
Industrials	282.2	258.0	24.3	9%
Information Technology	258.9	238.1	20.8	9%
Materials	95.6	82.9	12.7	15%
Telecommunication Services	76.5	71.9	4.6	6%
Utilities	92.1	89.7	2.4	3%
S&P 500	**2481.8**	**2230.1**	**251.7**	**11%**

Q3 2011 Revenue Growth (%)



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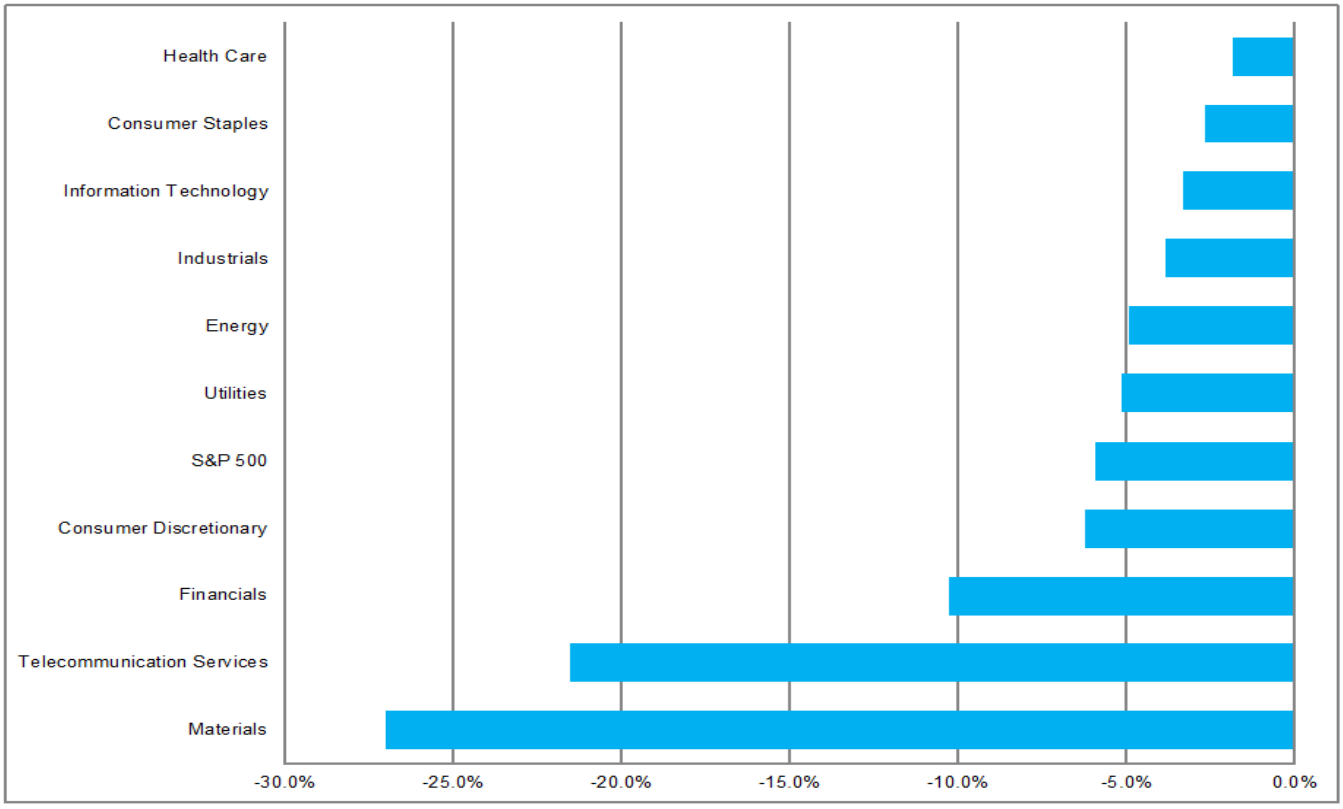
Q4 2011: CHANGE IN DOLLAR-LEVEL EARNINGS:

The numbers below reflect the change in share-weighted earnings for Q4 2011 since September 30. The share-weighted earnings are calculated by multiplying the total shares outstanding by the estimated (or actual) EPS for all companies in the index for a calendar quarter and aggregating the data. The Q4 calendar quarter reflects numbers for companies with a November, December, or January quarter-end.

Q4 2011 Change in Share-Weighted Earnings ($) – Since Sep 30

Sector	30-Dec-11	30-Sep-11	Diff ($)	Diff (%)
Consumer Discretionary	22.0	23.4	-1.5	-6.3%
Consumer Staples	24.6	25.2	-0.7	-2.7%
Energy	32.7	34.4	-1.7	-4.9%
Financials	37.4	41.7	-4.3	-10.3%
Health Care	27.2	27.7	-0.5	-1.8%
Industrials	22.6	23.5	-0.9	-3.8%
Information Technology	49.9	51.6	-1.7	-3.3%
Materials	5.2	7.2	-1.9	-27.0%
Telecommunication Services	3.9	5.0	-1.1	-21.5%
Utilities	5.7	6.0	-0.3	-5.1%
S&P 500	**231.1**	**245.7**	**-14.6**	**-5.9%**

Q4 2011 Change in Share-Weighted Earnings (%) – Since Sep 30



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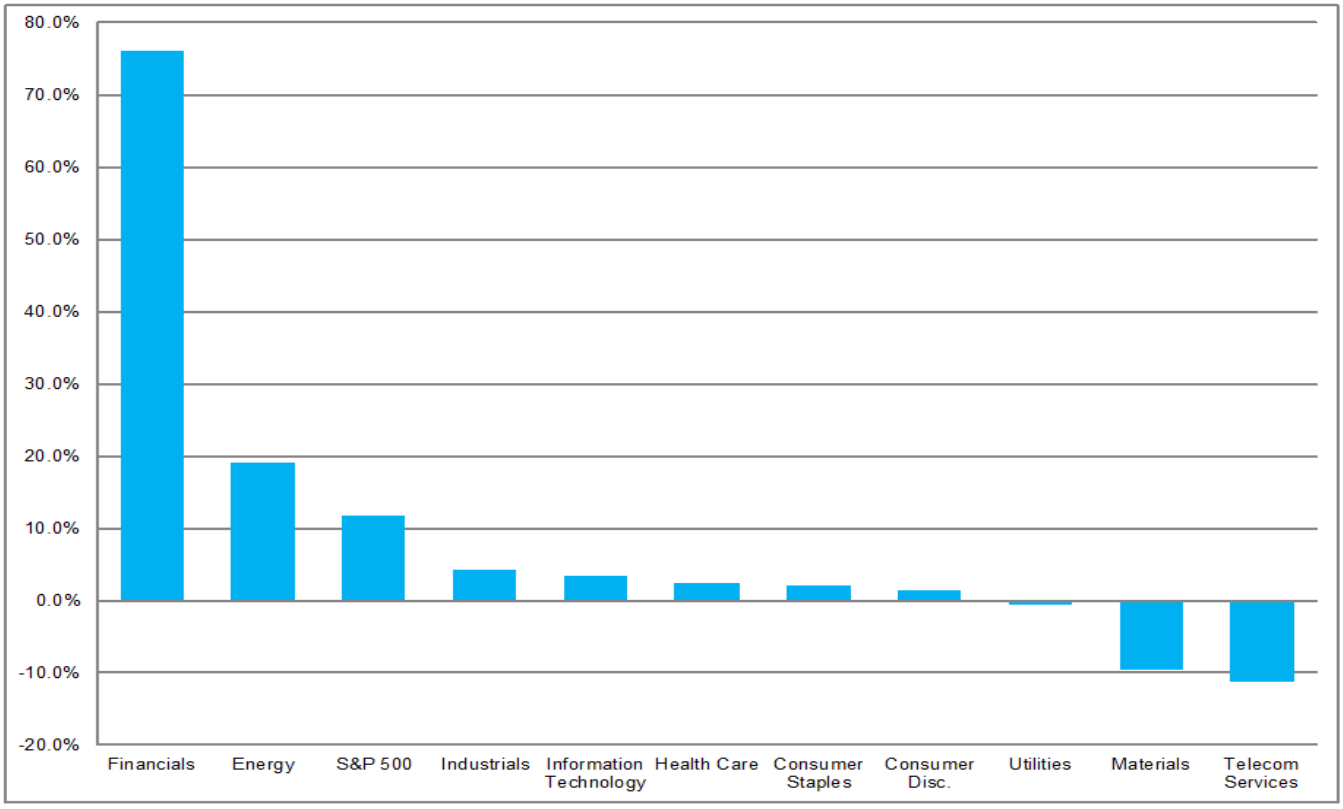
Q4 2011: EARNINGS GROWTH RATES

