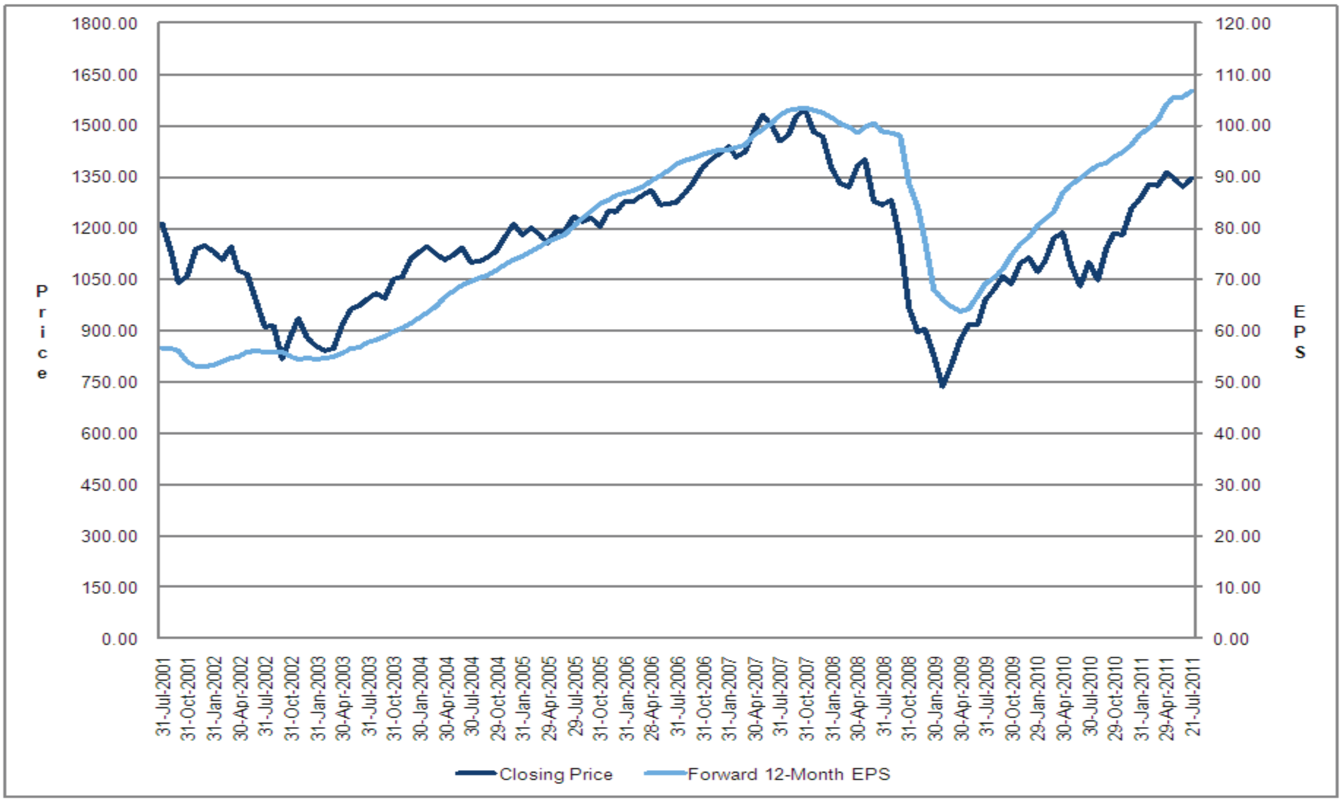
John Butters, Senior Earnings Analyst jbutters@factset.com
Media Questions/Requests media_request@factset.com

KEY METRICS:

- **Earnings Revisions:** Since June 30, aggregate earnings for Q2 2011 have increased 1.3%. The Information Technology sector has witnessed the largest increase (6.2%) in earnings, while the Financials sector has recorded the largest decrease (2.5%) in earnings.
- **Earnings Scorecard:** Of the 126 companies that have reported earnings for Q2 2011 to date, 84% have reported earnings above the mean estimate.
- **Earnings Growth:** The blended earnings growth rate for Q2 2011 is 9.2%. The Materials (50.3%) and Energy (35.1%) sectors have the highest growth rates for the quarter, while the Financials (-22.0%) sector has the lowest growth rate for the quarter.
- **Earnings Guidance:** For Q3 2011, 21 companies have issued negative EPS guidance and 9 companies have issued positive EPS guidance.
- **Valuations:** The current 12-Month forward P/E ratio is 12.6. This P/E ratio is below the average forward 12-Month P/E ratio over the past year (12.7).

Forward 12-Month EPS Estimate and Price: 10 Years



All data published in this report is available on FactSet. Please contact media_request@factset.com of 1-877-FACTSET for more information.

COMMENTS:

Topic of the Week Part 1: The Apple of the Technology Sector's Eye

During the past week, the blended earnings growth rate for the S&P 500 for Q2 2011 increased by 1.9 percentage points, from 7.3% on July 15 to 9.2% today. In aggregate, dollar-level earnings for the S&P 500 have climbed by $3.8 billion during this time.

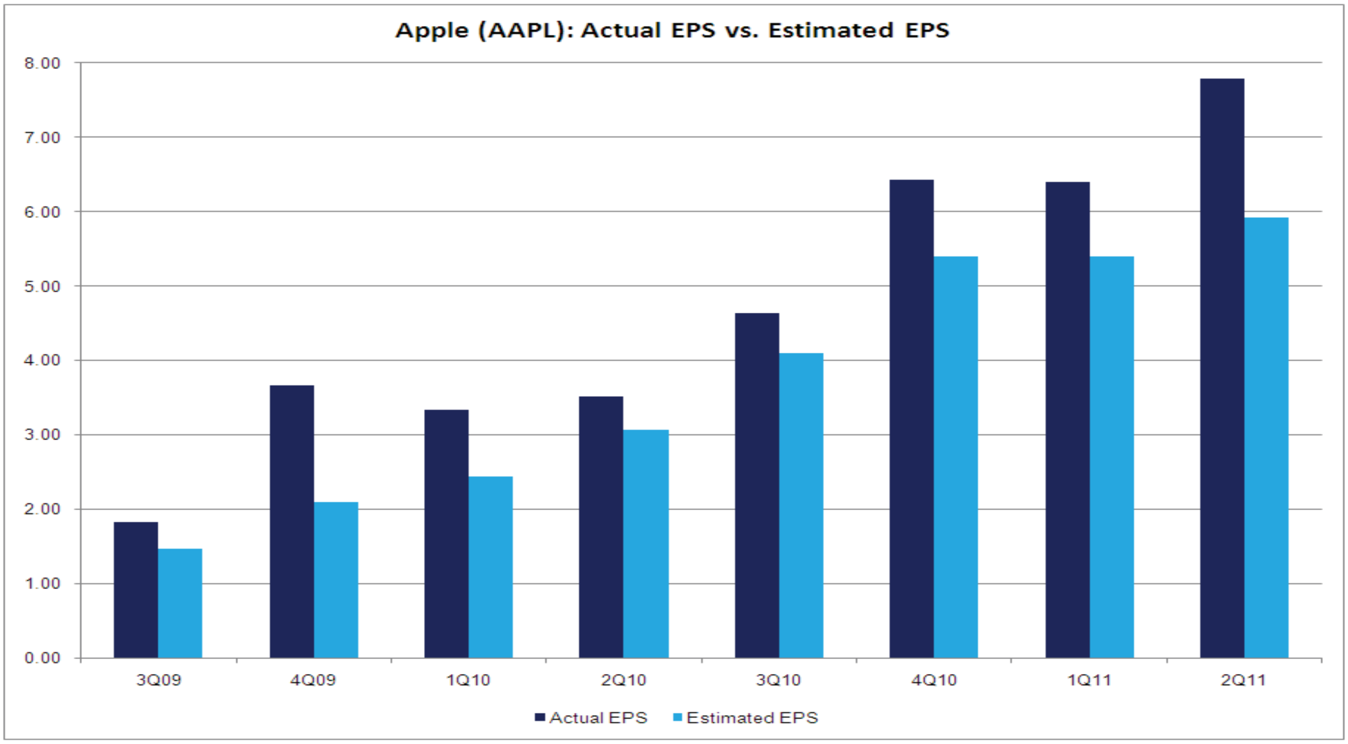
At this stage of the earnings season, 84% of companies have reported EPS above the mean estimate. Clearly, a large percentage of companies in the index are surpassing expectations. However, are the upside surprises from companies in just one or two sectors mainly responsible for the rise in the growth rate over the past week, or are the upside surprises from companies in a number of different sectors the cause of the move?

Looking at the change in dollar-level earnings at the sector level, the Information Technology sector recorded the sharpest increase over this time frame. In aggregate, dollar-level earnings for the Information Technology sector jumped by more than $2.1 billion. The growth rate for the Information Technology sector improved from 11.9% on July 15 to 17.4% today.

At the company level, Apple witnessed the largest dollar-level improvement ($1.8 billion) in share-weighted earnings of any company in the Information Technology sector, due to a 32% upside surprise in earnings relative to expectations. On July 19, Apple reported EPS of $7.79, compared to the mean EPS estimate of $5.92.

As a result, Apple accounts for most the increase in the growth rate for the Information Technology sector over the past week, and about half of the increase in growth rate for the S&P 500. If Apple had reported actual earnings that were in line with the mean estimate ($5.92), the growth rate for the Information Technology sector would have only improved to 12.8%, while the growth rate for the S&P 500 would have only improved to 8.3%.

In recent quarters, Apple has frequently reported large upside surprises relative to EPS estimates. Over the past eight quarters, the company has reported an average upside EPS surprise of 29%.



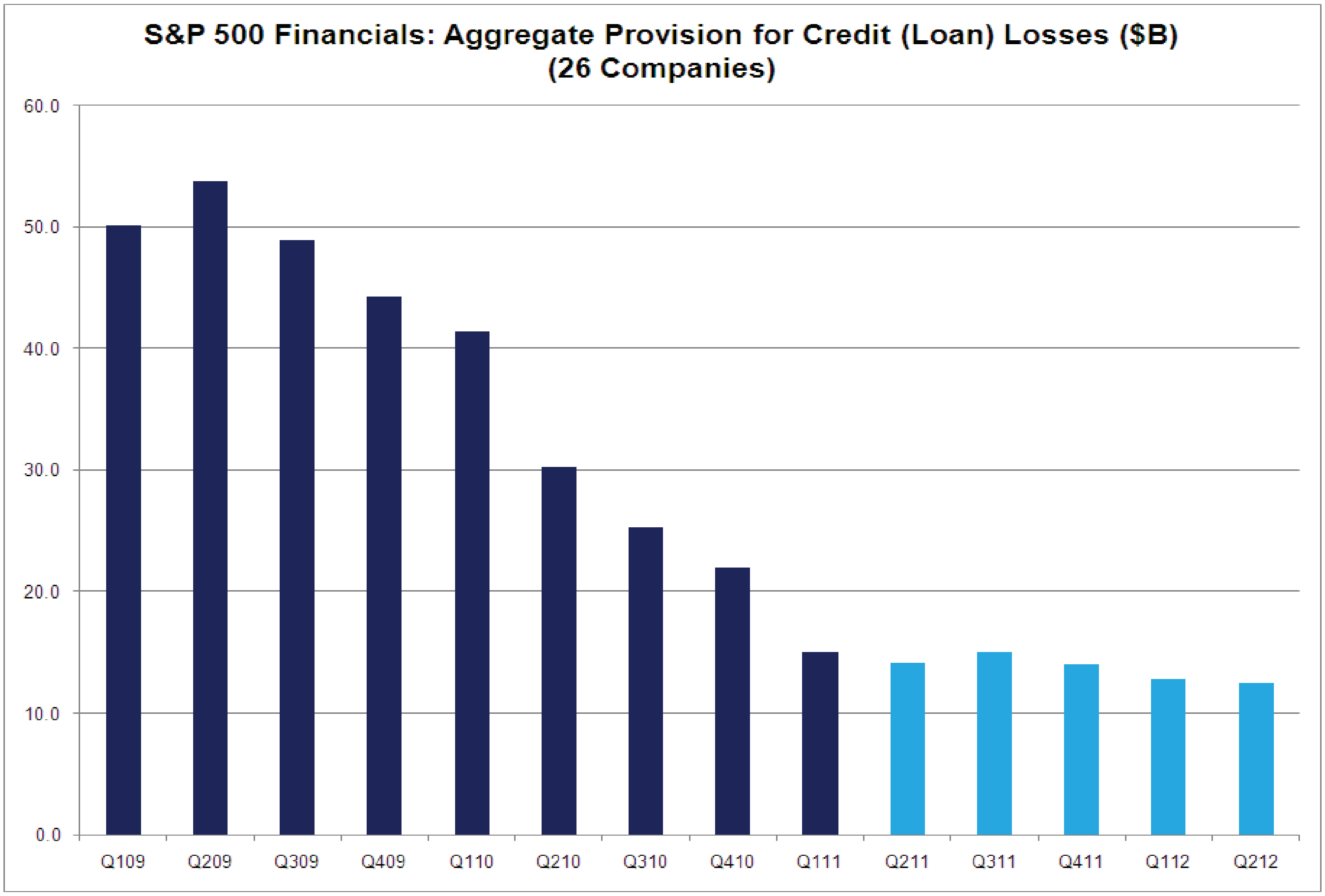
Topic of the Week Part 2: Lower Credit (Loan) Losses Boost Banking Earnings

Of the 30 companies in the S&P 500 that are expected to see a year-over-year decline in revenues and a year-over-year increase in earnings in Q2 2011, 17 are in the Financials sector. This divergence in the direction of revenue and earnings growth is often a sign of cost cutting. In the Financials sector, however, companies are recording lower provisions for loan losses relative to Q2 2010. These lower provisions for loan losses have no impact on top-line growth, but are helping to boost the bottom-line growth for companies in this sector.

FactSet Estimates actively tracks this metric, and has data for 26 of the companies in the Financials sector in the S&P 500 index. All 26 companies have already reported a decrease, or are projected to report a decrease in provisions for loan losses for Q2 2011 compared to Q2 2010. The median decline for all 26 companies (based on blended actual and estimated data) is 53.5%. This number is consistent with recent history. Over the last four quarters (Q210 – Q111), the median year-over-year decline in provisions for loan losses has been 49.1%.

In addition, analysts have substantially overestimated the amount of these provisions for Q2 2011. For the 24 (out of 26) companies that have reported provisions to date, the median difference between the actual provisions for loan losses and the estimated provisions for loan losses is -19.0%. This is a large difference relative to recent history. Over the last four quarters (Q210 – Q111), the median difference between the actual provision and estimated provision has been -10.4%.

The chart shows the aggregate actual loan loss provisions for these 26 companies and the aggregate estimates for future loan loss provisions for the next four quarters. Based on the estimates, it appears companies in the Financials sector will continue to see a benefit from these lower provisions through the end of 2011. However, it appears companies will see little benefit from these provisions starting in 2012.



Q2 Earnings Season:

With 126 companies reporting to date, 84% of companies have reported EPS above the mean estimate, while 72% of companies have reported sales above the mean estimate. Over the past four quarters, 75% of companies have reported EPS above the mean estimate on average, while 62% of companies have reported sales above the mean estimate on average.

Since the start of earnings season (June 30), aggregate earnings have increased by 1.3%, while aggregate revenues have remained unchanged. The Information Technology sector has witnessed the sharpest increase in earnings and revenue estimates over this time frame, mainly due to better-than-expected results from Apple. Blended earnings for the Information Technology sector have jumped 6.2%, while blended revenues have improved 2.5%. On the other hand, the Financials sector has recorded the highest decrease in earnings and revenue estimates during this time. Blended earnings for the Financials sector have fallen 2.5%, while blended revenues have declined 3.0%.

As a result, the current blended earnings growth rate of 9.2% is higher than the estimate (7.8%) at the end of the quarter, while the current blended revenue growth rate of 10.0% is slightly lower than the estimate (10.1%) at the end of the quarter. If the final earnings growth rate is 9.2%, it will mark the end of the streak of consecutive quarters of double-digit earnings growth at six. If the final revenue growth rate is 10.0%, it will mark the first quarter of double-digit revenue growth since Q2 2010.

At the sector level, the Energy and Materials have highest earnings and revenue growth rates for the quarter, while the Financials sector has the lowest earnings and revenue growth.

Eight of the ten sectors are reporting earnings growth for the quarter. Five of these eight sectors are reporting double-digit earnings growth, led by the Materials (50.3%) and Energy (35.1%) sectors. If the Materials and Energy sectors are excluded, the earnings growth rate for the remaining eight sectors would drop to 3.8%. The Financials (-22.0%) and Utilities (-0.9%) sectors are the only sectors reporting earnings declines for Q2. In the Financials sector, Bank of America is the largest contributor to the decline in earnings growth at the company level. If this company is removed, the growth rate for the Financials sector would improve to 14.4%, and the growth rate for the S&P 500 would increase to 15.2%.

