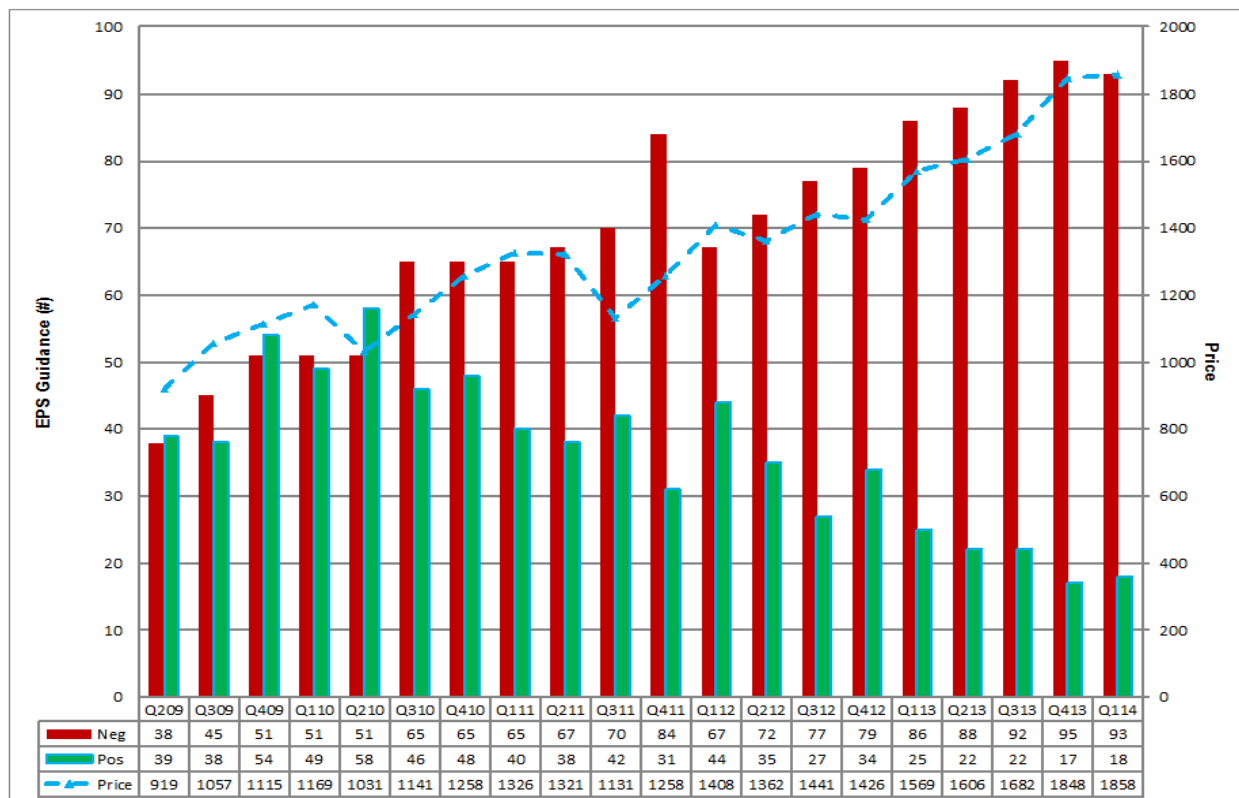


Key Metrics:

- + For Q1 2014, 93 companies in the S&P 500 have issued negative EPS guidance and 18 companies have issued positive EPS guidance. If these are the final numbers, it will mark the second highest number of companies issuing negative EPS guidance and the third lowest number of companies issuing positive EPS guidance for a quarter since FactSet began tracking the data in 2006.
- + The percentage of companies issuing negative EPS guidance is 84% (93 out of 111). If this is the final percentage for the quarter, it will mark the second highest percentage on record (since 2006).
- + On average, companies have issued EPS guidance that has been 6.7% below the mean EPS estimate. This percentage decline is smaller than the 5-year average of -10.8%.
- + The average price change (2 days before issuing guidance through 2 days after issuing guidance) for companies issuing negative EPS guidance for Q1 is 0.2%, which is above the five-year average (-0.8%). The average price change for companies issuing positive EPS guidance is 3.6%, which is above the five-year average (+3.0%).
- + For the current fiscal year, 185 companies have issued negative EPS guidance and 63 companies have issued positive EPS guidance.