The Q4 2011 earnings growth rates reflect the aggregate difference in the estimated earnings and year-ago actual earnings for the constituents in the index at the end of the quarter. The EPS numbers are weighted by the total shares outstanding for both periods. The Q4 calendar quarter reflects numbers for companies with a November, December, or January quarter-end.

Q4 2011 Earnings Growth ($)

Sector	Q411	Q410	Diff ($)	Diff (%)
Consumer Discretionary	22.0	21.6	0.3	2%
Consumer Staples	24.6	24.0	0.5	2%
Energy	32.7	27.4	5.3	19%
Financials	37.4	21.3	16.2	76%
Health Care	27.2	26.5	0.7	2%
Industrials	22.6	21.7	0.9	4%
Information Technology	49.9	48.2	1.7	3%
Materials	5.2	5.8	-0.6	-10%
Telecommunication Services	3.9	4.4	-0.5	-11%
Utilities	5.7	5.7	0.0	-1%
S&P 500	**231.1**	**206.6**	**24.5**	**12%**

Q4 2011 Earnings Growth (%)



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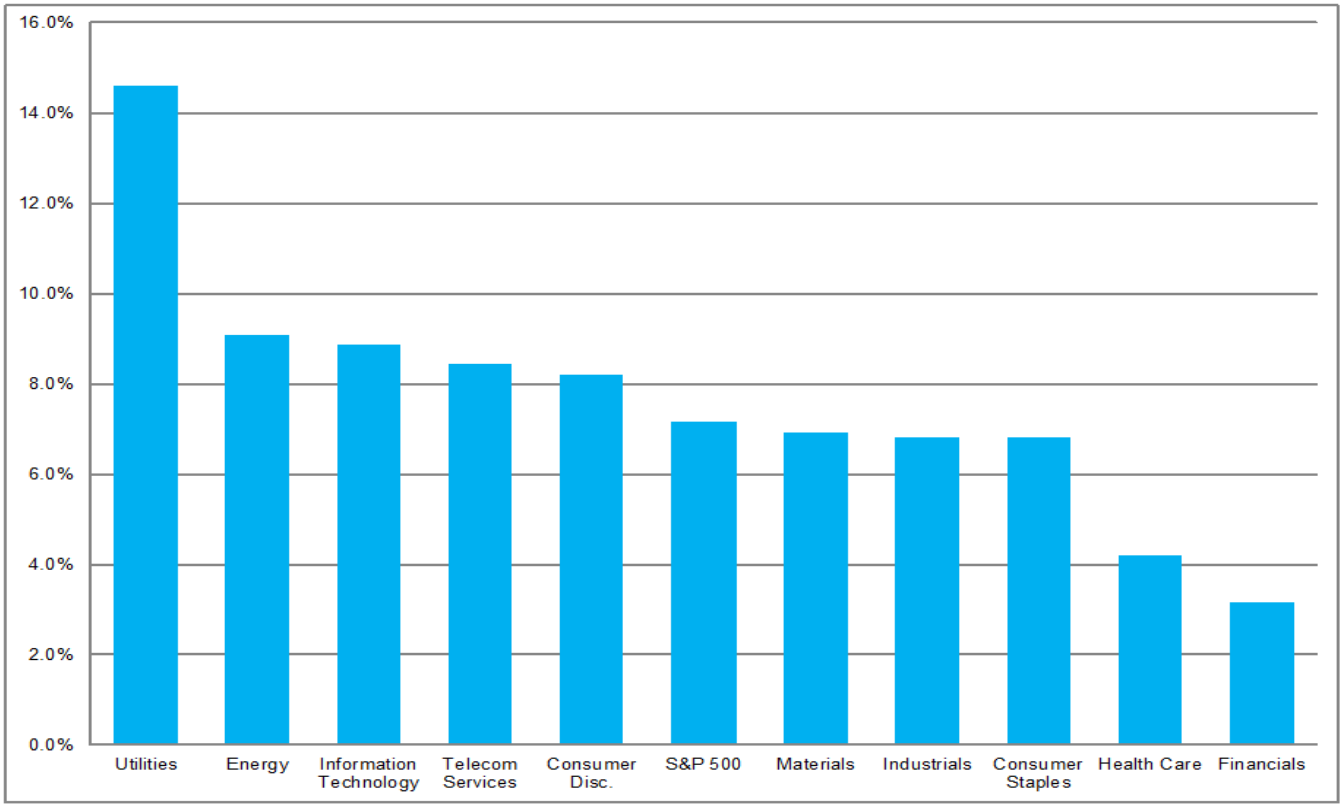
Q4 2011: REVENUE GROWTH RATES:

The Q4 2011 revenue growth rates reflect the aggregate difference in estimated revenues and year-ago actual revenues for the constituents in the index at the end of the quarter. The Q4 calendar quarter reflects numbers for companies with a November, December, or January quarter-end.