In terms of revenues, nine of the ten sectors are reporting sales growth for the quarter, again led by the Energy (29.3%) and Materials (15.9%) sectors. If the Energy and Materials sectors are excluded, the sales growth rate for the remaining eight sectors would drop to 6.6%. The Financials (-1.9%) sector is the only sector reporting a decline in revenues for the quarter.

Some of the key themes that impacted earnings and sales for the second quarter (and may also affect future quarters) include higher commodity prices, continuing global economic growth, and the impact of the disaster in Japan. It is also important to watch how the results of this earnings season affect future earnings and sales estimates for the index.

Higher Commodity Prices

The influence of higher commodity prices on corporate earnings is a major theme of the Q2 2011 earnings season. Despite recent declines in May and June, many commodity prices are still well above year-ago numbers, and thus will have an impact on earnings and revenue growth rates.

Companies that produce commodities, particularly companies in the Energy and Materials sectors, are the top performers this quarter relative to year-ago numbers. In terms of earnings growth, the Materials (50.3%) and Energy (35.1%) sectors rank first and second out of all ten sectors. In terms of revenue growth, the Energy (29.3%) and Materials (15.9%) sectors again rank first and second out of all ten sectors.

One example of a company in the Materials sector that recorded strong earnings growth in the second quarter is Alcoa. On July 11, the company reported an EPS number that was nearly 150% above year-ago results and 14% above the results of the previous quarter. In it's earnings release, the company cited higher demand and higher pricing as reasons for the improvement in earnings, stating, "The sequential increase in income from continuing operations was driven by higher quarterly revenue (up 11 percent), higher alumina shipments (up 8 percent), and higher realized pricing for both alumina (up 7 percent) and aluminum (up 6 percent)…"

On the other hand, companies in sectors where rising commodity prices typically detract from earnings, such as the Consumer Discretionary and Consumer Staples sectors, are average performers this quarter relative to year-ago numbers. In terms of earnings growth, the Consumer Discretionary (11.2%) and Consumer Staples (6.8%) sectors rank fifth and sixth out of all ten sectors. In terms of revenue growth, the Consumer Discretionary (9.1%) and Consumer Staples (7.4%) sectors rank fourth and sixth out of all ten sectors.

One example of a company in the Consumer Discretionary sector that was negatively impacted by higher energy costs is Carnival Corporation. On June 21, the company reported an EPS number that was nearly 20% below year-ago results, due in large part to higher fuel costs. As David Bernstein, CFO and Senior Vice-President, stated during the company's conference call, "In summary, the second quarter EPS was $0.26 per share versus the $0.32 we reported last year. However, fuel prices were up 35%, costing us an additional $0.19 per share. Therefore, excluding fuel prices, our EPS for the second quarter would have been up $0.13 versus the prior year." In the company's earnings release, Chairman and CEO Micky Arison stated, "The revenue yield improvement was more than offset by higher fuel prices which cost the company approximately $150 million, or $0.19 per share."

A number of companies in the Consumer Discretionary and Consumer Staples sectors have raised prices as a means to offset higher commodity costs. During the Q1 2011 earnings season, 90% of the companies in the Consumer Staples sector stated in their press release or conference call that they had raised prices already, or announced they would raise prices going forward.

Coca-Cola is a recent example of a company in the Consumer Staples sector that raised prices to offset commodity costs in Q2 2011. Gary P. Fayard, the Chief Financial Officer and Executive Vice-President, made these comments during the company's conference call on July 19, "As for commodities, we still expect these to have an unfavorable impact of approximately $700 million on our full-year results, in line with the same full-year forecast we shared last quarter. As communicated earlier, we are implementing retail price increases with our customers, and we're also pulling forward cost-saving initiatives to help offset some of these commodity costs."

The ability of companies to raise prices to offset higher input costs and increase sales and earnings is a theme to monitor during the upcoming earnings season.

Weak Domestic Economic Growth vs. Strong Global Economic Growth

Domestic economic weakness and global economic strength is another key theme for the Q2 2011 earnings season. In a statement issued on June 22, the Federal Reserve Board lowered its projection for GDP growth in the U.S. in 2011 to a range of 2.7% to 2.9% from a prior (April) range of 3.1% to 3.3%. In an economic report released on June 17, the IMF also lowered its April estimate for 2011 growth for the U.S. economy by 0.3 percentage points to 2.5%. The report stated, "For 2011, growth is expected to be weaker than previously projected in the United States and Japan…"

Given this predicted weakness for the U.S. economy, companies will need to see continued strong economic growth outside the U.S. to support higher sales and earnings growth. According to FactSet Economics, four of the top ten nations in terms of year-over-year real GDP growth in Q1 2011 were countries in the Asia Pacific region. In an economic report released on June 17, the IMF stated, "Output growth in emerging and developing economies is expected to be 6½ percent during 2011–12…" This 6.5% growth rate is well above the 2.5% growth projected for the U.S. economy by the IMF, and reflects a 0.1 percentage point increase from the April estimate for emerging and developing economies.

Yum! Brands is an example of a company that utilized strong sales growth in emerging markets to offset weak sale growth in the U.S. David C. Novak, Chairman and CEO, made these comments in the company's earnings release on July 13, "We delivered EPS growth of 13% in the second quarter as strong performance in China and other emerging markets, combined with the benefit of a lower tax rate, offset a very disappointing quarter in the U.S. Our China business continues to be the leading growth story in the restaurant industry, as our category-leading brands are performing stronger than ever. Operating profit grew 25% in China, prior to foreign currency translation, as same-store sales grew an impressive 18%."

Marriott International is another example of a company expanding its business into emerging markets. J.W. Marriott, Jr., chairman and chief executive officer, made these statements in the company's earnings release on July 13, "Emerging markets provide especially attractive opportunities. In the past five years, we have increased our hotel distribution in Brazil, Russia, India and China at a 12 percent compound annual growth rate while tripling our development pipeline in those markets."

The Information Technology sector is a key indicator of global economic growth in the index, as many of the companies in this sector generate a large percentage of their sales outside the United States. Apple is an example of a company that generated most of its revenue outside the U.S. in Q2 2011. In the company's earnings release issued on July 19, Apple reported sales growth of 82% and stated, "International sales accounted for 62 percent of the quarter's revenue."

Based on the current sales estimates, the Information Technology sector is having another solid performance in Q2 2011. The sector is reporting sales growth of 12.6% for the quarter, which is the third highest sales growth rate of any sector. There is broad-based sales growth within the sector, as seven of the eight industries in the sector are reporting growth for the quarter. Five of these seven industries are reporting double-digit sales growth rates, led by Internet Software & Services (26.8%), Computers & Peripherals (20.7%), Electronic Equipment, Instruments, and Components (18.1%), Semiconductors & Semiconductor Equipment (10.8%), and IT Services (10.4%).

IBM is another example of company that saw significant sales growth in emerging markets. As the company stated in its earnings release on July 18, "Revenues from the company's growth markets increased 23 percent (13 percent, adjusting for currency). Revenues in the BRIC countries -- Brazil, Russia, India and China -- increased 27 percent (21 percent, adjusting for currency). Growth markets revenue represents 22 percent of IBM's total geographic revenue for the second quarter."

Intel also stated that growth in emerging markets was a key driver of overall sales growth. Paul Otellini, president and CEO, made these comments in the company's earnings release on July 20, "Strong corporate demand for our most advanced technology, the surge of mobile devices and Internet traffic fueling data center growth, and the rapid rise of computing in emerging markets drove record results."

Companies that generate a large percentage of sales outside the U.S. will also likely see a benefit from foreign currency exchange rates. In the company's earnings release on July 19, Johnson & Johnson stated, "Domestic sales increased 0.1%, while international sales increased 15.9%, reflecting operational growth of 4.9% and a positive currency impact of 11.0%."

The ability of companies to generate higher sales growth outside the U.S. to offset potentially weaker sales in the U.S. will be a theme to watch during the Q 2011 earnings season.

Japan

The impact of the devastating earthquake and tsunami in Japan on corporate earnings will continue to be a focus topic during the Q2 2011 earnings season. As Federal Reserve Chairman Ben Bernanke noted in a speech on June 8, "Aggregate output increased at only 1.8 percent at an annual rate in the first quarter, and supply chain disruptions associated with the earthquake and tsunami in Japan are hampering economic activity this quarter."

One recent example of a company that discussed the impact of Japan is Nike. As the company stated in its earnings release on June 28, "Japan's fourth quarter results were negatively impacted both by challenging macroeconomic conditions and the March earthquake and tsunami."

During the Q1 2011 earnings season, a number of companies commented on the supply chain situation in Japan. While only a small percentage (8%) of companies in the Information Technology sector cited a negative impact to earnings due to supply chain disruptions in Q1 2011, a much higher percentage (26%) of companies in the Industrials sector commented on the negative impact of the events in Japan relative to supply chains, particularly for companies sensitive to the automotive and electronic components industries.

The impact of potential supply chain disruptions for companies sensitive to the automobile and electronic components industries will be a theme to monitor this earnings season.

Future Estimates / Valuation

A recurring theme during every earnings season is how this earnings season will affect future earnings and sales estimates. The markets always look ahead, and will pay close attention to quantitative and qualitative guidance for Q3 2011 and for CY 2011 issued by corporations to measure their impact on future earnings expectations.

In terms of guidance for Q3 2011, 21 companies have issued negative EPS guidance and 9 companies have issued positive EPS guidance. The percentage of companies of companies issuing negative EPS guidance (66%) for Q3 2011 (70%) is higher than the percentage of companies that issued negative EPS guidance (62%) for Q2 2011 (67%) and Q1 2011 (62%).

In terms of estimate revisions since the end of the second quarter (June 30), analysts have decreased aggregate estimated earnings for Q3 2011 by 0.5%, for Q4 2011 by 0.1%, and for Q1 2012 by 0.2%. Aggregate estimated earnings for Q2 2012 have increased by 0.1%.

The current forward 12-month P/E ratio of 12.6 is well below the prior ten-year average forward 12-month P/E ratio of 15.1. The P/E ratio is lower than the average in part due to projected increases in earnings through the second half of 2012. In Q2 2011, aggregate earnings for the S&P 500 are predicted to be about $225B. However, the aggregate estimated earnings are projected to increase to about $240B in Q3 2011, $255B in Q4 2011, $250B in Q1 2012, and $265B in Q2 2012. On a per share basis, forward 12-month earnings are expected to be over $105. While these projections may seem high, it is important to note that more than 70% of companies have reported EPS above estimates over the last seven quarters.

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 15.1, either future estimates will need to decrease, the price of the index will need to increase, or a combination of the two.

The Week Ahead:

This week marks the second "peak week" of the Q2 2011 earnings season, as 180 companies in the S&P 500 and 6 companies in the DJIA are expected to announce second quarter earnings.

TABLE OF CONTENTS:

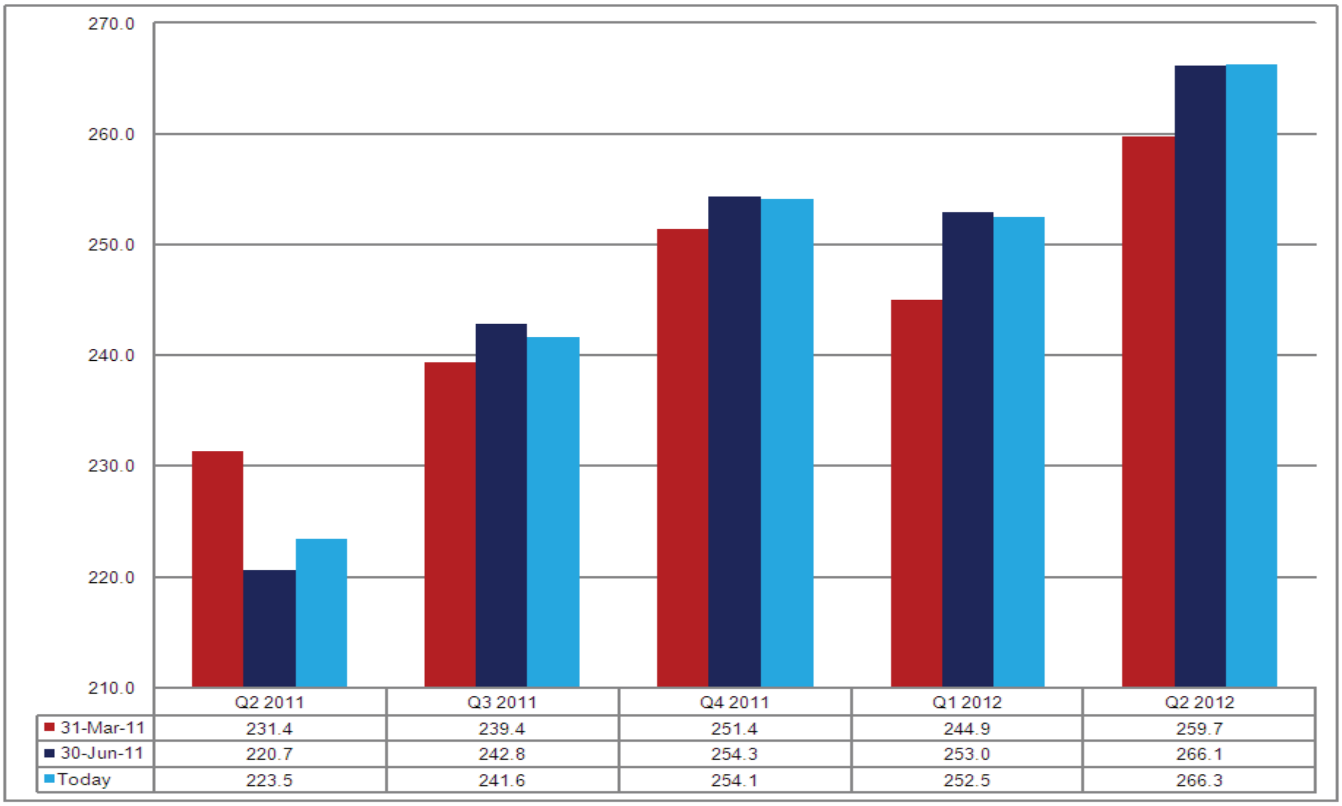
DOLLAR-LEVEL EARNINGS: OVERVIEW (Q2 2011 – Q2 2012)

The numbers below reflect the change in share-weighted earnings since March 31. 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.

Q2 2011 – Q2 2012: Change in Share-Weighted Earnings ($B)

Sector	Q211	Q311	Q411	Q112	Q212
Consumer Discretionary	20.9	21.2	24.1	21.4	23.9
Consumer Staples	23.5	24.3	25.8	23.1	25.4
Energy	35.4	33.5	34.7	36.1	37.5
Financials	26.2	41.4	44.6	46.4	48.7
Health Care	29.0	28.7	28.2	30.3	30.3
Industrials	22.7	23.5	24.8	23.8	26.7
Information Technology	44.2	45.6	53.4	47.7	50.0
Materials	9.4	7.8	7.3	10.1	10.7
Telecommunication Services	5.5	5.5	5.4	6.0	6.2
Utilities	6.7	10.0	6.0	7.5	6.7
S&P 500	**223.5**	**241.6**	**254.1**	**252.5**	**266.3**

Q2 2011 – Q2 2012: Change in Share-Weighted Earnings ($B) – Since Mar 31



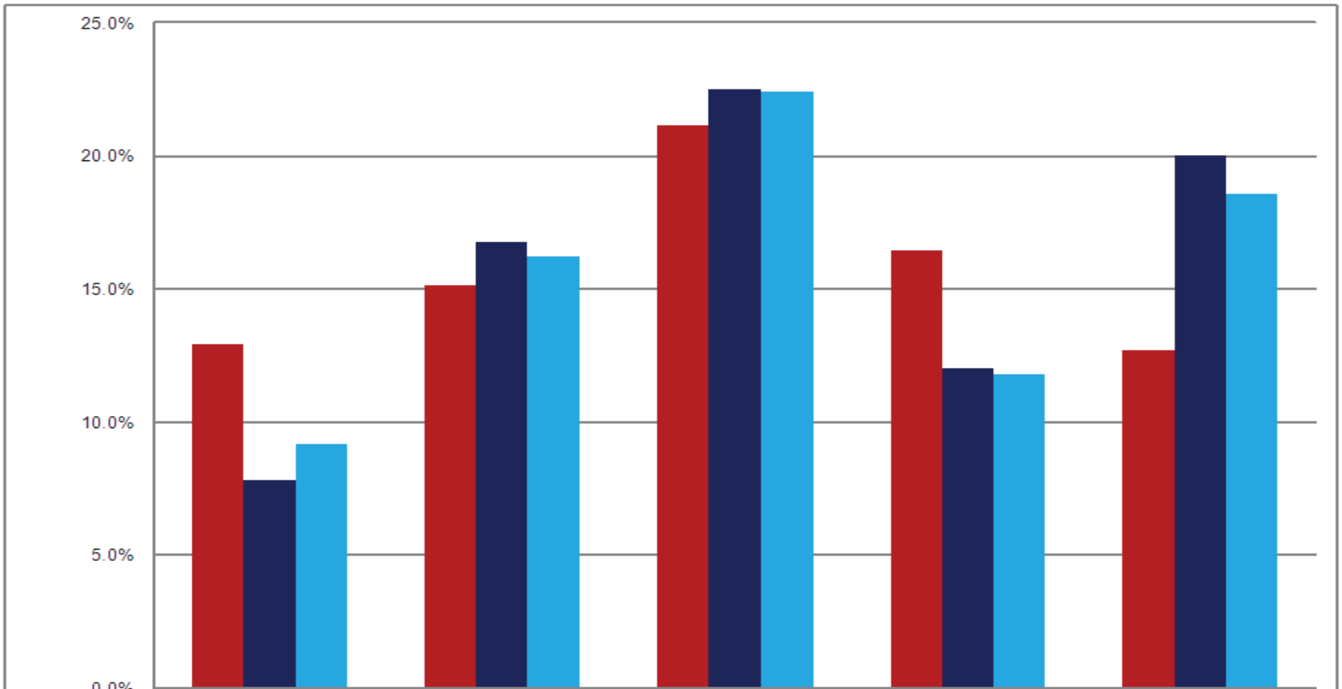
EARNINGS GROWTH RATES: OVERVIEW (Q2 2011 – Q2 2012)

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.