S&P 500 Negative & Positive Preannouncements: 5-Year



Q1 Guidance:

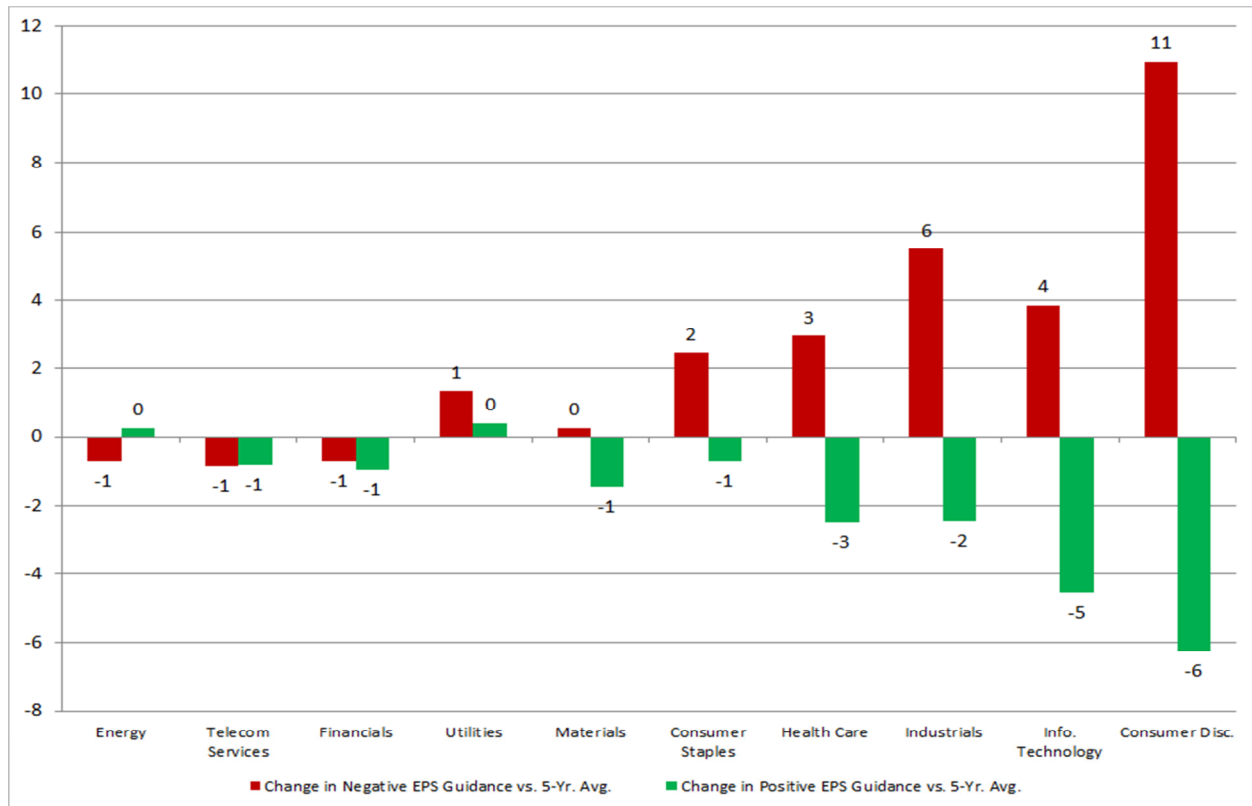
Near Record High Number and Percentage of Cos. Issuing Negative EPS Guidance for Q1

For Q1 2014, 93 companies have issued negative EPS guidance while 18 companies have issued positive EPS guidance. If 93 is the final number of companies issuing negative EPS guidance for the quarter, it will mark the second highest number of companies issuing negative EPS guidance since FactSet began tracking guidance data in 2006. The current record is 95, which was recorded in Q4 2013. It will also mark the 3rd consecutive quarter that the number of companies issuing negative EPS guidance has finished above 90. At the sector level, the Consumer Discretionary (23) and Industrials (14) sectors are on track to mark a record high for the number of companies issuing negative EPS guidance for a quarter.