Q4 2011 Revenue Growth ($)

Sector	Q411	Q410	Diff ($)	Diff (%)
Consumer Discretionary	353.8	327.0	26.8	8%
Consumer Staples	414.1	387.6	26.4	7%
Energy	377.4	346.0	31.4	9%
Financials	266.4	258.2	8.2	3%
Health Care	295.7	283.8	12.0	4%
Industrials	288.7	270.3	18.4	7%
Information Technology	280.7	257.9	22.8	9%
Materials	88.5	82.7	5.7	7%
Telecommunication Services	77.8	71.7	6.1	8%
Utilities	86.9	75.9	11.1	15%
S&P 500	**2530.0**	**2361.1**	**168.9**	**7%**

Q4 2011 Revenue Growth (%)



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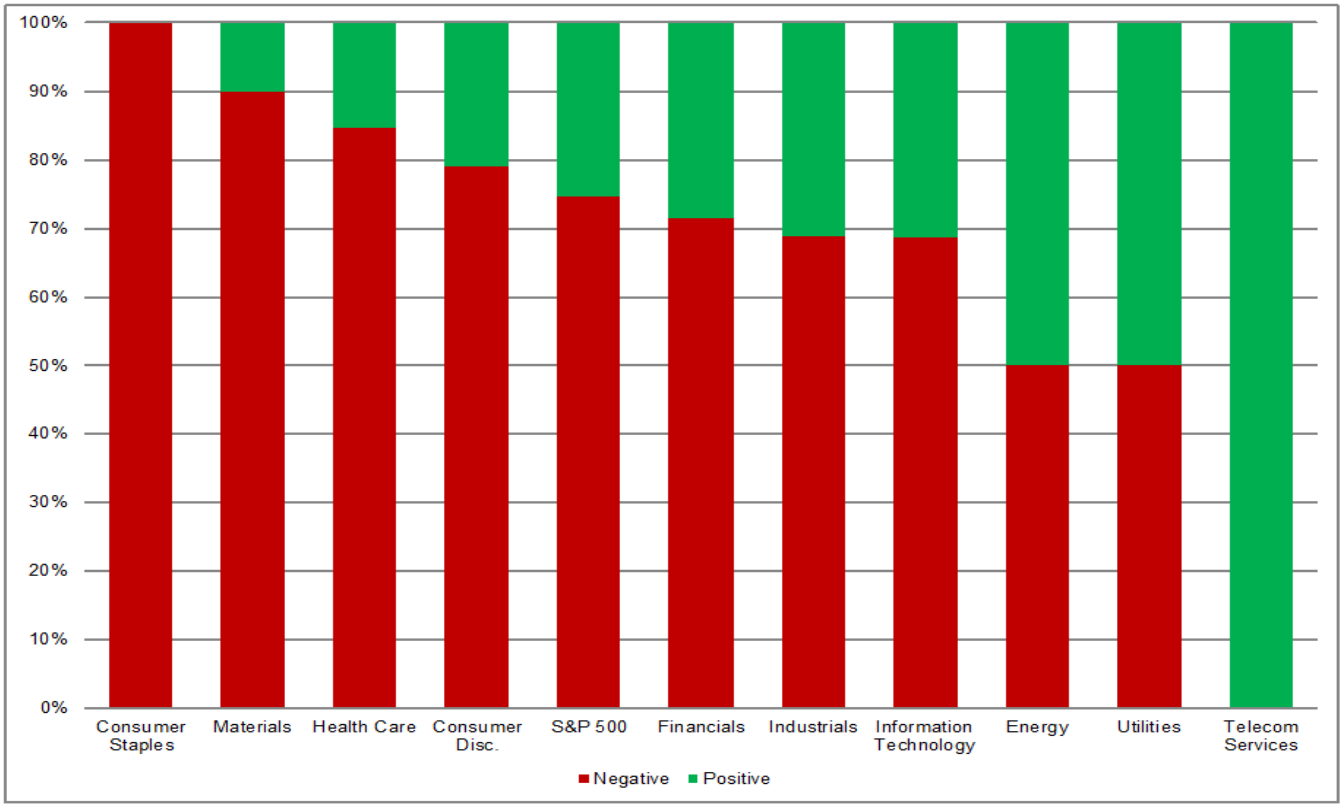
EPS GUIDANCE

The numbers below reflect the number of companies in the index that have issued positive EPS guidance and negative EPS guidance for current unreported quarter. Negative EPS guidance is defined as an EPS estimate (or mid-point of a range) that is below the mean EPS estimate at that time. Positive EPS guidance is defined as an EPS estimate (or mid-point of a range) issued by the company that is above the mean EPS estimate at that time.

Number of Companies Issuing Negative and Positive EPS Guidance

Sector	Negative (#)	Positive (#)	Negative (%)	Positive (%)
Consumer Discretionary	15	4	79%	21%
Consumer Staples	5	0	100%	0%
Energy	1	1	50%	50%
Financials	5	2	71%	29%
Health Care	11	2	85%	15%
Industrials	11	5	69%	31%
Information Technology	24	11	69%	31%
Materials	9	1	90%	10%
Telecommunication Services	0	1	0%	100%
Utilities	1	1	50%	50%
S&P 500	**82**	**28**	**75%**	**25%**

Percentage of Companies Issuing Negative and Positive EPS Guidance



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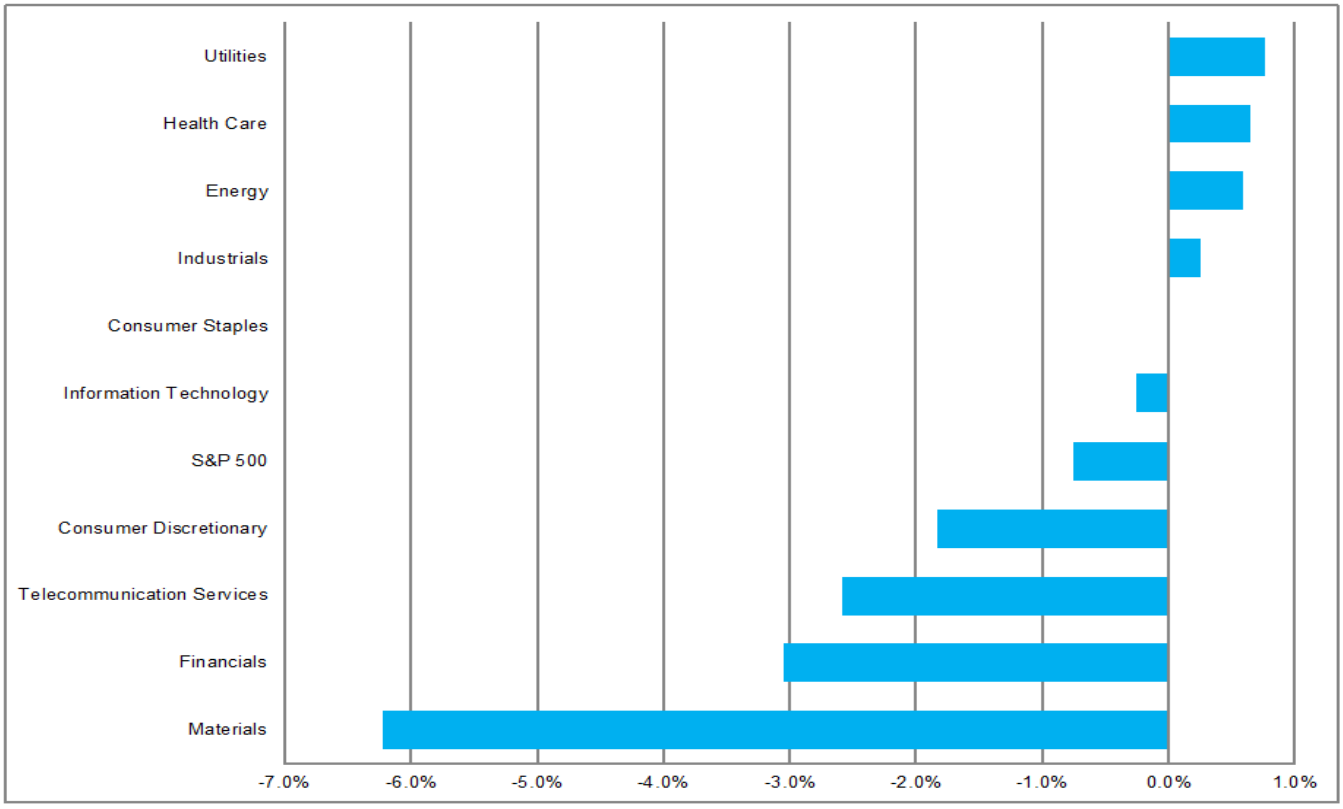
CY 2011: CHANGE IN DOLLAR-LEVEL EARNINGS