Q2 2011 – Q2 2012: Change in Earnings Growth Rates

Sector	Q211	Q311	Q411	Q112	Q212
Consumer Discretionary	11%	18%	13%	11%	14%
Consumer Staples	7%	8%	8%	8%	8%
Energy	35%	44%	26%	12%	4%
Financials	-22%	19%	98%	21%	86%
Health Care	3%	3%	6%	3%	5%
Industrials	14%	18%	15%	19%	18%
Information Technology	17%	10%	10%	9%	12%
Materials	50%	41%	25%	16%	15%
Telecommunication Services	5%	20%	24%	22%	14%
Utilities	-1%	0%	6%	-3%	-1%
S&P 500	**9%**	**16%**	**22%**	**12%**	**19%**

Q2 2011 – Q2 2012: Change in Earnings Growth Rates – Since Mar 31



	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012
31-Mar-11	12.9%	15.1%	21.2%	16.4%	12.7%
30-Jun-11	7.8%	16.8%	22.5%	12.0%	20.0%
Today	9.2%	16.2%	22.4%	11.8%	18.6%

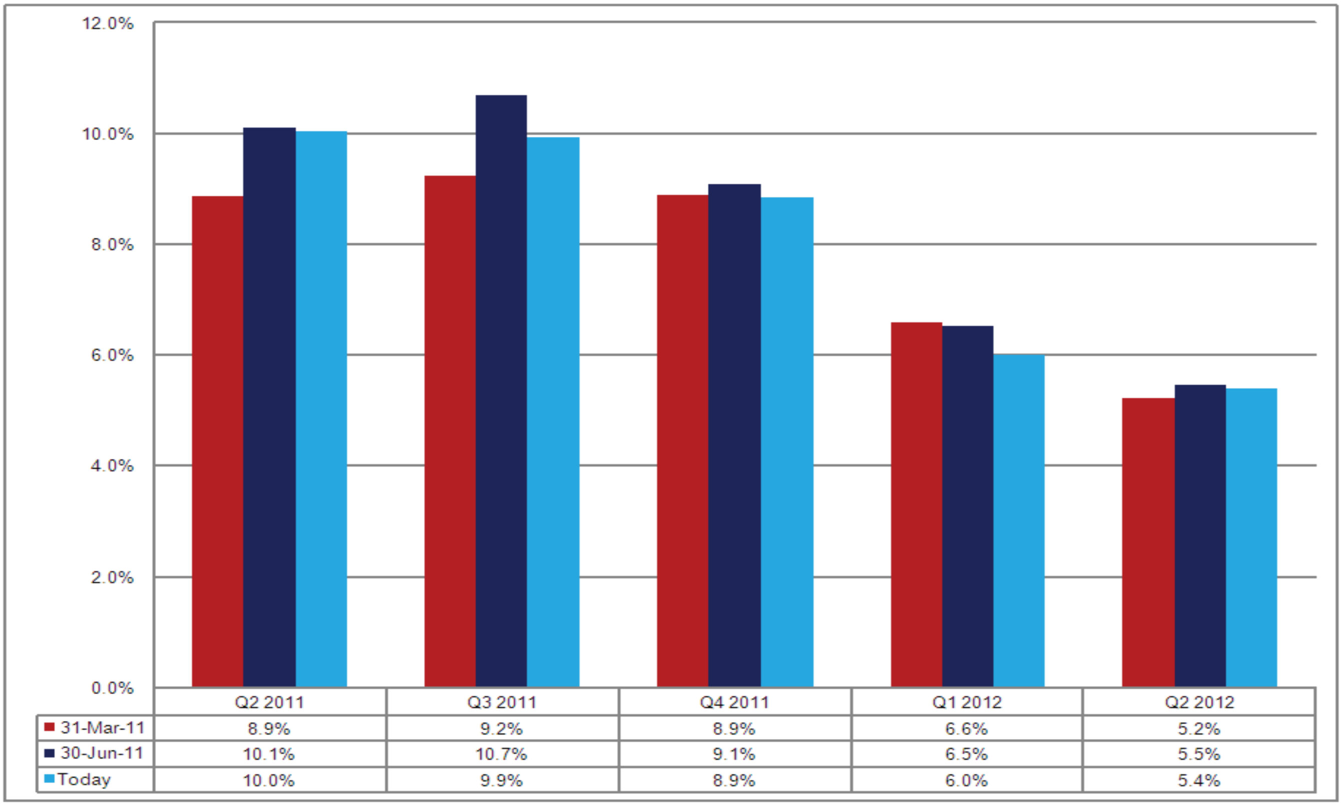
REVENUE GROWTH RATES: OVERVIEW (Q2 2011 – Q2 2012)

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.

Q2 2011 – Q2 2012: Change in Revenue Growth Rates

Sector	Q211	Q311	Q411	Q112	Q212
Consumer Discretionary	9%	9%	9%	7%	7%
Consumer Staples	7%	8%	6%	5%	4%
Energy	28%	24%	17%	5%	2%
Financials	-2%	4%	8%	6%	11%
Health Care	5%	5%	4%	3%	2%
Industrials	7%	8%	7%	6%	8%
Information Technology	13%	10%	11%	9%	8%
Materials	16%	13%	10%	7%	7%
Telecommunication Services	7%	7%	7%	7%	4%
Utilities	8%	5%	6%	9%	3%
S&P 500	**10%**	**10%**	**9%**	**6%**	**5%**

Q2 2011 – Q2 2012: Change in Revenue Growth Rates – Since Mar 31



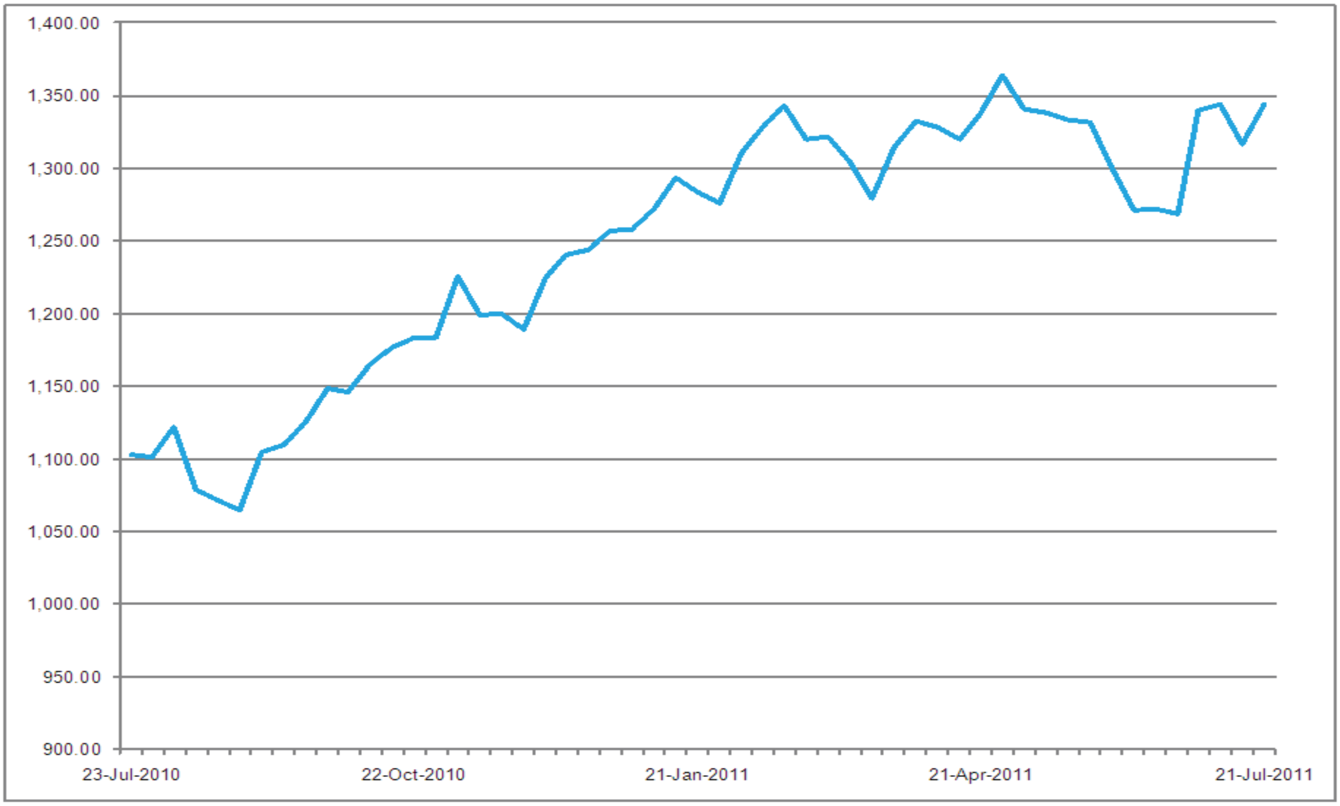
PRICE:

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

Change in Index Price

Sector	Price	1 Week	1 Month	3 Month	12 Month
Consumer Discretionary	323.20	1.6%	4.7%	2.5%	35.8%
Consumer Staples	327.23	1.4%	1.2%	2.6%	19.1%
Energy	587.34	5.3%	7.6%	0.1%	49.6%
Financials	207.00	3.3%	1.7%	-4.5%	9.7%
Health Care	412.19	0.8%	0.8%	4.1%	25.7%
Industrials	321.50	1.9%	2.3%	-1.2%	29.6%
Information Technology	426.95	4.1%	7.1%	0.9%	22.7%
Materials	250.82	2.3%	5.9%	-0.4%	35.0%
Telecommunication Services	131.52	0.0%	-0.4%	0.1%	25.2%
Utilities	172.78	2.1%	2.3%	5.5%	13.5%
S&P 500	**1343.80**	**2.7%**	**3.7%**	**0.5%**	**25.6%**

Change in Index Price (12 Months)



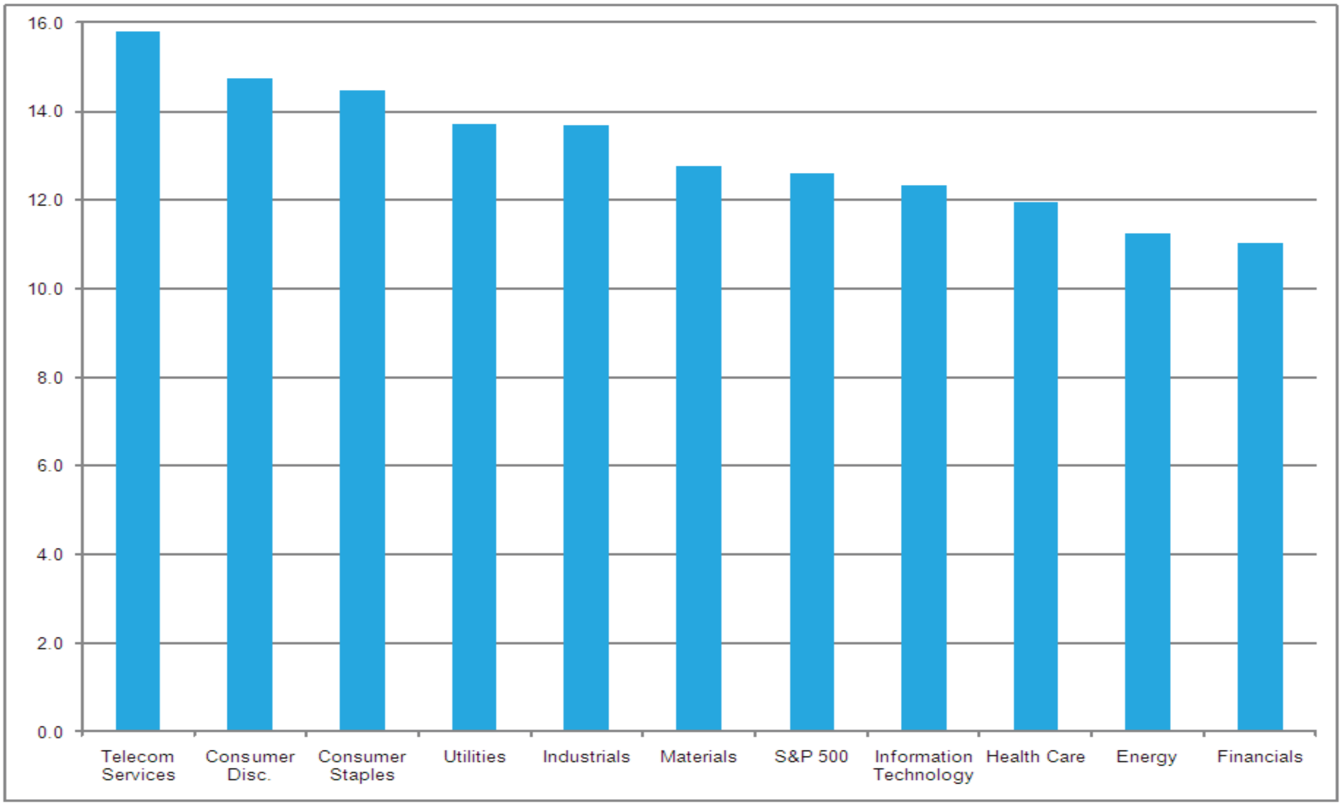
FORWARD 12M PRICE-TO-EARNINGS RATIO: CURRENT

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	1,297.7	323.20	21.93	14.7
Consumer Staples	1,297.5	327.23	22.60	14.5
Energy	1,599.7	587.34	52.29	11.2
Financials	1,821.6	207.00	18.76	11.0
Health Care	1,412.1	412.19	34.50	11.9
Industrials	1,351.7	321.50	23.48	13.7
Information Technology	2,262.9	426.95	34.66	12.3
Materials	449.2	250.82	19.66	12.8
Telecommunication Services	364.4	131.52	8.32	15.8
Utilities	413.2	172.78	12.59	13.7
S&P 500	**12,270.3**	**1343.80**	**106.69**	**12.6**

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



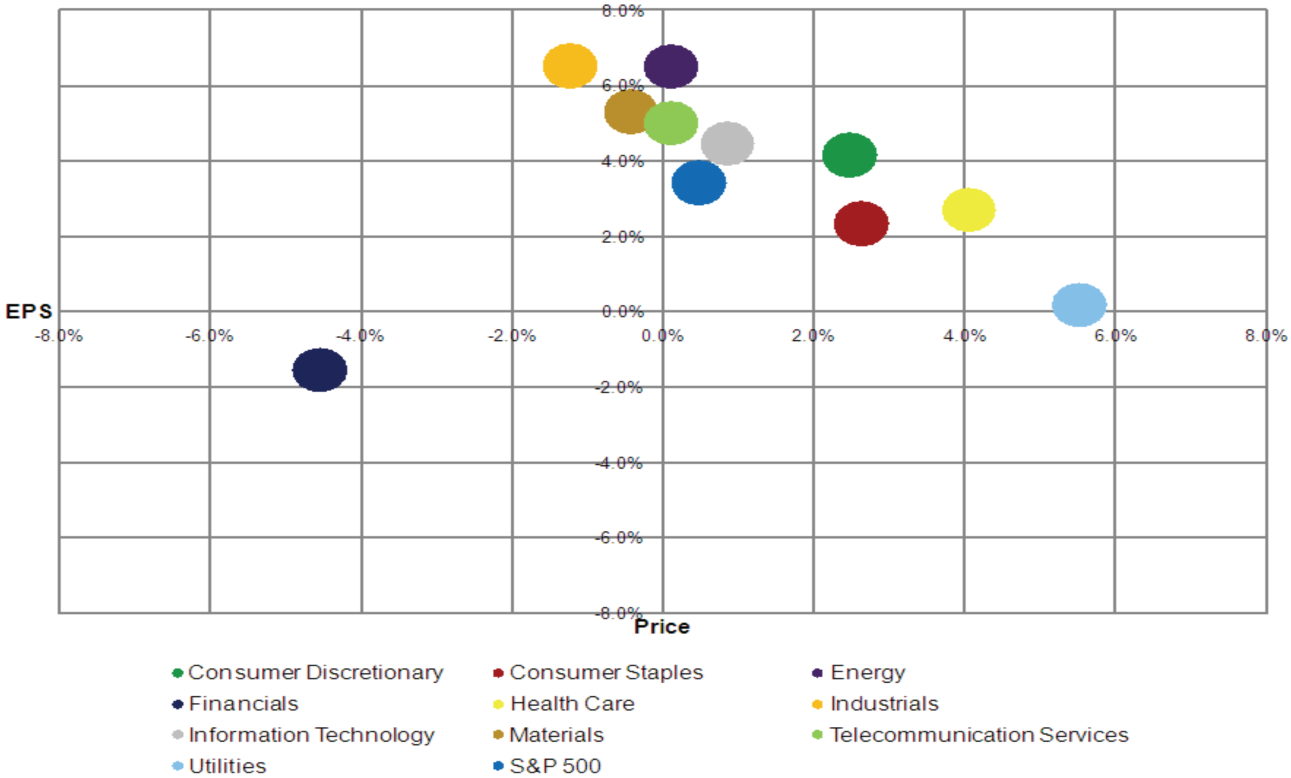
FORWARD 12M PRICE-TO-EARNINGS RATIO: 3 MONTH CHANGE