If 18 is the final number of companies issuing positive EPS guidance, it will mark the third lowest number of companies issuing positive EPS guidance for a quarter since FactSet began tracking guidance data in 2006. The current record is 13, which was recorded in Q1 2006. At the sector level, the Consumer Discretionary (3), Industrials (1), and Telecom Services (0) sectors are on track to tie record lows for the number of companies issuing positive EPS guidance.

These guidance numbers for the S&P 500 as a whole are well above and below the five-year averages for the number of companies issuing negative EPS guidance (68) and positive EPS guidance (37) for a quarter. At the sector level, the Consumer Discretionary sector has not only witnessed the largest increase in the number of companies issuing negative EPS guidance (+11) relative to its five-year average, but also has seen the largest decrease in the number of companies issuing positive EPS guidance (-7) for the quarter relative to its five-year average.

S&P 500: # of S&P 500 Companies Issuing Positive/Negative EPS Guidance vs. 5-Yr. Avg.



The percentage of companies issuing negative EPS guidance is 84% (93 out of 111). If this is the final percentage for the quarter, it will mark the second highest percentage of companies issuing negative EPS guidance for a quarter since FactSet began tracking the data in 2006. The current record is 85%, which was set in Q4 2013.

At the sector-level (with a minimum of five companies issuing quarterly EPS guidance), the Industrials (93%) and Health Care (92%) sectors have the highest percentages of companies issuing negative EPS guidance for the quarter.

Low Surprise Percentage (-6.7%) for EPS Guidance

Although the number of companies that have issued negative EPS guidance is high, the amount by which these have companies have lowered expectations has been below average. For the 111 companies in the S&P 500 that have issued EPS guidance for the third quarter, the EPS guidance has been 6.7% below the mean EPS estimate on average. This percentage decline is smaller than the trailing 5-year average of -10.8%.

Market Has Reacted Positively to both Negative and Positive EPS Guidance

The market has reacted positively in aggregate to the positive EPS announcements issued by S&P 500 corporations during the first quarter. Of the 18 companies that have issued positive EPS guidance for Q1 2014, the average price change (2 days before the guidance was issued through 2 days after the guidance was issued) was +3.6%. This percentage is above the average over the past five years of +3.0%. Overall, 13 of the 18 companies that have issued positive EPS guidance recorded an increase in price during this time frame.

It is interesting to note that the market has also reacted positively in aggregate to the negative EPS preannouncements issued by S&P 500 corporations during the first quarter. For the 93 companies that have issued negative EPS guidance for Q1 2014 to date, the average price change (2 days before the guidance was issued through 2 days after the guidance was issued) was +0.2%. This percentage is above the average of -0.8% recorded over the past five years. Just under half of the companies (45) that have issued negative EPS guidance recorded an increase in price during this time frame.

More Companies Issue Positive Revenue Guidance for Q1 Relative to Recent Quarters

For Q1 2014, 40 companies have issued negative revenue guidance for the quarter and 34 have issued positive revenue guidance. If 40 is the final number for the quarter, it will mark the lowest number of companies issuing negative revenue guidance since Q1 2012 (39). If 34 is the final number of companies issuing positive revenue guidance for the quarter, it will mark the highest number of companies issuing positive revenue guidance since Q3 2011 (40).

On a percentage basis, only 54% (40 of 74) of the companies that have issued revenue guidance for the quarter have issued negative guidance. If this is the final percentage for the quarter, it will mark the lowest percentage of companies issuing negative revenue guidance since Q3 2011 (47%). On the other hand, 46% of the companies that have issued revenue guidance have issued positive revenue guidance. If this is the final percentage for the quarter, it will mark the highest percentage of companies issuing positive revenue guidance since Q3 2011 (53%).