The numbers below reflect the change in share-weighted earnings for CY 2011 since September 30. The share-weighted earnings are calculated by multiplying the total shares outstanding by the estimated (or actual) EPS for all companies in the index for the calendar year and aggregating the data. Calendar year estimates are calculated by aggregating pro-rated percentages of two fiscal-year estimates for companies that do not have a fiscal year-end in December.

CY 2011 Change in Share-Weighted Earnings ($) – Since Sep 30

Sector	30-Dec-11	30-Sep-11	Diff ($)	Diff (%)
Consumer Discretionary	82.7	84.3	-1.6	-1.8%
Consumer Staples	93.6	93.6	0.0	0.0%
Energy	134.6	133.8	0.8	0.6%
Financials	140.2	144.6	-4.4	-3.1%
Health Care	114.4	113.6	0.7	0.6%
Industrials	88.3	88.1	0.2	0.3%
Information Technology	182.7	183.1	-0.5	-0.3%
Materials	31.0	33.0	-2.1	-6.2%
Telecommunication Services	19.7	20.2	-0.5	-2.6%
Utilities	31.1	30.8	0.2	0.8%
S&P 500	**918.1**	**925.2**	**-7.0**	**-0.8%**

CY 2011 Change in Share-Weighted Earnings (%) – Since Sep 30



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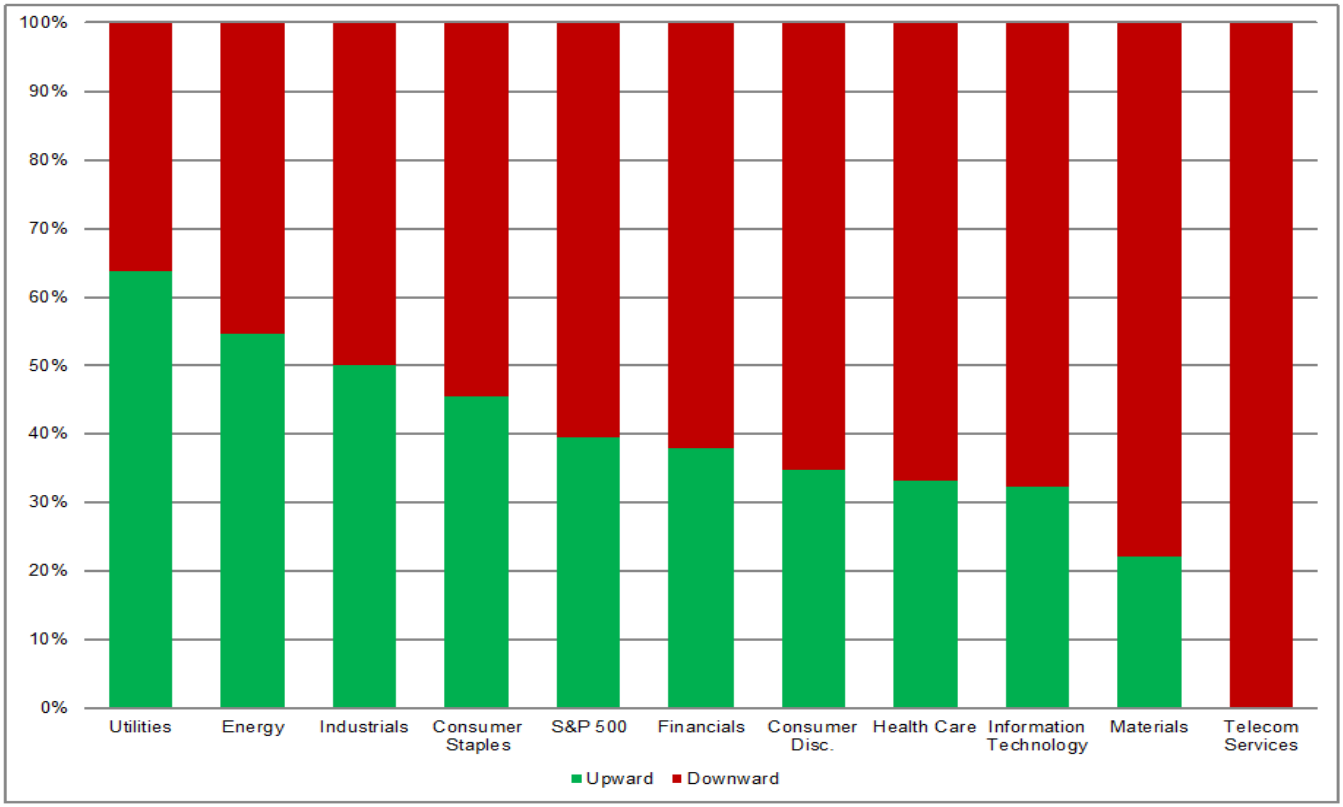
CY 2011: CHANGE IN MEAN EPS ESTIMATES

The numbers below reflect the number of companies in the index that have recorded an increase (upward change) or decrease (downward change) in the mean EPS estimate for CY 2011 over the past month. Calendar year estimates are calculated by aggregating pro-rated percentages of two fiscal-year estimates for companies that do not have a fiscal year-end in December. Actual EPS numbers that are above or below the mean EPS estimate are included as upward or downward changes in the numbers.