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	14.7	14.6	14.0	15.0
Consumer Staples	14.5	14.3	14.0	14.4
Energy	11.2	11.0	10.1	12.0
Financials	11.0	10.6	10.3	11.4
Health Care	11.9	11.8	11.7	11.8
Industrials	13.7	13.5	13.3	14.8
Information Technology	12.3	12.3	11.6	12.8
Materials	12.8	12.6	12.0	13.5
Telecommunication Services	15.8	15.8	15.8	16.6
Utilities	13.7	13.5	13.2	13.0
S&P 500	**12.6**	**12.4**	**11.9**	**13.0**

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



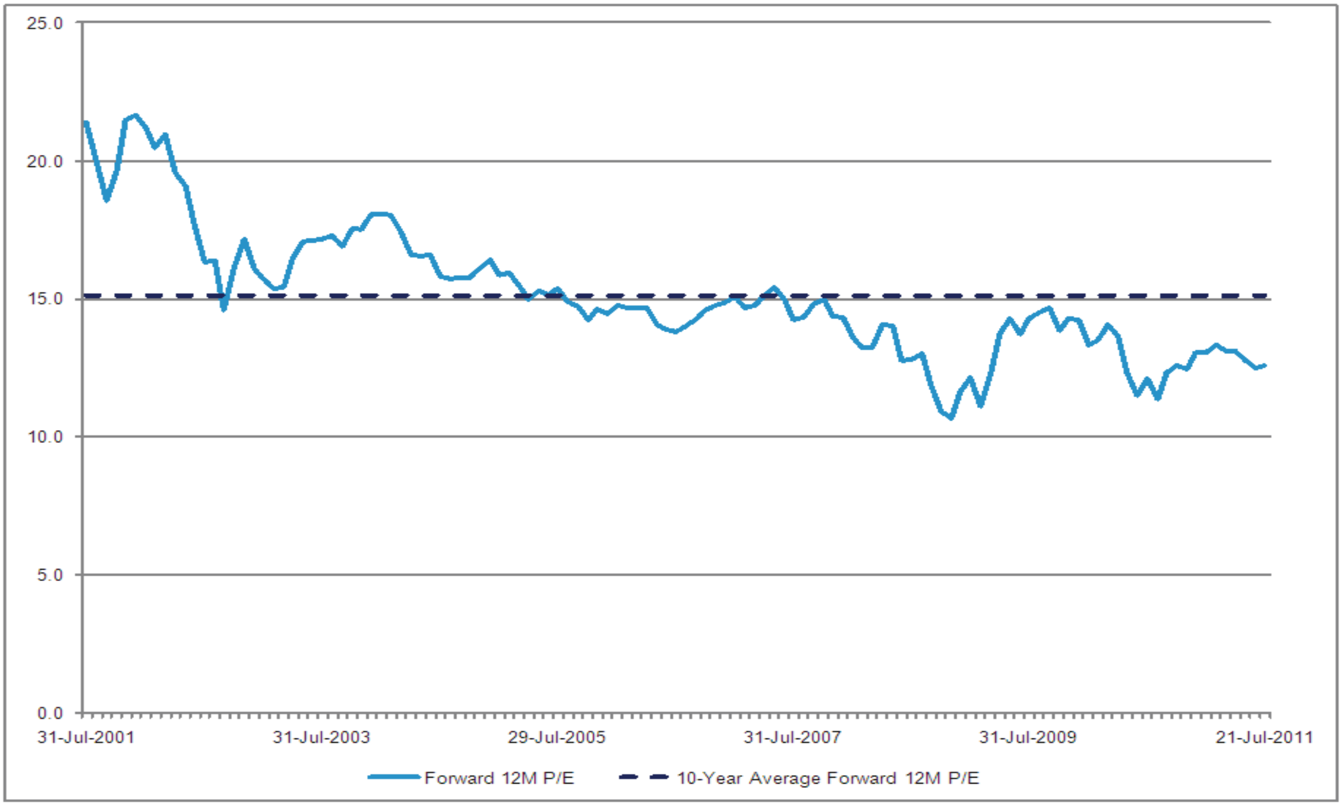
PRICE-TO-EARNINGS RATIO: LONG-TERM AVERAGES

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	14.7	14.4	16.6	17.7
Consumer Staples	14.5	14.1	15.1	17.0
Energy	11.2	11.6	11.4	13.0
Financials	11.0	11.2	12.0	12.1
Health Care	11.9	11.3	13.0	15.9
Industrials	13.7	14.3	14.3	16.2
Information Technology	12.3	12.8	15.8	20.8
Materials	12.8	13.5	14.9	16.2
Telecommunication Services	15.8	15.7	13.9	15.1
Utilities	13.7	12.7	13.4	13.1
S&P 500	**12.6**	**12.7**	**13.5**	**15.1**

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



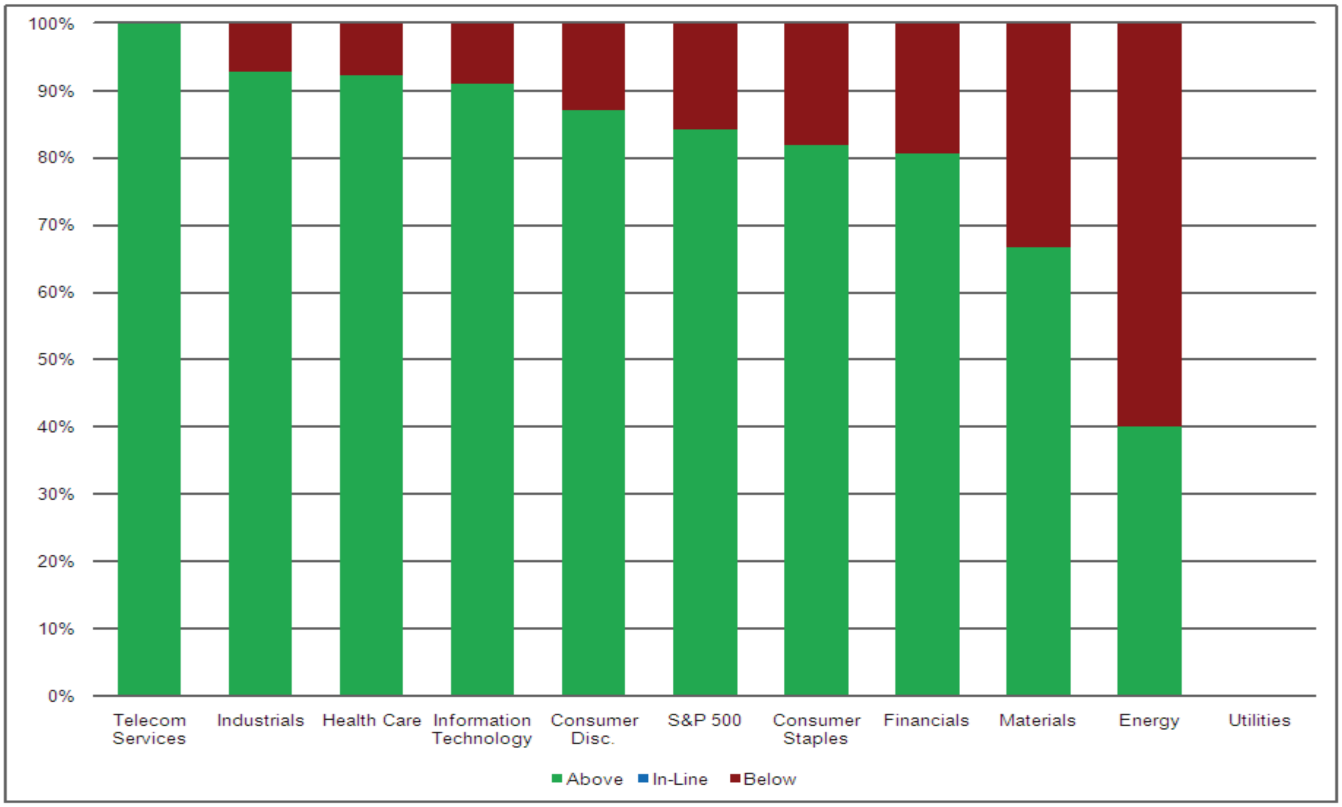
Q2 2011: EARNINGS SCORECARD

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 Q2 calendar quarters reflects numbers for companies with a May, June, or July quarter-end.

Q2 2011 Earnings Scorecard: Above, In-Line, Below

Sector	Reported	Above	Match	Below	Surprise
Consumer Discretionary	29%	87%	0%	13%	8%
Consumer Staples	27%	82%	0%	18%	3%
Energy	12%	40%	0%	60%	5%
Financials	38%	81%	0%	19%	14%
Health Care	25%	92%	0%	8%	4%
Industrials	23%	93%	0%	7%	4%
Information Technology	30%	91%	0%	9%	11%
Materials	20%	67%	0%	33%	11%
Telecom Services	13%	100%	0%	0%	0%
Utilities	0%	#N/A	#N/A	#N/A	#N/A
S&P 500	**25%**	**84%**	**0%**	**16%**	**8%**

Q2 2011 Earnings Scorecard: Above, In-Line, Below



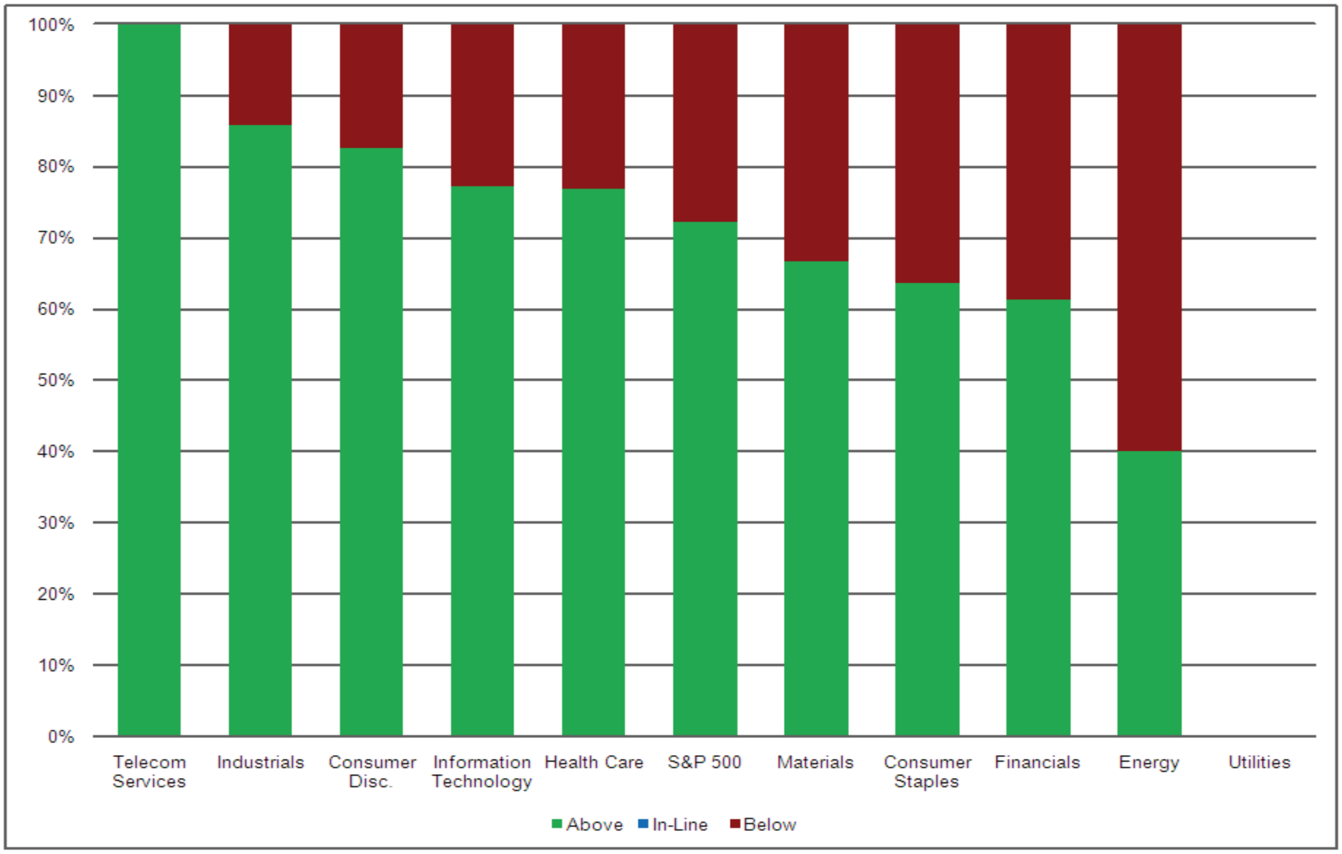
Q2 2011: REVENUE SCORECARD

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 Q2 calendar quarters reflects numbers for companies with a May, June, or July quarter-end.

Q2 2011 Revenue Scorecard: Above, In-Line, Below

Sector	Reported	Above	Match	Below	Surprise
Consumer Discretionary	29%	83%	0%	17%	4%
Consumer Staples	27%	64%	0%	36%	2%
Energy	12%	40%	0%	60%	3%
Financials	38%	61%	0%	39%	-2%
Health Care	25%	77%	0%	23%	1%
Industrials	23%	86%	0%	14%	2%
Information Technology	30%	77%	0%	23%	6%
Materials	20%	67%	0%	33%	2%
Telecommunication Services	13%	100%	0%	0%	1%
Utilities	0%	#N/A	#N/A	#N/A	#N/A
S&P 500	**25%**	**72%**	**0%**	**28%**	**2%**

Q2 2011 Revenue Scorecard: Above, In-Line, Below



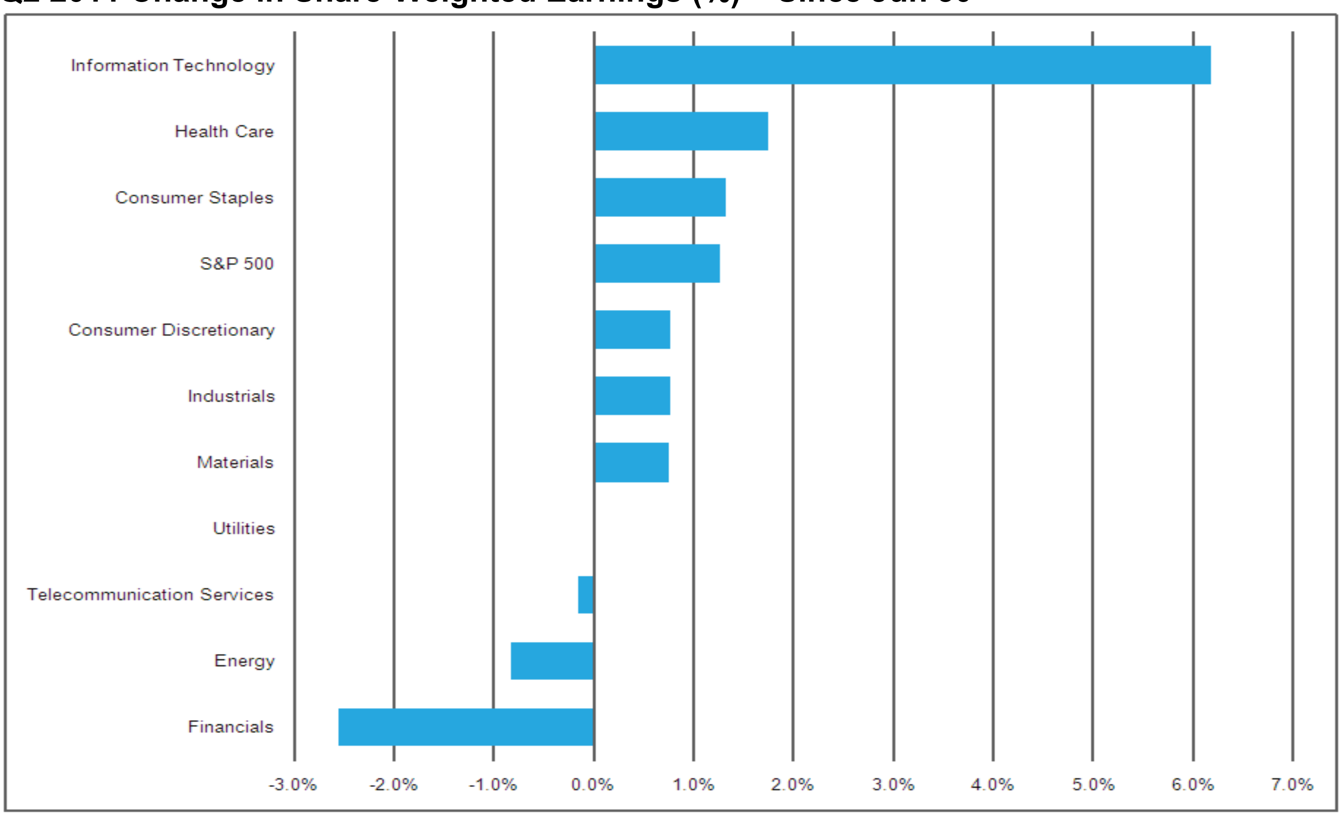
Q2 2011: CHANGE IN DOLLAR-LEVEL EARNINGS

The numbers below reflect the change in share-weighted earnings for Q2 2011 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. The Q2 calendar quarter reflects numbers for companies with a May, June, or July quarter-end.