At the sector level, more than half (38) of the companies that have issued revenue guidance in the S&P 500 for the first quarter are in the Information Technology sector. In this sector, 20 of the 38 companies (or 53%) that have issued revenue guidance have issued positive revenue guidance. This percentage is above the average of 45% recorded over the past five years for the sector. If 53% is the final percentage for the quarter, it will mark the highest percentage of companies issuing positive guidance within the Information Technology sector since Q1 2011 (65%).

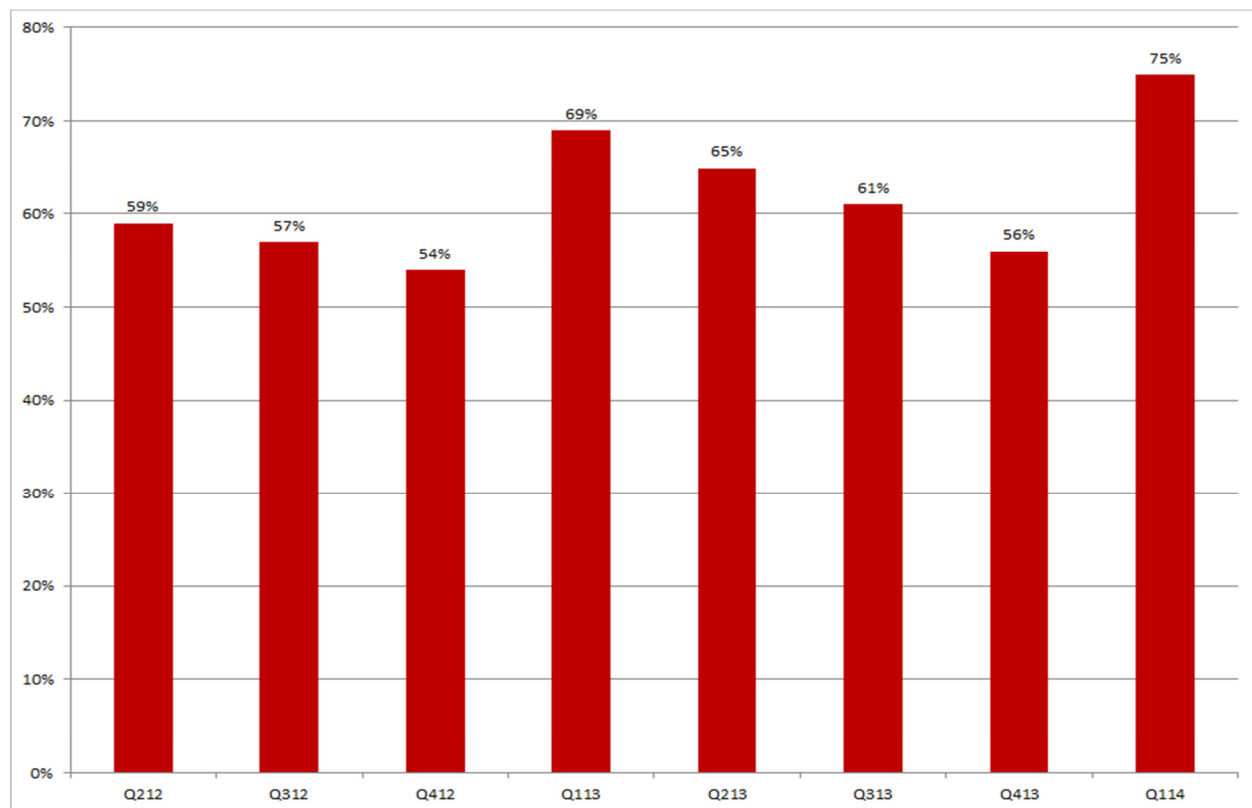
Fiscal Year Guidance:

Companies Start 2014 By Issuing More Negative EPS Guidance

For the current fiscal year, 185 companies have issued negative EPS guidance and 63 companies have issued positive EPS guidance. As a result, the overall percentage of companies issuing negative EPS guidance to date for the current fiscal year stands at 75% (185 out of 248), which is well above the percentage recorded at the end of December (56%). However, most companies in the index transitioned this past quarter from giving annual EPS guidance for 2013 to giving annual EPS guidance for 2014. There was a similar increase in the percentage of companies issuing negative EPS guidance between Q4 2012 (54%) and Q1 2013 (69%), as a similar transition occurred in that quarter as well (see chart below).