Number of Upward & Downward Change (1 Month) in CY 2011 EPS

Sector	Upward (#)	Downward (#)	Upward (%)	Downward (%)
Consumer Discretionary	16	30	35%	65%
Consumer Staples	10	12	45%	55%
Energy	18	15	55%	45%
Financials	19	31	38%	62%
Health Care	7	14	33%	67%
Industrials	14	14	50%	50%
Information Technology	11	23	32%	68%
Materials	4	14	22%	78%
Telecommunication Services	0	5	0%	100%
Utilities	7	4	64%	36%
S&P 500	**106**	**162**	**40%**	**60%**

Percentage of Upward & Downward Change (1 Month) in CY 2011 EPS



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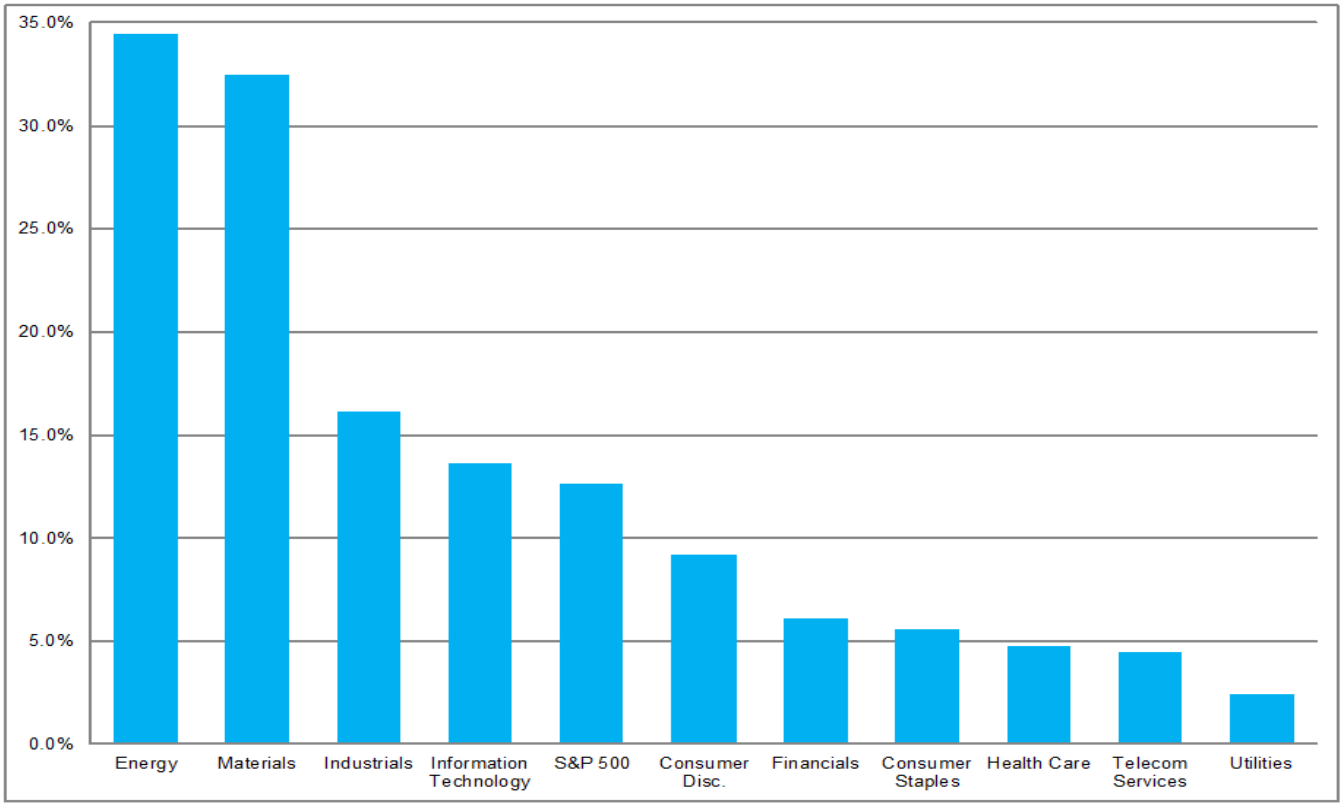
CY 2011: EARNINGS GROWTH RATES

The CY 2011 earnings growth rates reflect the aggregate difference in the blended estimated earnings and year-ago actual earnings for the constituents in the index at the end of the year. The EPS numbers are weighted by the total shares outstanding for both periods. Calendar year estimates are calculated by aggregating pro-rated percentages of two fiscal-year estimates for companies that do not have a fiscal year-end in December.

CY 2011 Earnings Growth ($)

Sector	CY11	CY10	Diff ($)	Diff (%)
Consumer Discretionary	82.7	75.8	7.0	9%
Consumer Staples	93.6	88.6	5.0	6%
Energy	134.6	100.1	34.5	34%
Financials	140.2	132.1	8.1	6%
Health Care	114.4	109.2	5.2	5%
Industrials	88.3	76.1	12.3	16%
Information Technology	182.7	160.7	22.0	14%
Materials	31.0	23.4	7.6	32%
Telecommunication Services	19.7	18.8	0.8	5%
Utilities	31.1	30.3	0.7	2%
S&P 500	**918.1**	**815.0**	**103.1**	**13%**

CY 2011 Earnings Growth (%)



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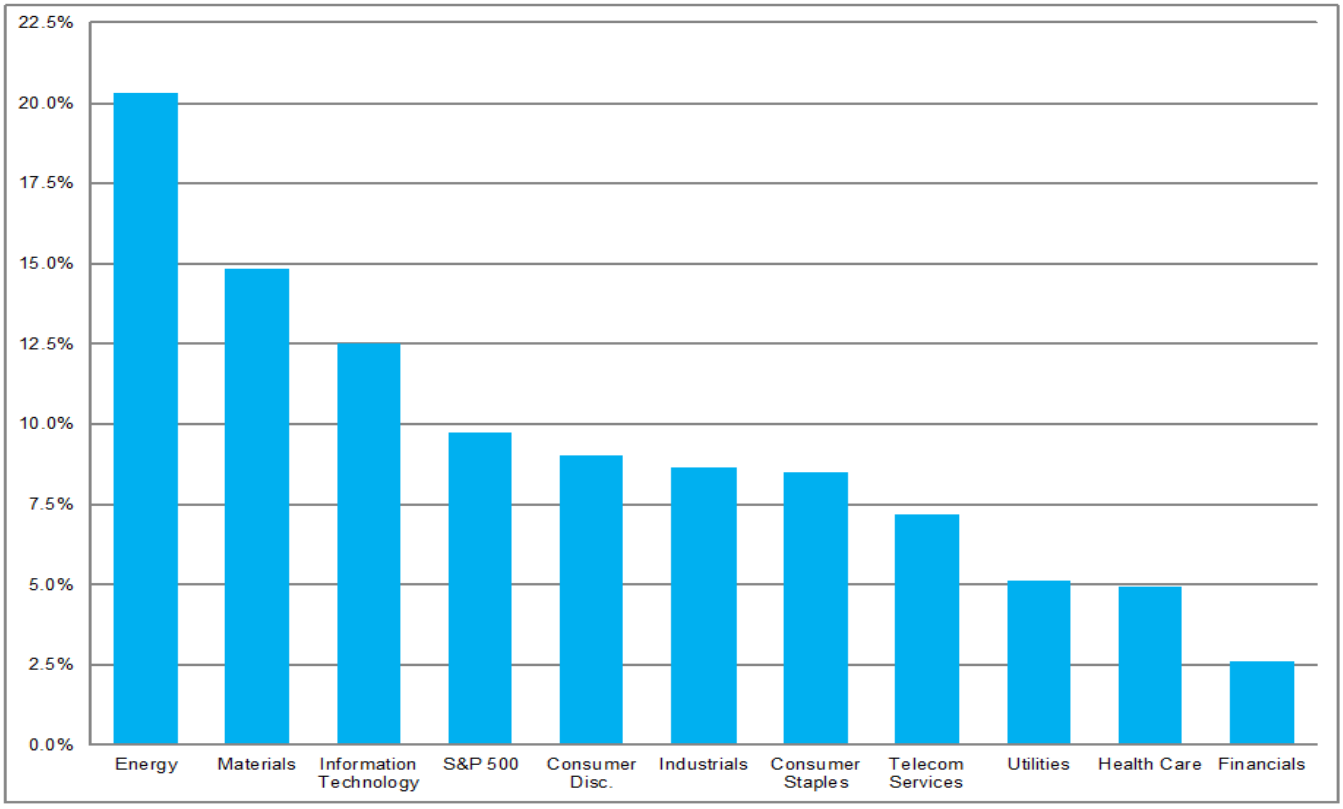
CY 2011: REVENUE GROWTH RATES