Q2 2011 Change in Share-Weighted Earnings ($B) – Since Jun 30

Sector	22-Jul-11	30-Jun-11	Diff ($)	Diff (%)
Consumer Discretionary	20.9	20.8	0.2	0.8%
Consumer Staples	23.5	23.2	0.3	1.3%
Energy	35.4	35.7	-0.3	-0.8%
Financials	26.2	26.9	-0.7	-2.5%
Health Care	29.0	28.5	0.5	1.7%
Industrials	22.7	22.5	0.2	0.8%
Information Technology	44.2	41.6	2.6	6.2%
Materials	9.4	9.4	0.1	0.8%
Telecommunication Services	5.5	5.5	0.0	-0.2%
Utilities	6.7	6.7	0.0	0.0%
S&P 500	**223.5**	**220.7**	**2.8**	**1.3%**

Q2 2011 Change in Share-Weighted Earnings (%) – Since Jun 30



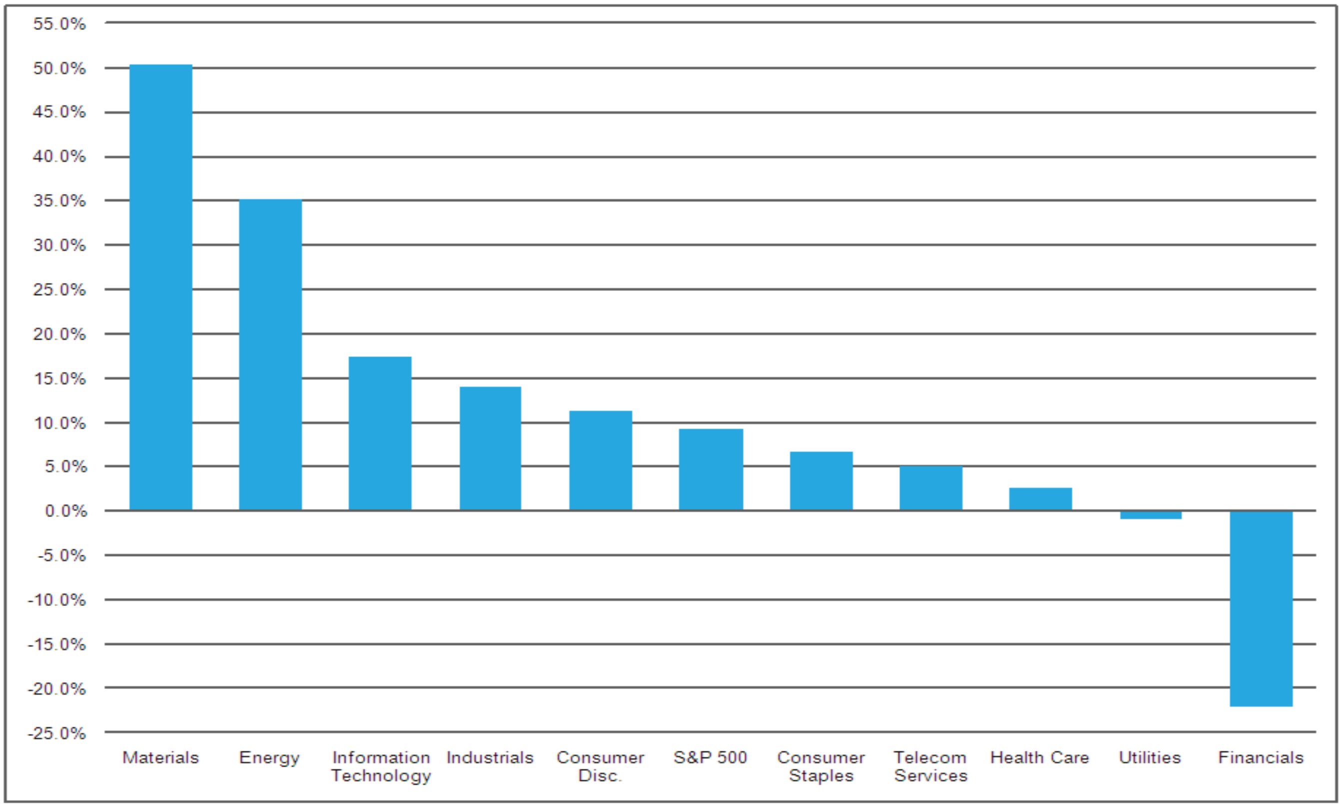
Q2 2011: EARNINGS GROWTH RATES

The Q2 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 Q2 calendar quarter reflects numbers for companies with a May, June, or July quarter-end.

Q2 2011 Earnings Growth ($B)

Sector	Q211	Q210	Diff ($)	Diff (%)
Consumer Discretionary	20.9	18.8	2.1	11%
Consumer Staples	23.5	22.0	1.5	7%
Energy	35.4	26.2	9.2	35%
Financials	26.2	33.6	-7.4	-22%
Health Care	29.0	28.2	0.7	3%
Industrials	22.7	19.9	2.8	14%
Information Technology	44.2	37.6	6.5	17%
Materials	9.4	6.3	3.2	50%
Telecommunication Services	5.5	5.2	0.3	5%
Utilities	6.7	6.8	-0.1	-1%
S&P 500	**223.5**	**204.6**	**18.8**	**9%**

Q2 2011 Earnings Growth (%)



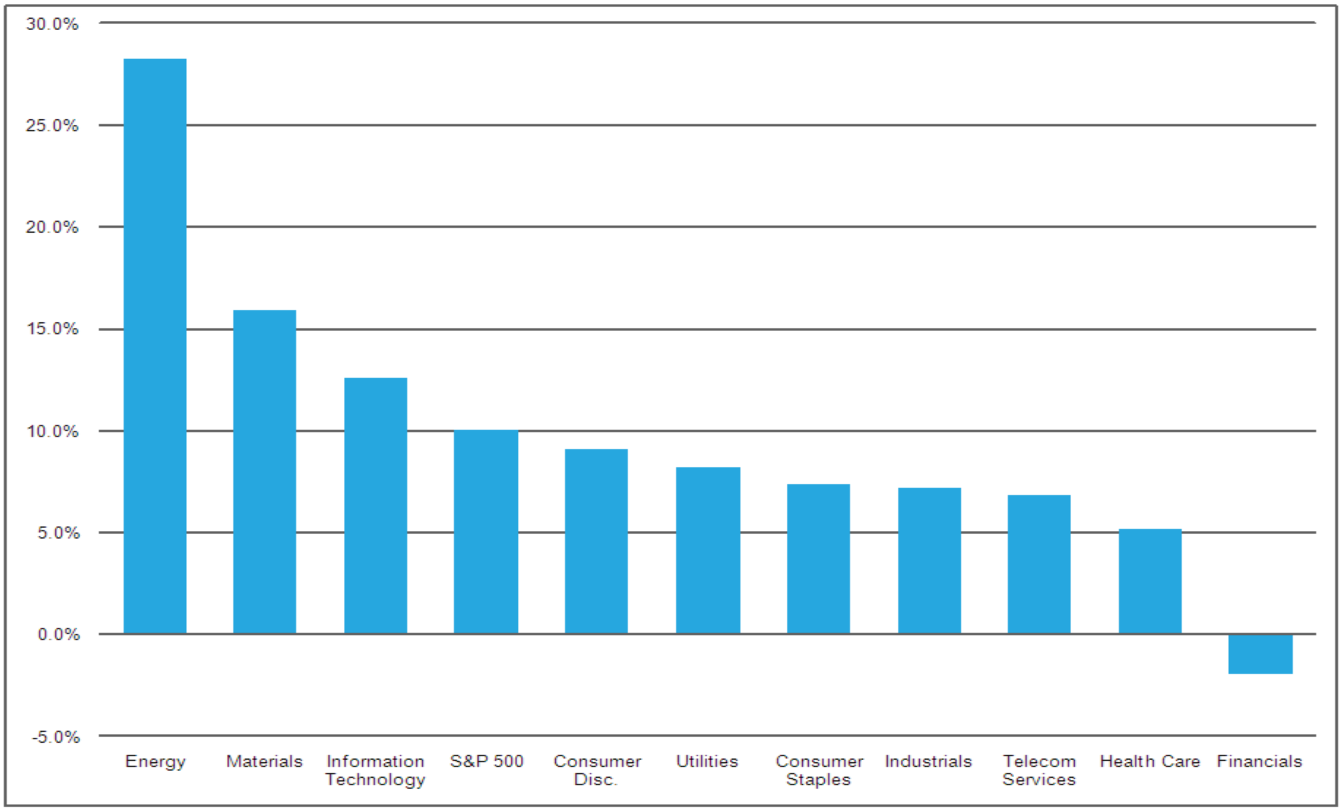
Q2 2011: REVENUE GROWTH RATES

The Q2 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 Q2 calendar quarter reflects numbers for companies with a May, June, or July quarter-end.

Q2 2011 Revenue Growth ($B)

Sector	Q211	Q210	Diff ($)	Diff (%)
Consumer Discretionary	315.6	289.2	26.4	9%
Consumer Staples	382.7	356.4	26.4	7%
Energy	403.0	314.2	88.8	28%
Financials	261.8	266.9	-5.1	-2%
Health Care	289.0	274.6	14.4	5%
Industrials	273.3	254.8	18.5	7%
Information Technology	250.0	222.1	27.9	13%
Materials	94.8	81.8	13.0	16%
Telecommunication Services	75.1	70.3	4.8	7%
Utilities	81.8	75.6	6.2	8%
S&P 500	**2427.1**	**2205.9**	**221.2**	**10%**

Q2 2011 Revenue Growth (%)



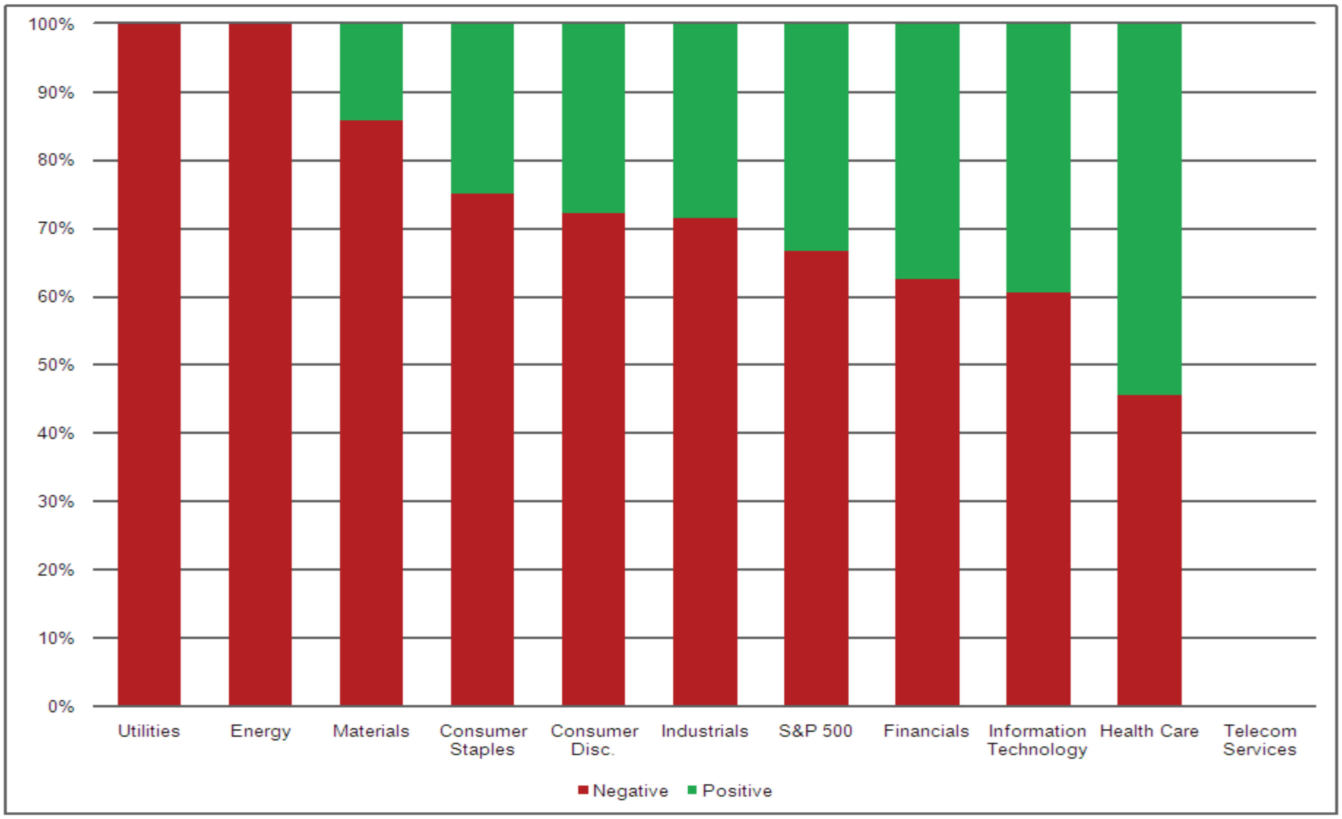
Q2 2011: EPS GUIDANCE

The numbers below reflect the number of companies in the index that have issued positive EPS guidance and negative EPS guidance for Q2 2011. 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	13	5	72%	28%
Consumer Staples	3	1	75%	25%
Energy	2	0	100%	0%
Financials	5	3	63%	38%
Health Care	5	6	45%	55%
Industrials	10	4	71%	29%
Information Technology	23	15	61%	39%
Materials	6	1	86%	14%
Telecommunication Services	0	0	0%	0%
Utilities	3	0	100%	0%
S&P 500	**70**	**35**	**67%**	**33%**

Percentage of Companies Issuing Negative and Positive EPS Guidance



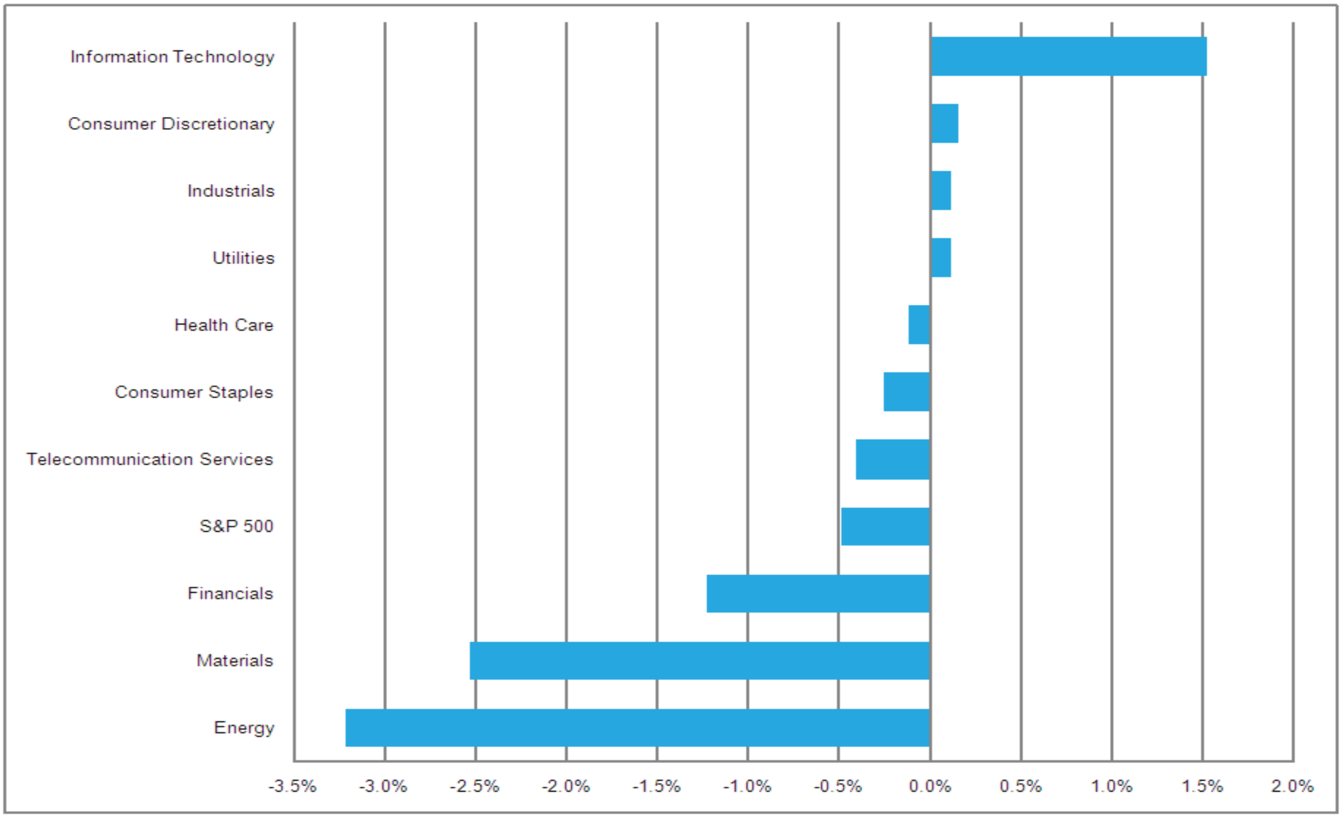
Q3 2011: CHANGE IN DOLLAR-LEVEL EARNINGS:

The numbers below reflect the change in share-weighted earnings for Q3 2011 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. The Q3 calendar quarter reflects numbers for companies with an August, September, or October quarter-end.

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

Sector	22-Jul-11	30-Jun-11	Diff ($)	Diff (%)
Consumer Discretionary	21.2	21.2	0.0	0.2%
Consumer Staples	24.3	24.4	-0.1	-0.3%
Energy	33.5	34.7	-1.1	-3.2%
Financials	41.4	42.0	-0.5	-1.2%
Health Care	28.7	28.7	0.0	-0.1%
Industrials	23.5	23.5	0.0	0.1%
Information Technology	45.6	44.9	0.7	1.5%
Materials	7.8	8.0	-0.2	-2.5%
Telecommunication Services	5.5	5.5	0.0	-0.4%
Utilities	10.0	10.0	0.0	0.1%
S&P 500	**241.6**	**242.8**	**-1.2**	**-0.5%**

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



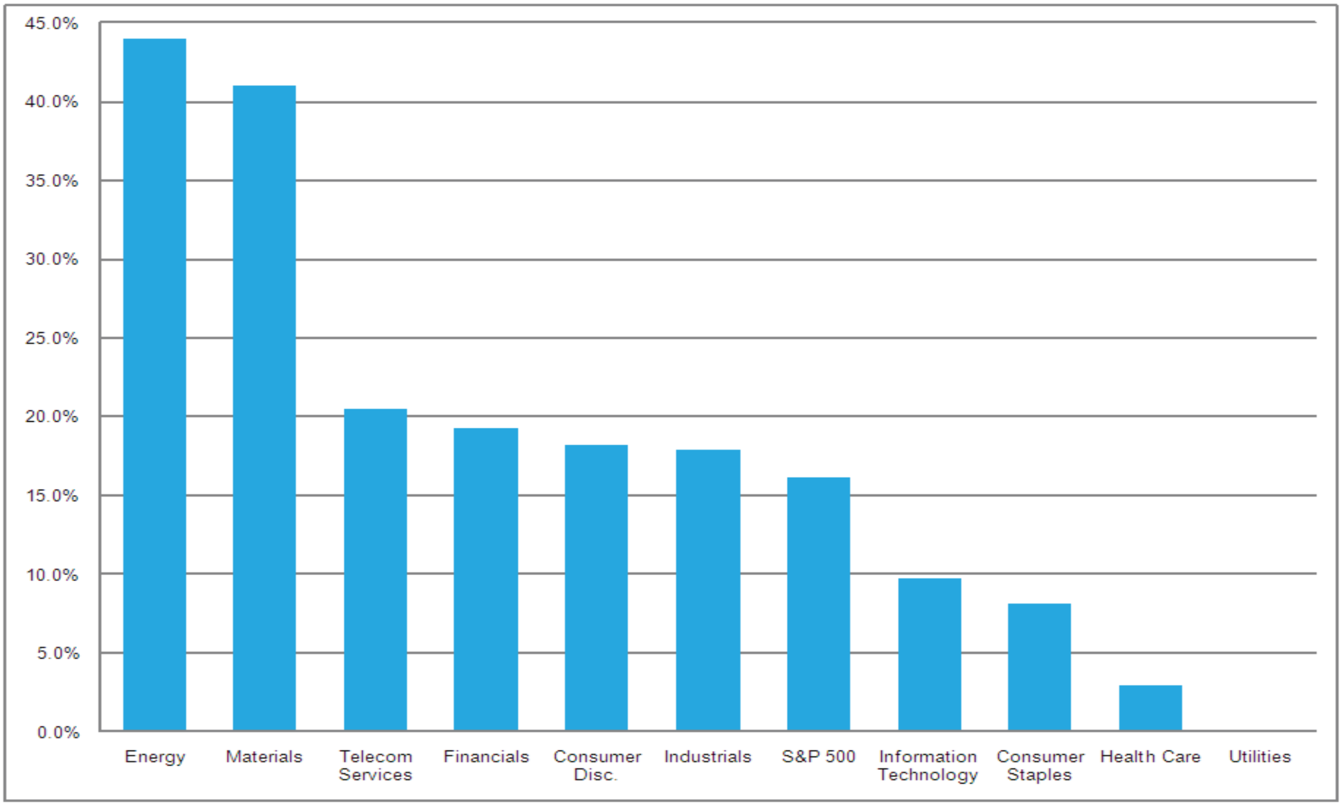
Q3 2011: EARNINGS GROWTH RATES

The Q3 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 Q3 calendar quarter reflects numbers for companies with an August, September, or October quarter-end.

Q3 2011 Earnings Growth ($B)

Sector	Q311	Q310	Diff ($)	Diff (%)
Consumer Discretionary	21.2	18.0	3.3	18%
Consumer Staples	24.3	22.5	1.8	8%
Energy	33.5	23.3	10.2	44%
Financials	41.4	34.8	6.7	19%
Health Care	28.7	27.9	0.8	3%
Industrials	23.5	19.9	3.6	18%
Information Technology	45.6	41.5	4.1	10%
Materials	7.8	5.5	2.3	41%
Telecommunication Services	5.5	4.5	0.9	20%
Utilities	10.0	10.0	0.0	0%
S&P 500	**241.6**	**207.9**	**33.7**	**16%**

Q3 2011 Earnings Growth (%)



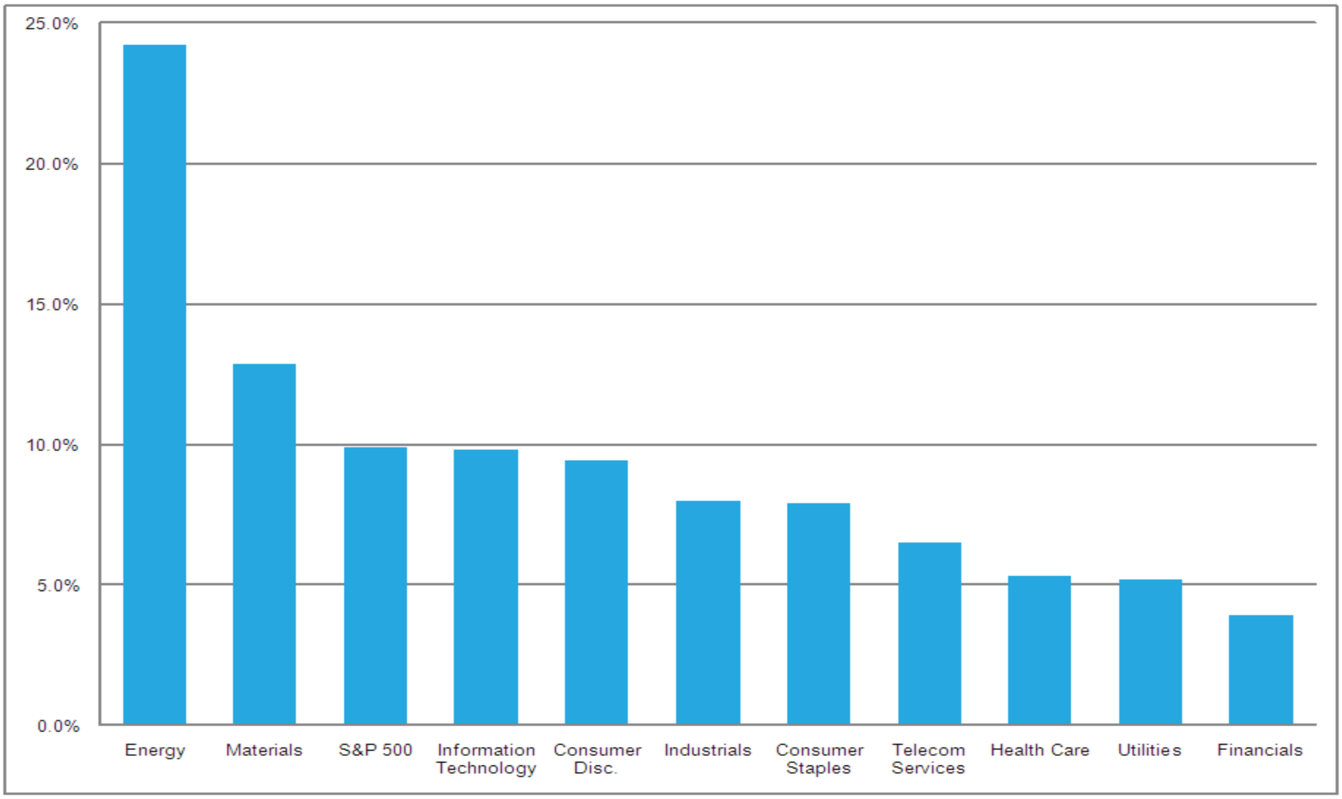
Q3 2011: REVENUE GROWTH RATES:

The Q3 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 Q3 calendar quarter reflects numbers for companies with an August, September, or October quarter-end.

Q3 2011 Revenue Growth ($B)

Sector	Q311	Q310	Diff ($)	Diff (%)
Consumer Discretionary	316.2	288.9	27.4	9%
Consumer Staples	384.7	356.4	28.3	8%
Energy	393.9	317.1	76.8	24%
Financials	260.0	250.2	9.9	4%
Health Care	288.0	273.4	14.6	5%
Industrials	278.6	258.0	20.6	8%
Information Technology	262.0	238.5	23.5	10%
Materials	91.1	80.7	10.4	13%
Telecommunication Services	76.5	71.9	4.7	7%
Utilities	94.4	89.7	4.7	5%
S&P 500	**2445.4**	**2224.6**	**220.8**	**10%**

Q3 2011 Revenue Growth (%)



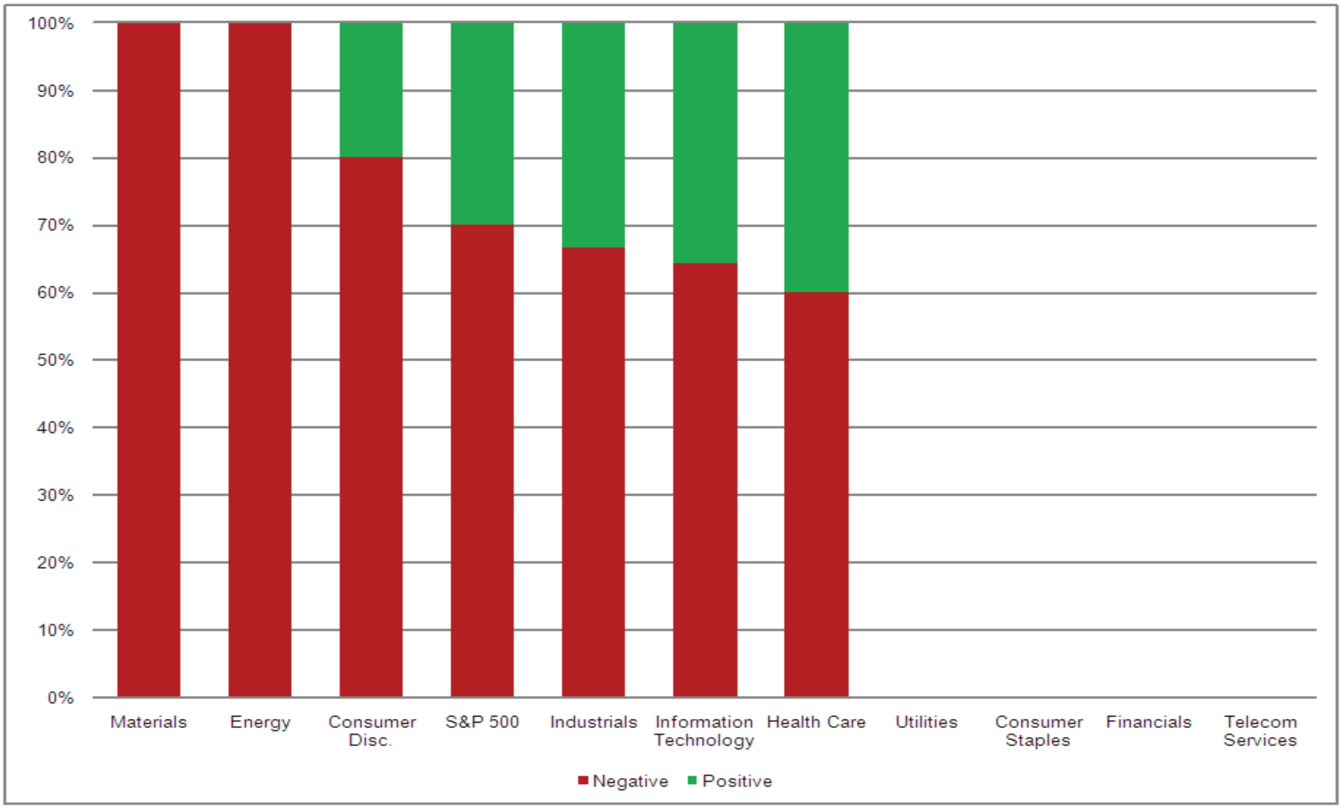
Q3 2011: EPS GUIDANCE

The numbers below reflect the number of companies in the index that have issued positive EPS guidance and negative EPS guidance for Q3 2011. 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	4	1	80%	20%
Consumer Staples	0	0	0%	0%
Energy	1	0	100%	0%
Financials	0	0	0%	0%
Health Care	3	2	60%	40%
Industrials	2	1	67%	33%
Information Technology	9	5	64%	36%
Materials	2	0	100%	0%
Telecommunication Services	0	0	0%	0%
Utilities	0	0	0%	0%
S&P 500	**21**	**9**	**70%**	**30%**