The CY 2011 revenue growth rates reflect the aggregate difference between the estimated revenues and year-ago actual revenues for the constituents in the index at the end of the year. Calendar year estimates are calculated by aggregating pro-rated percentages of two fiscal-year estimates for companies that do not have a fiscal year-end in December.

CY 2011 Revenue Growth ($)

Sector	CY11	CY10	Diff ($)	Diff (%)
Consumer Discretionary	1300.0	1192.2	107.8	9%
Consumer Staples	1570.1	1446.7	123.5	9%
Energy	1609.5	1337.6	271.9	20%
Financials	1082.7	1054.9	27.8	3%
Health Care	1161.6	1106.6	54.9	5%
Industrials	1102.7	1014.6	88.1	9%
Information Technology	1046.0	929.9	116.1	12%
Materials	370.6	322.8	47.8	15%
Telecommunication Services	304.5	284.0	20.5	7%
Utilities	335.7	319.3	16.4	5%
S&P 500	**9883.3**	**9008.6**	**874.8**	**10%**

CY 2011 Revenue Growth (%)



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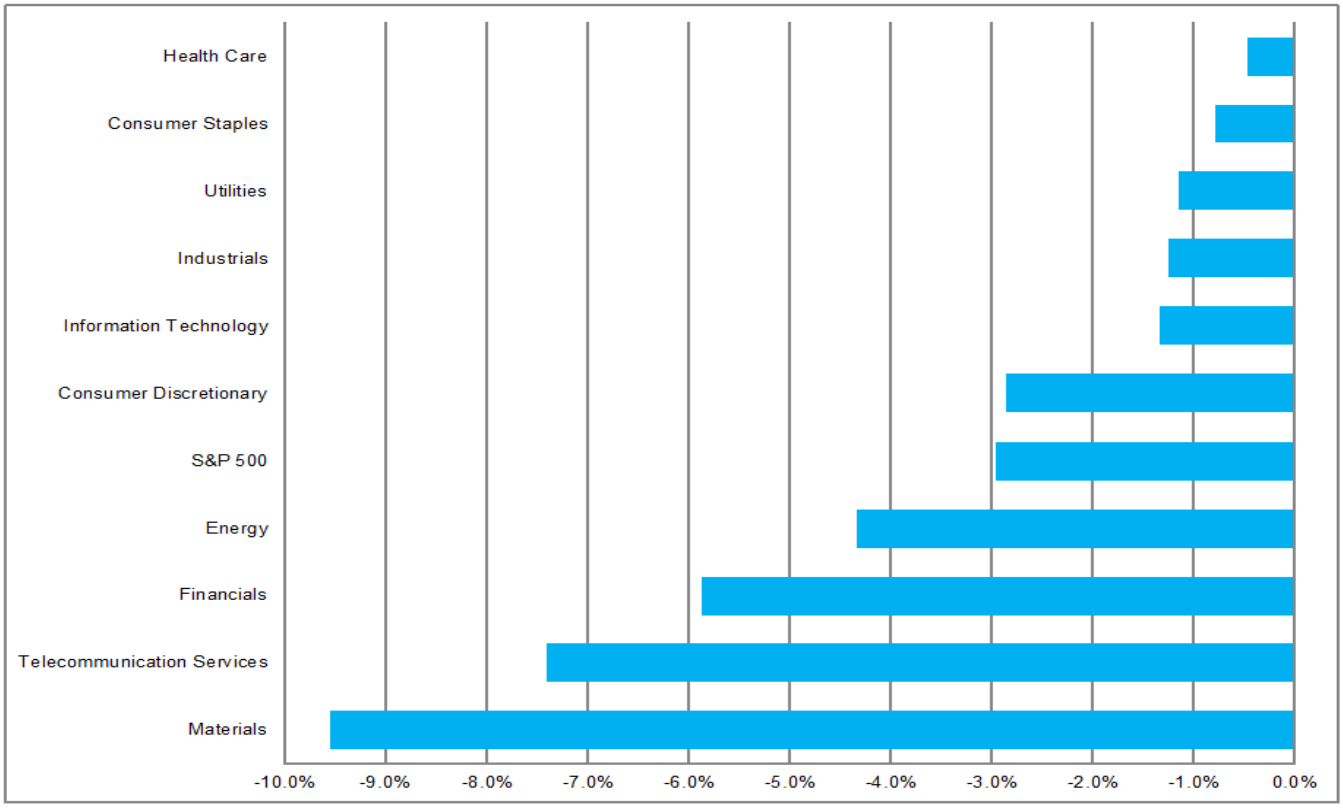
CY 2012: CHANGE IN DOLLAR-LEVEL EARNINGS:

The numbers below reflect the change in share-weighted earnings for CY 2012 since September 30. The share-weighted earnings are calculated by multiplying the total shares outstanding by the estimated (or actual) EPS for all companies in the index for the calendar year and aggregating the data. Calendar year estimates are calculated by aggregating pro-rated percentages of two fiscal-year estimates for companies that do not have a fiscal year-end in December.

CY 2012 Change in Share-Weighted Earnings (%) – Since Sep 30

Sector	30-Dec-11	30-Sep-11	Diff ($)	Diff (%)
Consumer Discretionary	93.7	96.4	-2.8	-2.9%
Consumer Staples	101.5	102.3	-0.8	-0.8%
Energy	138.2	144.4	-6.3	-4.3%
Financials	175.2	186.2	-10.9	-5.9%
Health Care	119.7	120.2	-0.6	-0.5%
Industrials	100.3	101.6	-1.3	-1.3%
Information Technology	200.1	202.9	-2.7	-1.3%
Materials	33.9	37.5	-3.6	-9.5%
Telecommunication Services	21.5	23.2	-1.7	-7.4%
Utilities	30.4	30.7	-0.4	-1.2%
S&P 500	**1014.4**	**1045.4**	**-31.0**	**-3.0%**

CY 2012 Change in Share-Weighted Earnings (%) – Since Sep 30



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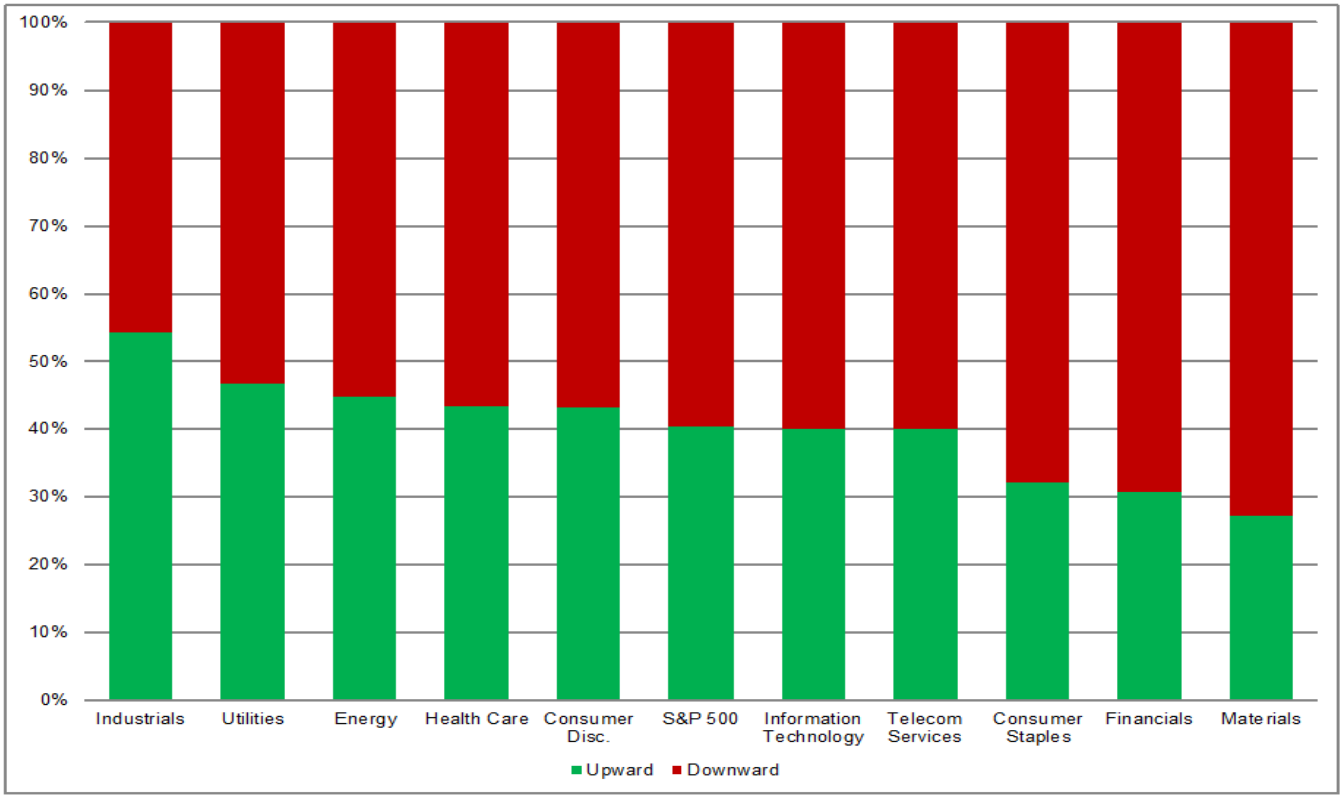
CY 2012: CHANGE IN MEAN EPS ESTIMATES

The numbers below reflect the number of companies in the index that have recorded an increase (upward change) or decrease (downward change) in the mean EPS estimate for CY 2012 over the past month. Calendar year estimates are calculated by aggregating pro-rated percentages of two fiscal-year estimates for companies that do not have a fiscal year-end in December. Actual EPS numbers that are above or below the mean EPS estimate are included as upward or downward changes in the numbers.

Number of Upward & Downward Change (1 Month) in CY 2012 EPS

Sector	Upward	Downward	Upward (%)	Downward (%)
Consumer Discretionary	25	33	43%	57%
Consumer Staples	10	21	32%	68%
Energy	17	21	45%	55%
Financials	16	36	31%	69%
Health Care	16	21	43%	57%
Industrials	19	16	54%	46%
Information Technology	16	24	40%	60%
Materials	6	16	27%	73%
Telecommunication Services	2	3	40%	60%
Utilities	7	8	47%	53%
S&P 500	**134**	**199**	**40%**	**60%**

Percentage of Upward & Downward Change (1 Month) in CY 2012 EPS



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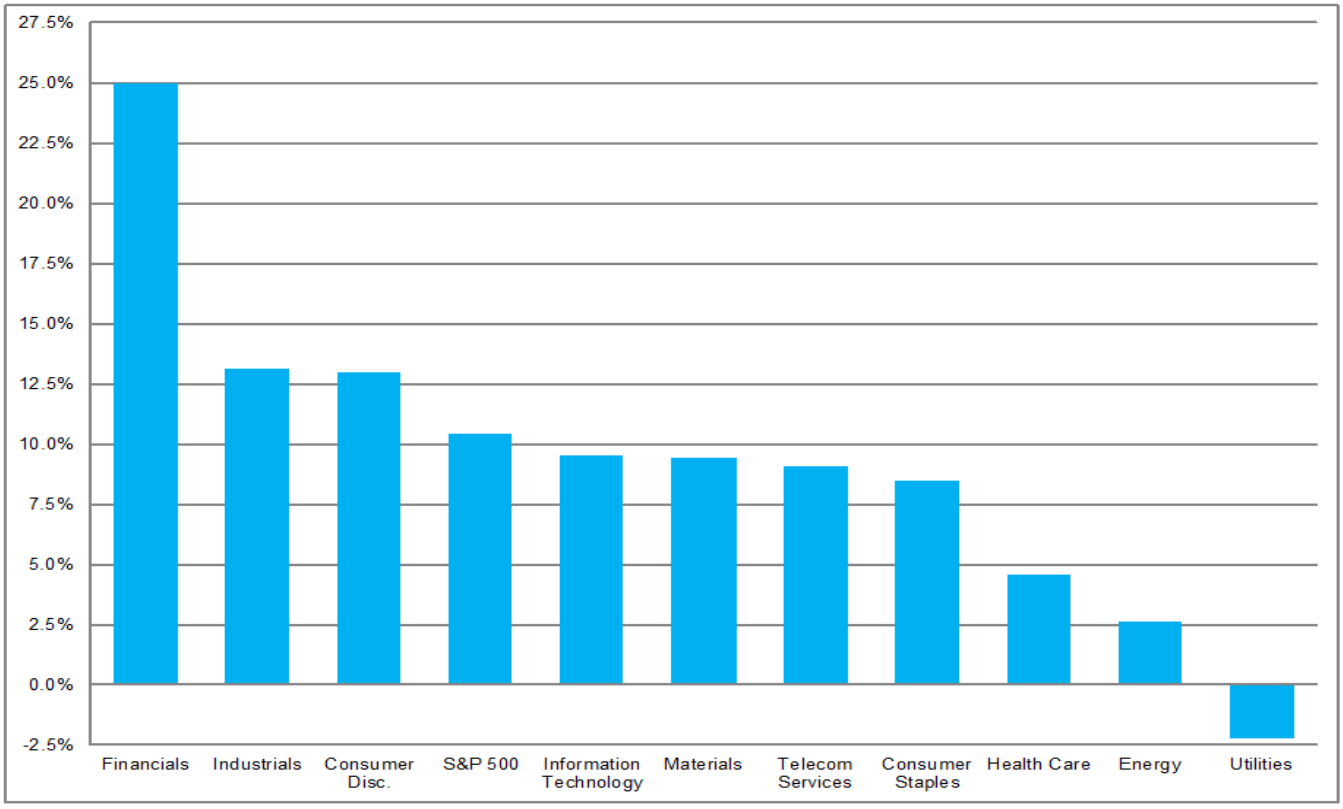
CY 2012: EARNINGS GROWTH RATES