Percentage of Companies Issuing Negative and Positive EPS Guidance



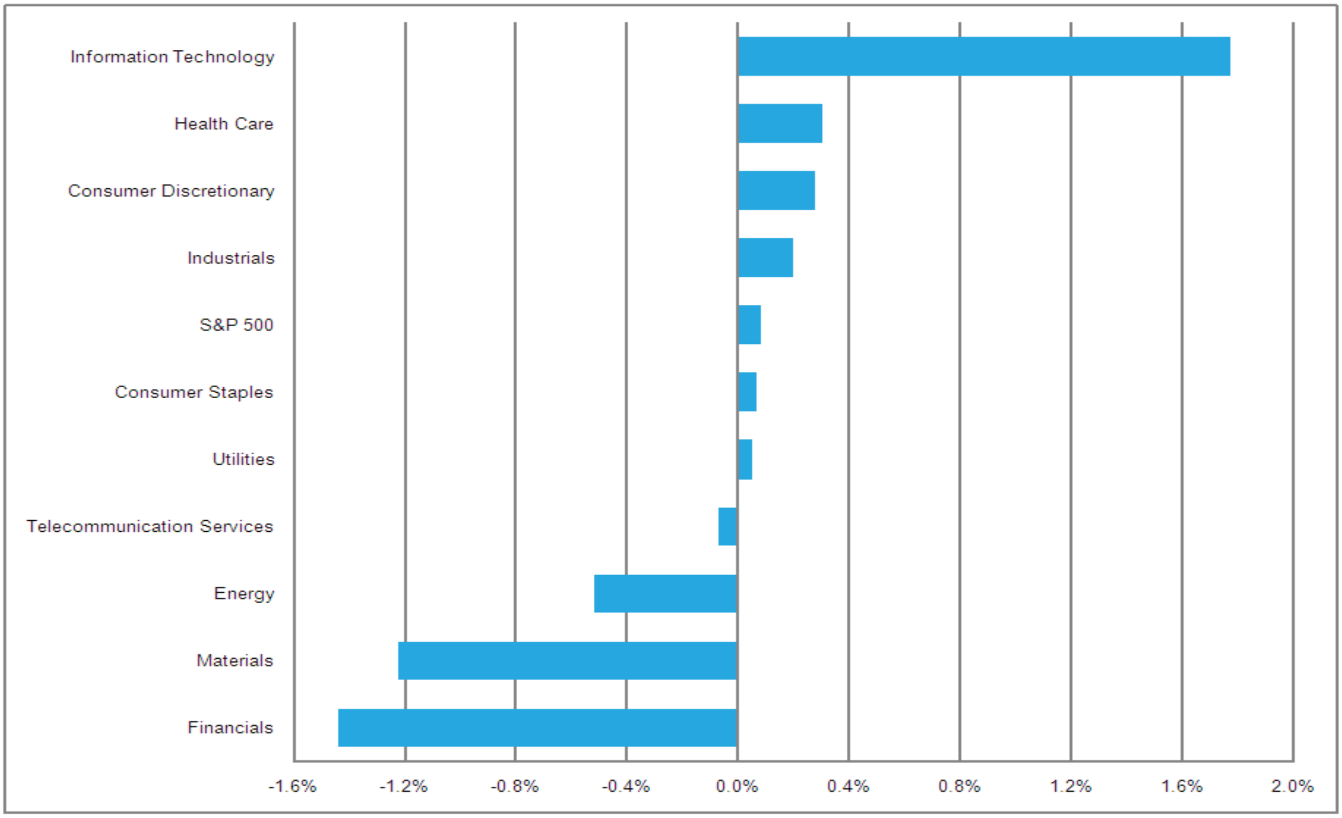
CY 2011: CHANGE IN DOLLAR-LEVEL EARNINGS

The numbers below reflect the change in share-weighted earnings for CY 2011 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 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 ($B) – Since Jun 30

Sector	22-Jul-11	30-Jun-11	Diff ($)	Diff (%)
Consumer Discretionary	84.9	84.7	0.2	0.3%
Consumer Staples	94.6	94.6	0.1	0.1%
Energy	135.3	136.1	-0.7	-0.5%
Financials	150.2	152.4	-2.2	-1.4%
Health Care	115.2	114.9	0.3	0.3%
Industrials	90.9	90.7	0.2	0.2%
Information Technology	187.1	183.9	3.3	1.8%
Materials	33.0	33.4	-0.4	-1.2%
Telecommunication Services	21.5	21.5	0.0	-0.1%
Utilities	30.4	30.3	0.0	0.0%
S&P 500	**943.2**	**942.4**	**0.8**	**0.1%**

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



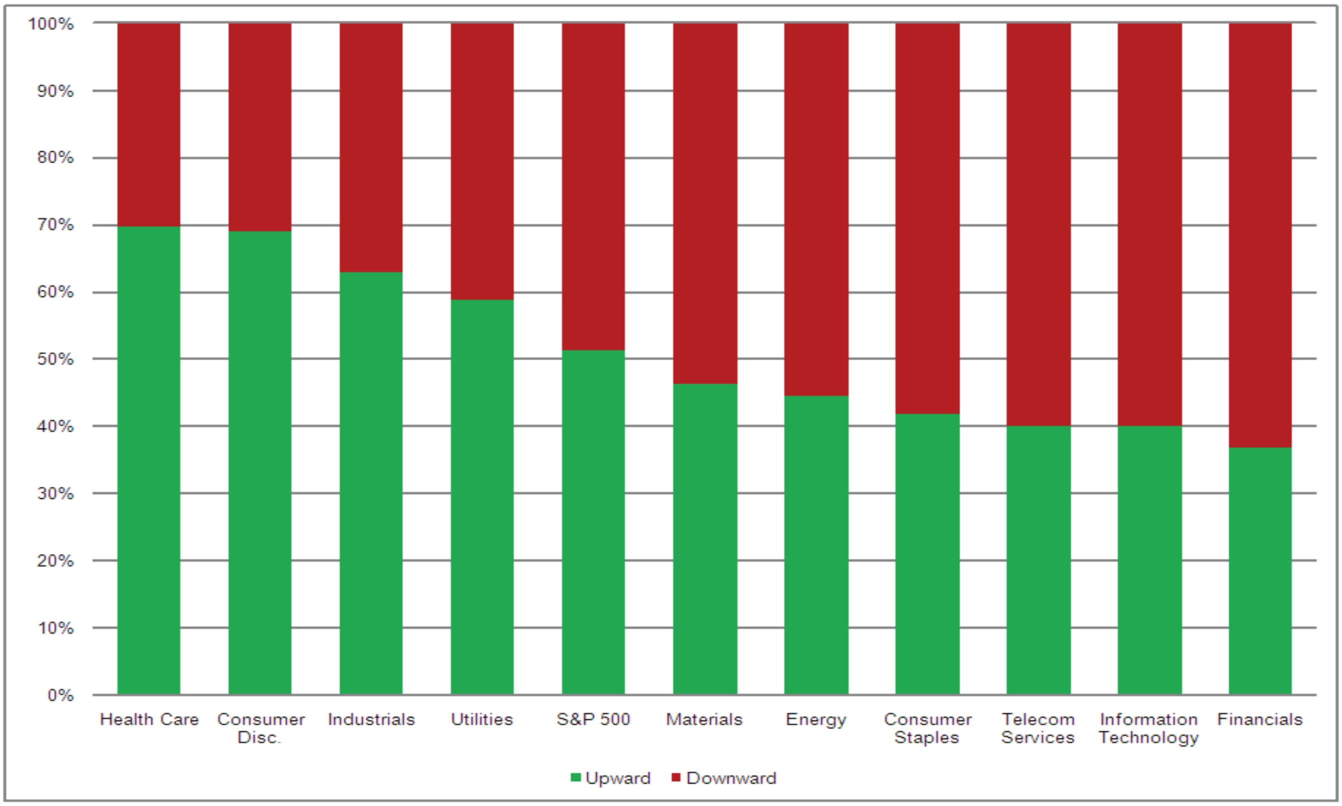
CY 2011: CHANGE IN MEAN EPS ESTIMATES

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	40	18	69%	31%
Consumer Staples	10	14	42%	58%
Energy	16	20	44%	56%
Financials	24	41	37%	63%
Health Care	23	10	70%	30%
Industrials	27	16	63%	37%
Information Technology	24	36	40%	60%
Materials	12	14	46%	54%
Telecommunication Services	2	3	40%	60%
Utilities	10	7	59%	41%
S&P 500	**188**	**179**	**51%**	**49%**

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



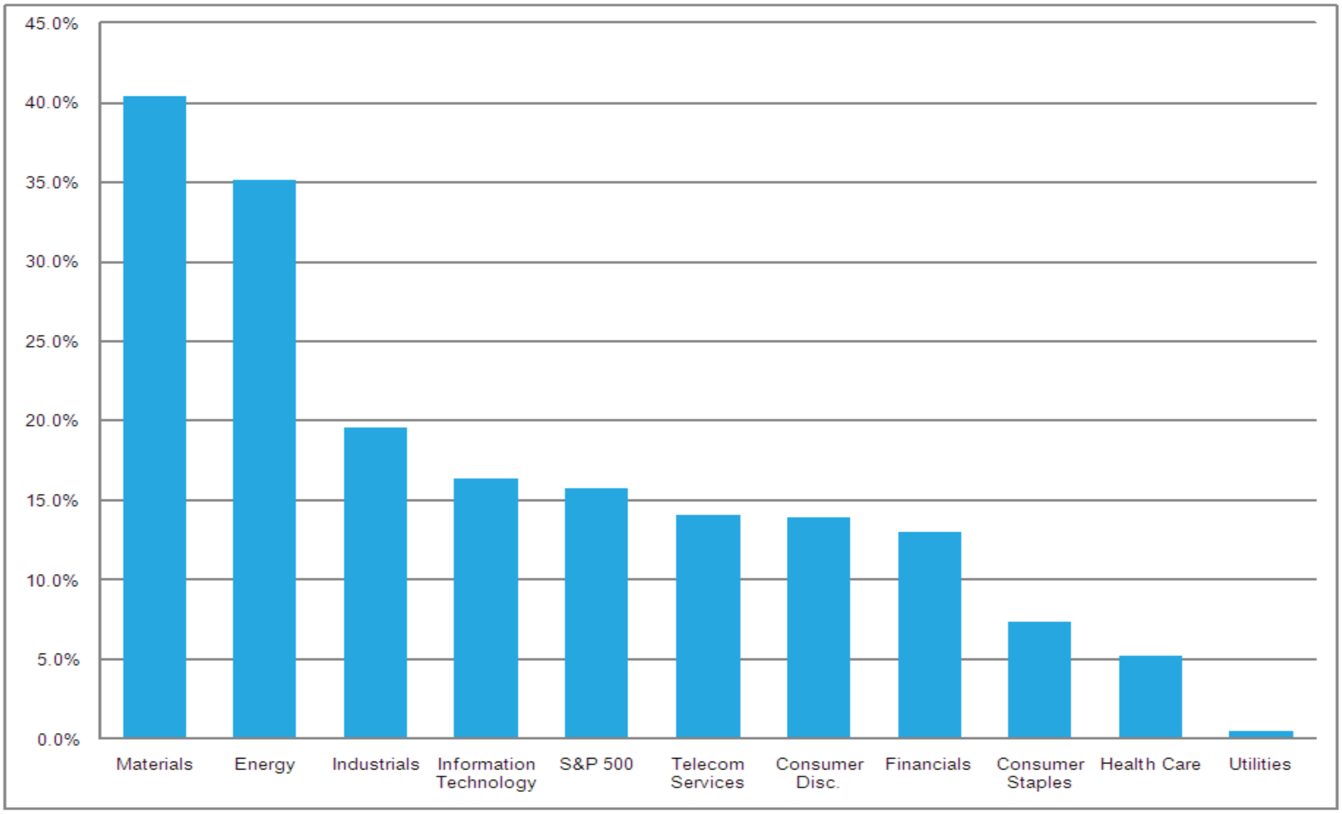
CY 2011: EARNINGS GROWTH RATES

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 ($B)

Sector	CY11	CY10	Diff ($)	Diff (%)
Consumer Discretionary	84.9	74.5	10.4	14%
Consumer Staples	94.6	88.1	6.5	7%
Energy	135.3	100.2	35.2	35%
Financials	150.2	132.9	17.4	13%
Health Care	115.2	109.5	5.7	5%
Industrials	90.9	76.0	14.8	20%
Information Technology	187.1	160.8	26.3	16%
Materials	33.0	23.5	9.5	40%
Telecommunication Services	21.5	18.8	2.7	14%
Utilities	30.4	30.2	0.2	0%
S&P 500	**943.2**	**814.5**	**128.7**	**16%**

CY 2011 Earnings Growth (%)



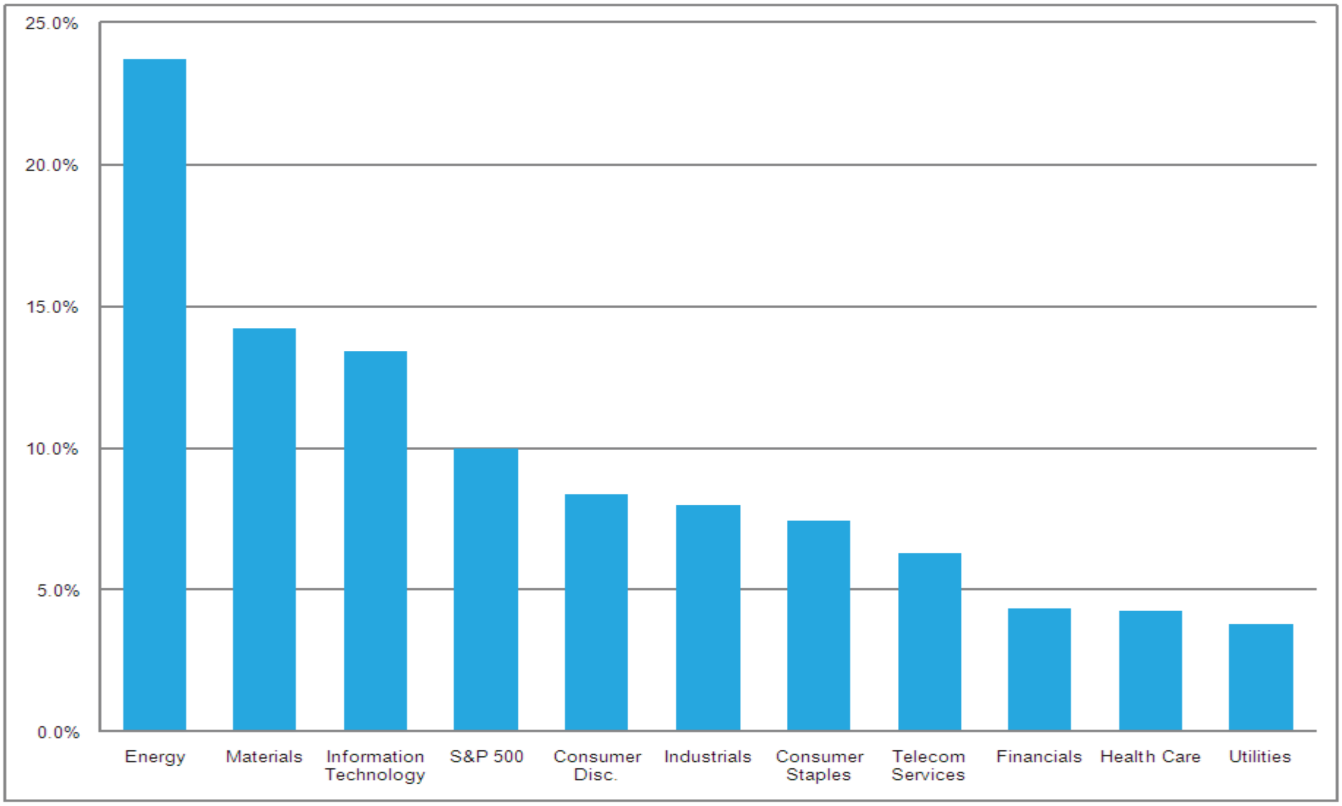
CY 2011: REVENUE GROWTH RATES

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 ($B)

Sector	CY11	CY10	Diff ($)	Diff (%)
Consumer Discretionary	1287.1	1187.3	99.9	8%
Consumer Staples	1544.8	1437.3	107.5	7%
Energy	1654.6	1337.6	317.0	24%
Financials	1094.0	1048.4	45.6	4%
Health Care	1153.7	1106.3	47.4	4%
Industrials	1102.1	1020.4	81.7	8%
Information Technology	1047.1	923.4	123.7	13%
Materials	365.2	319.7	45.4	14%
Telecommunication Services	302.0	284.0	17.9	6%
Utilities	349.1	336.3	12.8	4%
S&P 500	**9899.7**	**9000.7**	**899.0**	**10%**

CY 2011 Revenue Growth (%)



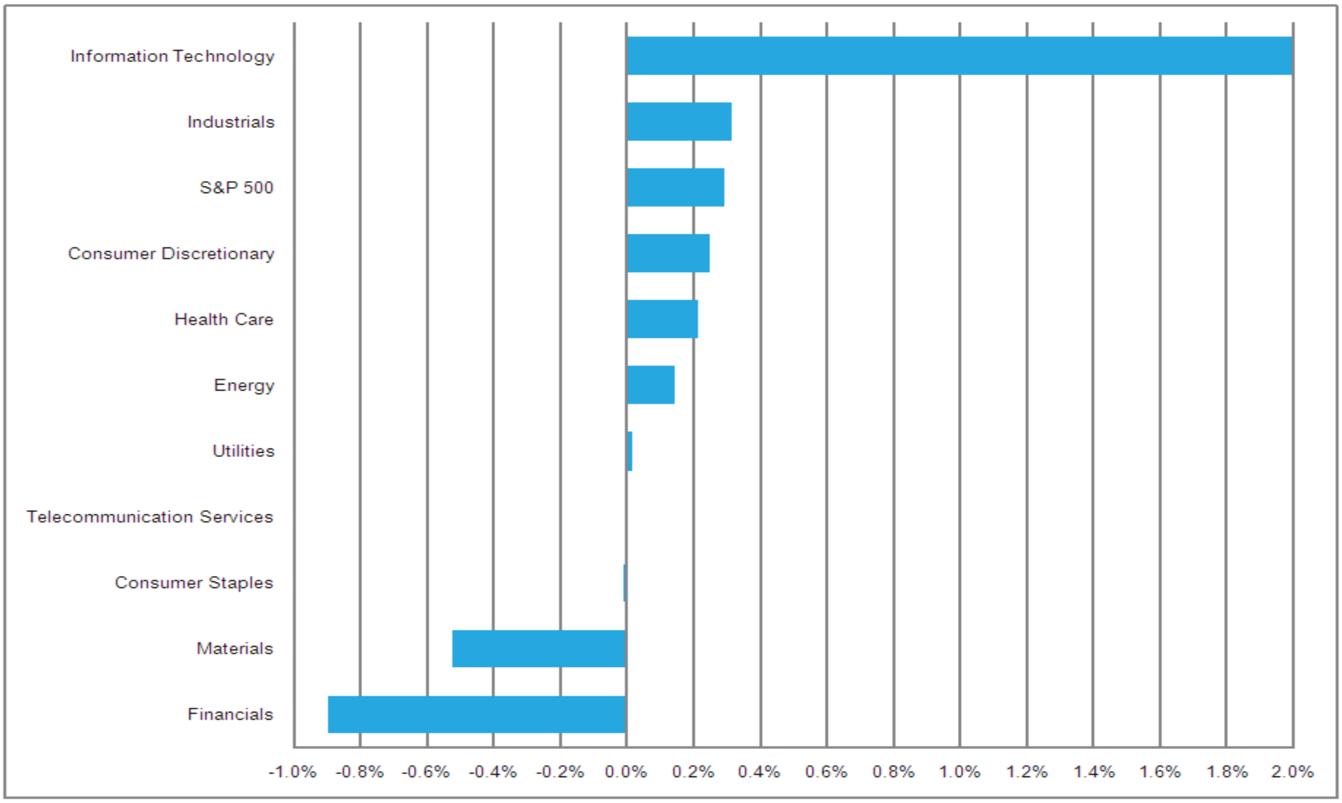
CY 2012: CHANGE IN DOLLAR-LEVEL EARNINGS:

The numbers below reflect the change in share-weighted earnings for CY 2012 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 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 ($B) – Since Jun 30

Sector	22-Jul-11	30-Jun-11	Diff ($)	Diff (%)
Consumer Discretionary	98.5	98.3	0.2	0.2%
Consumer Staples	103.9	103.9	0.0	0.0%
Energy	148.9	148.7	0.2	0.1%
Financials	198.5	200.3	-1.8	-0.9%
Health Care	122.2	121.9	0.3	0.2%
Industrials	107.9	107.6	0.3	0.3%
Information Technology	209.9	205.8	4.1	2.0%
Materials	37.8	38.0	-0.2	-0.5%
Telecommunication Services	24.6	24.6	0.0	0.0%
Utilities	30.4	30.4	0.0	0.0%
S&P 500	**1082.6**	**1079.5**	**3.2**	**0.3%**

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



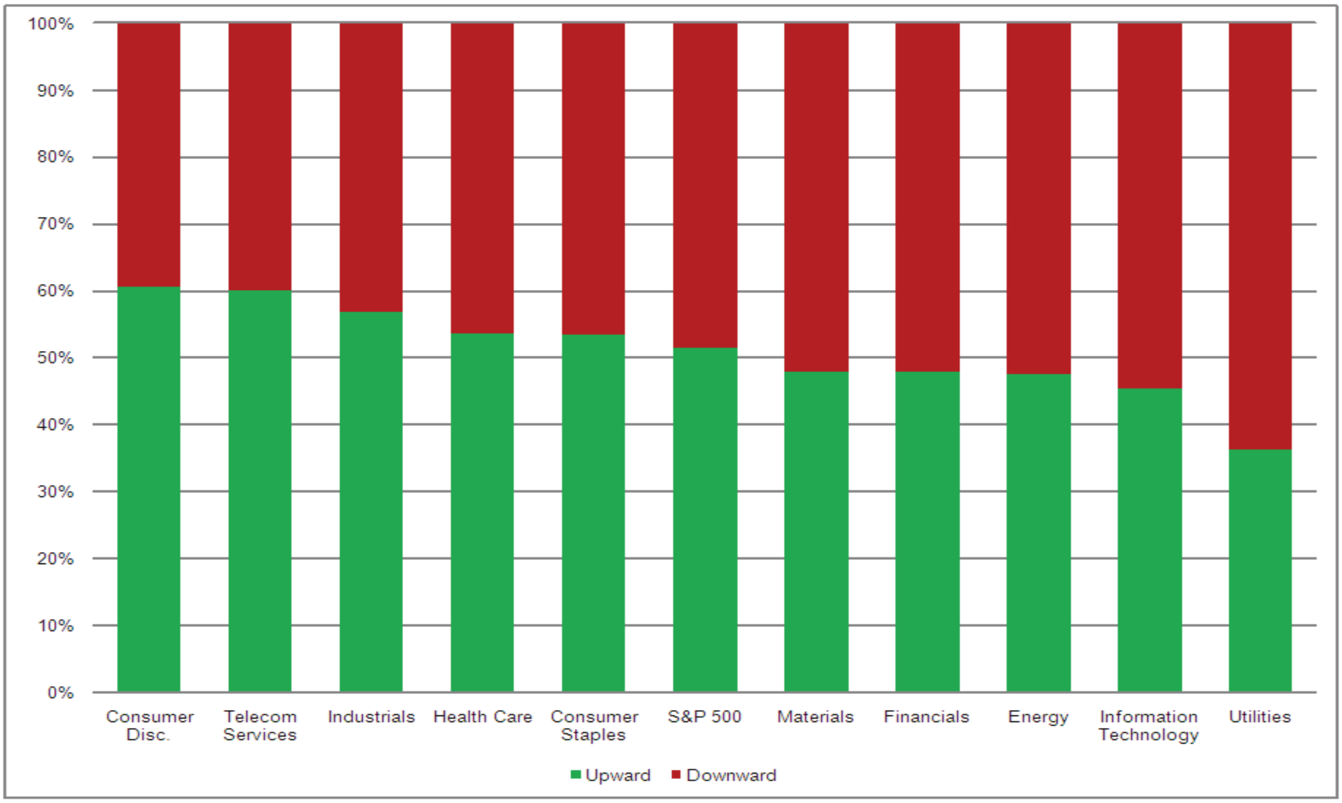
CY 2012: CHANGE IN MEAN EPS ESTIMATES

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	40	26	61%	39%
Consumer Staples	16	14	53%	47%
Energy	19	21	48%	53%
Financials	33	36	48%	52%
Health Care	23	20	53%	47%
Industrials	25	19	57%	43%
Information Technology	29	35	45%	55%
Materials	11	12	48%	52%
Telecommunication Services	3	2	60%	40%
Utilities	4	7	36%	64%
S&P 500	**203**	**192**	**51%**	**49%**

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



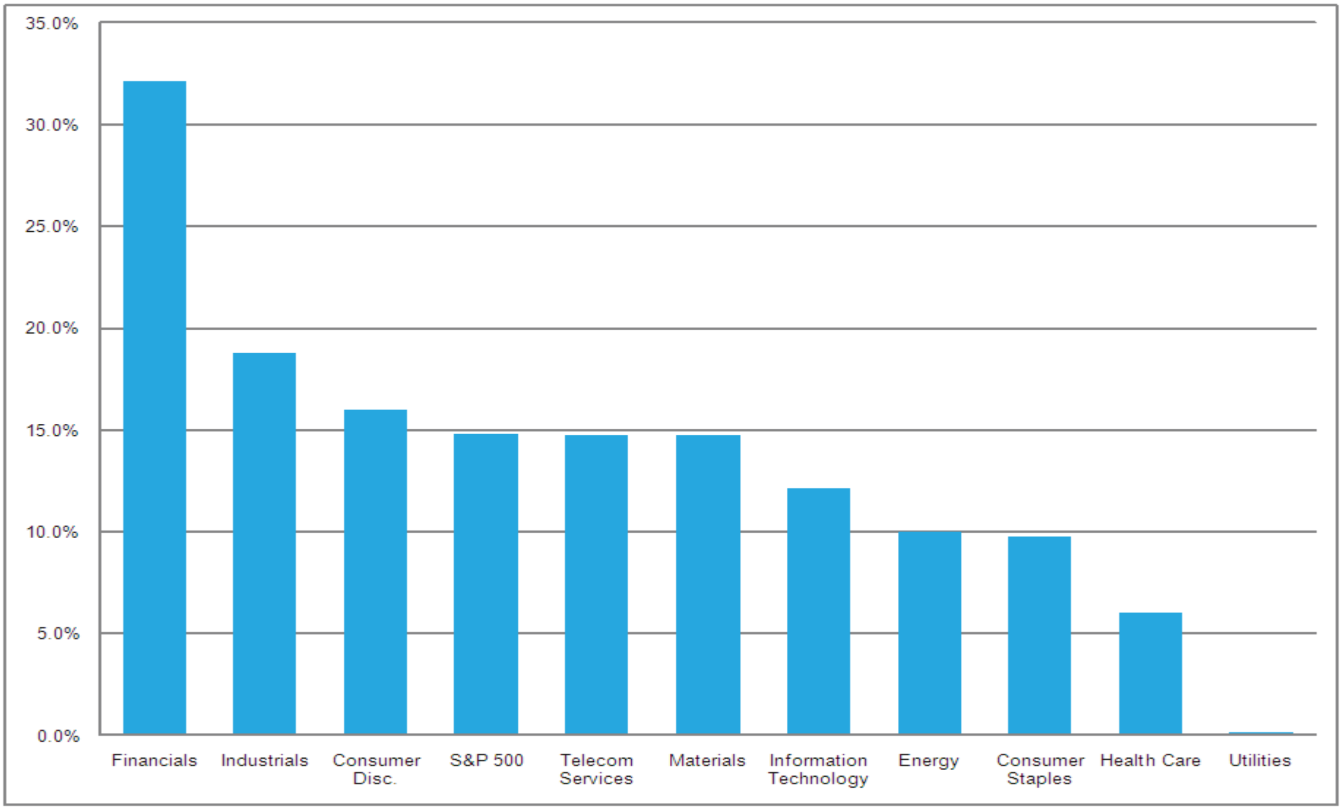
CY 2012: EARNINGS GROWTH RATES

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 ($B)

Sector	CY12	CY11	Diff ($)	Diff (%)
Consumer Discretionary	98.5	84.9	13.6	16%
Consumer Staples	103.9	94.6	9.3	10%
Energy	148.9	135.3	13.6	10%
Financials	198.5	150.2	48.2	32%
Health Care	122.2	115.2	7.0	6%
Industrials	107.9	90.9	17.1	19%
Information Technology	209.9	187.1	22.7	12%
Materials	37.8	33.0	4.8	15%
Telecommunication Services	24.6	21.5	3.2	15%
Utilities	30.4	30.4	0.1	0%
S&P 500	**1082.6**	**943.2**	**139.5**	**15%**

CY 2012 Earnings Growth (%)



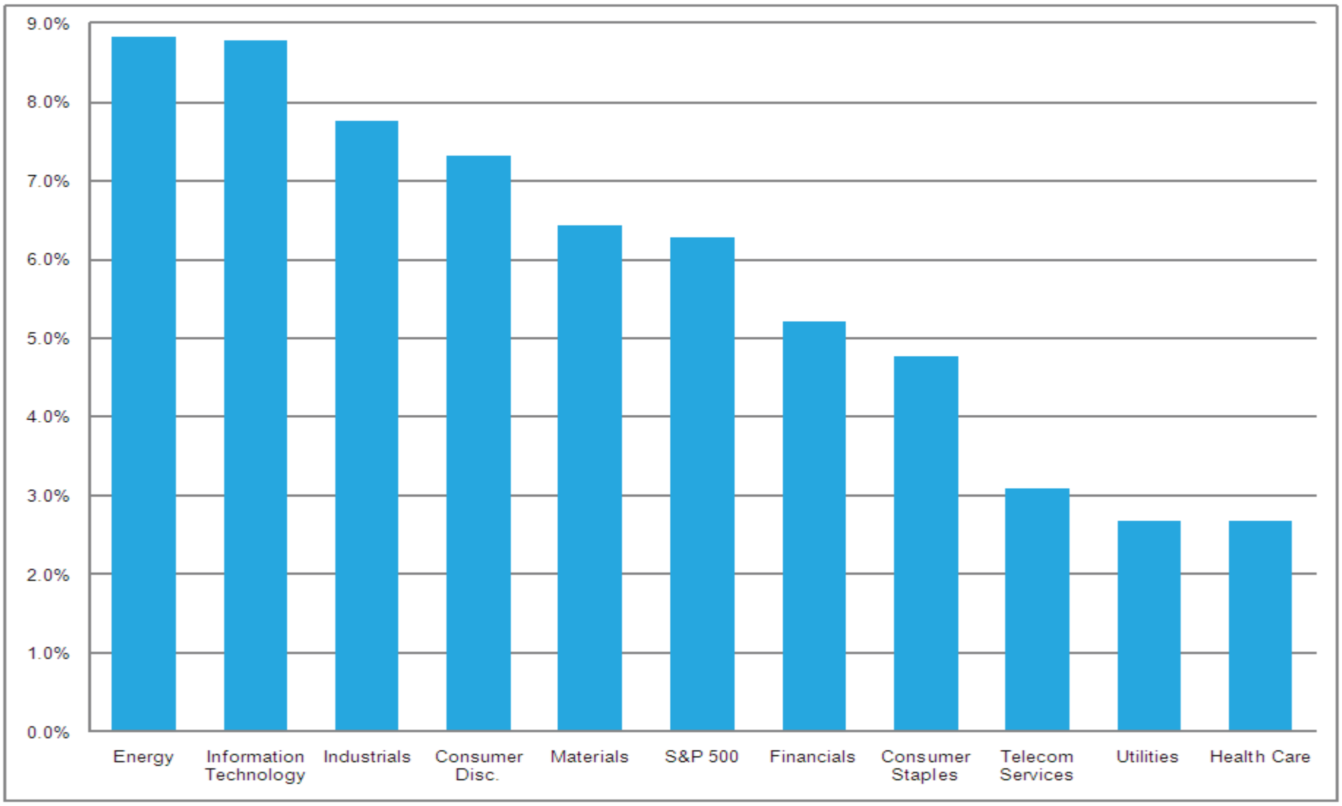
CY 2012: REVENUE GROWTH RATES

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 ($B)

Sector	CY12	CY11	Diff ($)	Diff (%)
Consumer Discretionary	1381.2	1287.1	94.1	7%
Consumer Staples	1618.3	1544.8	73.5	5%
Energy	1800.7	1654.6	146.1	9%
Financials	1150.9	1094.0	56.9	5%
Health Care	1184.6	1153.7	30.9	3%
Industrials	1187.6	1102.1	85.5	8%
Information Technology	1139.1	1047.1	92.0	9%
Materials	388.7	365.2	23.5	6%
Telecommunication Services	311.3	302.0	9.3	3%
Utilities	358.5	349.1	9.4	3%
S&P 500	**10520.8**	**9899.7**	**621.2**	**6%**

CY 2012 Revenue Growth (%)



IMPORTANT NOTICE

THE INFORMATION CONTAINED IN THIS REPORT IS PROVIDED "AS IS" AND ALL REPRESENTATIONS, WARRANTIES, TERMS AND CONDITIONS, ORAL OR WRITTEN, EXPRESS OR IMPLIED (BY COMMON LAW, STATUTE OR OTHERWISE), IN RELATION TO THE INFORMATION ARE HEREBY EXCLUDED AND DISCLAIMED TO THE FULLEST EXTENT PERMITTED BY LAW. IN PARTICULAR, FACTSET AND ITS AFFILIATES DISCLAIM IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND MAKE NO WARRANTY OF ACCURACY, COMPLETENESS OR RELIABILITY OF THE INFORMATION. THIS REPORT IS FOR INFORMATION PURPOSES AND DOES NOT CONSTITUTE A SOLICITATION OR AN OFFER TO BUY OR SELL ANY SECURITIES MENTIONED WITHIN IT. THE INFORMATION IN THIS REPORT IS NOT INVESTMENT ADVICE. FACTSET AND ITS AFFILIATES ASSUME NO LIABILITY FOR ANY CONSEQUENCE RELATING DIRECTLY OR INDIRECTLY TO ANY ACTION OR INACTION TAKEN BASED ON THE INFORMATION CONTAINED IN THIS REPORT.

ABOUT FACTSET ESTIMATES:

FactSet Estimates provides insight into an industry where consistency and transparency are at a premium. With over 700 contributing brokers from leading investment banks and research firms, FactSet Estimates covers more than 17,000 active global companies. Access comprehensive consensus-level estimates and statistics with daily history. You can access FactSet Estimates through FactSet applications, embedded within your firm's Intranet, or via an XML-based data feed.

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 twenty-four locations worldwide, including Boston, New York, Chicago, San Mateo, London, Amsterdam, Frankfurt, Paris, Milan, Tokyo, Hong Kong, Mumbai, Dubai, and Sydney.