The CY 2012 earnings growth rates reflect the aggregate difference in the blended (actual and estimated) earnings and year-ago actual earnings for the constituents in the index at the end of the year. The EPS numbers are weighted by the total shares outstanding for both periods. Calendar year estimates are calculated by aggregating pro-rated percentages of two fiscal-year estimates for companies that do not have a fiscal year-end in December.

CY 2012 Earnings Growth ($)

Sector	CY12	CY11	Diff ($)	Diff (%)
Consumer Discretionary	93.7	82.9	10.8	13%
Consumer Staples	101.5	93.6	7.9	8%
Energy	138.2	134.6	3.6	3%
Financials	175.2	140.2	35.0	25%
Health Care	119.7	114.4	5.3	5%
Industrials	100.3	88.7	11.6	13%
Information Technology	200.1	182.7	17.5	10%
Materials	33.9	31.0	2.9	9%
Telecommunication Services	21.5	19.7	1.8	9%
Utilities	30.4	31.1	-0.7	-2%
S&P 500	**1014.4**	**918.7**	**95.7**	**10%**

CY 2012 Earnings Growth (%)



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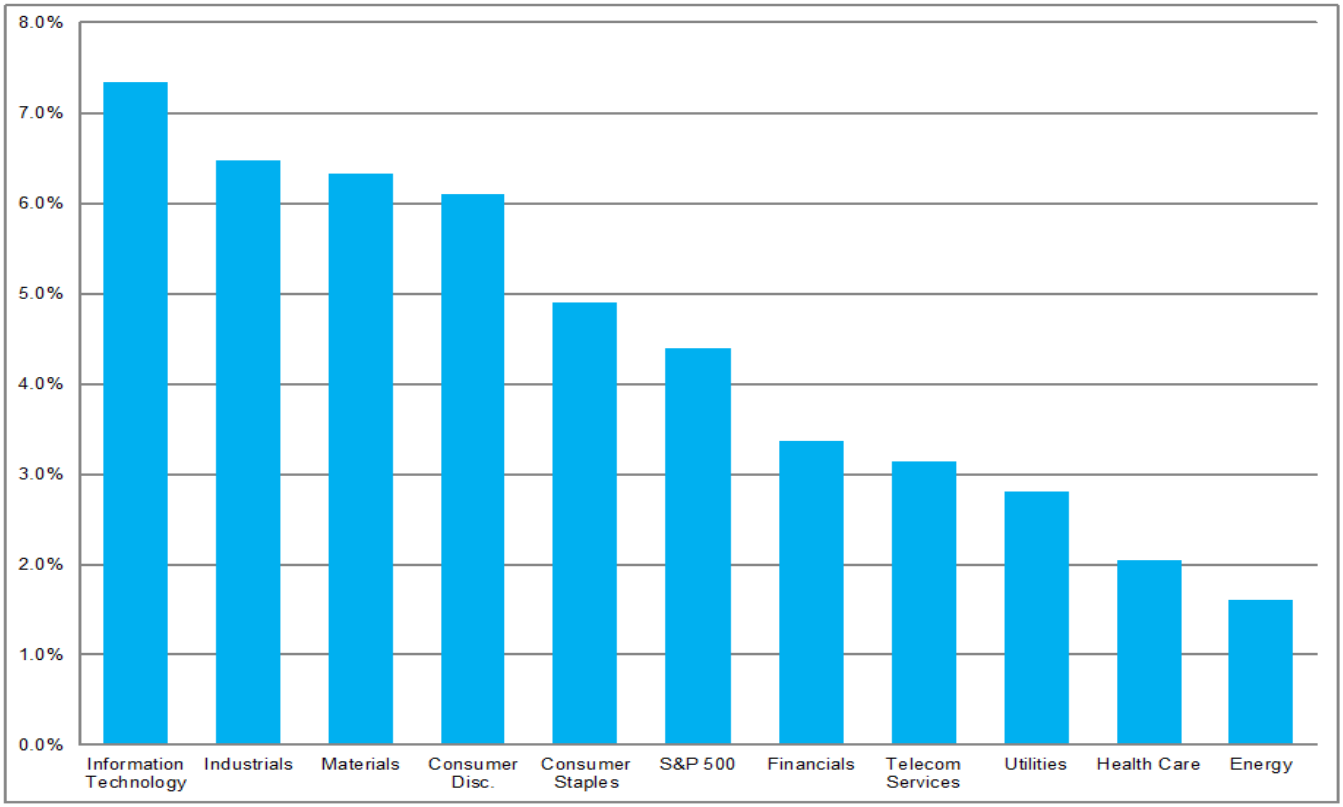
CY 2012: REVENUE GROWTH RATES

The CY 2012 revenue growth rates reflect the aggregate difference in the blended (actual and estimated) revenues and year-ago actual revenues for the constituents in the index at the end of the year. Calendar year estimates are calculated by aggregating pro-rated percentages of two fiscal-year estimates for companies that do not have a fiscal year-end in December.

CY 2012 Revenue Growth ($)

Sector	CY12	CY11	Diff ($)	Diff (%)
Consumer Discretionary	1380.0	1300.6	79.3	6%
Consumer Staples	1647.1	1570.1	77.0	5%
Energy	1635.4	1609.5	25.9	2%
Financials	1119.3	1082.7	36.6	3%
Health Care	1185.4	1161.6	23.9	2%
Industrials	1178.2	1106.5	71.6	6%
Information Technology	1122.7	1046.0	76.7	7%
Materials	394.1	370.6	23.5	6%
Telecommunication Services	314.0	304.5	9.6	3%
Utilities	345.2	335.7	9.5	3%
S&P 500	**10321.3**	**9887.8**	**433.5**	**4%**

CY 2012 Revenue Growth (%)



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