Since the end of December, the number of companies issuing negative EPS guidance for the current fiscal year has increased by 36, while the number of companies issuing positive EPS guidance has decreased by 53. At the sector level, the Health Care sector witnessed the largest increase in the number of companies issuing negative EPS guidance (+13) and the largest decrease in the number of companies issuing positive EPS guidance (-13) for the current fiscal year.

S&P 500 Negative Guidance % for Current Fiscal Year



At the sector level today (with a minimum of ten companies issuing guidance), the Materials (86%), Industrials (80%), and Consumer Discretionary (79%) sectors have the highest percentages of companies issuing negative EPS preannouncements for the current fiscal year, while the Information Technology (36%) sector has the highest percentage of companies issuing positive EPS preannouncements.

Slight Negative Shift for Revenue Guidance for 2014

For the current fiscal year, 93 companies have issued negative revenue guidance and 64 companies have issued positive revenue guidance. As a result, the overall percentage of companies issuing negative revenue guidance to date for the current fiscal year stands at 59% (93 out of 157), which is above the percentage recorded at the end of December (55%).

Similar to the earnings side, most companies in the index transitioned this past quarter from giving annual EPS guidance for 2013 to giving annual EPS guidance for 2014. Since December, the number of companies issuing negative revenue guidance for the current fiscal year has increased by three, while the number of companies issuing positive EPS guidance has decreased by 11. The Industrials sector saw the largest increase (+4) in the number of companies issuing negative revenue guidance and the largest decrease (-4) in the number of companies issuing positive guidance since the end of December.

At the sector level today (with a minimum of 10 companies issuing guidance), the Consumer Discretionary (69%) and Consumer Staples (69%) sectors have the highest percentages of companies issuing negative revenue preannouncements, while the Health Care (47%) and Information Technology (46%) sectors have the highest percentages of companies issuing positive revenue preannouncements.

Q4 Guidance:

Above Average Percentage (84%) of Companies Report Actual EPS above Guidance

At this point in time, all 112 of the companies that issued EPS guidance for Q4 2013 have reported actual results for the quarter. Of these 112 companies, 84% reported actual EPS above guidance, 12% reported actual EPS below guidance, and 4% reported actual EPS in line with guidance. This percentage (84%) is above the trailing 5-year average for companies issuing EPS guidance, and well above the overall performance of the S&P 500 for Q4 2013. Of the companies that issued quarterly EPS guidance over the past five years, 80% reported EPS above guidance, 14% reported EPS below guidance, and 6% reported EPS in-line with guidance. Of the 497 companies in the S&P 500 that have reported earnings to date for Q4 2013, 70% have reported EPS above the mean estimate and 29% reported EPS below the mean EPS estimate.

Actual Surprises vs. Guidance for Q4 (+6.4%) below the Average

Companies surpassed EPS guidance in Q4 2013 by a margin that was below the five-year average. Companies that issued quarterly EPS guidance for Q4 reported an actual EPS number that was 6.4% above the guidance, on average. Over the past five years, companies that issued quarterly EPS guidance reported an actual EPS number that was 13.9% above the EPS guidance on average.

At the sector level, the Telecom Services sector reported the largest surprise percentage (+18.3%). However, one company accounted for this upside surprise: CenturyLink. The company reported actual EPS of \$0.68 for the fourth quarter, compared to the mid-point of the EPS guidance range of \$0.575.

Definitions / Methodology

For companies that are classified as part of the REIT industry, FFO guidance is used in place of EPS guidance.

If a company provides a range of EPS estimates for guidance, the mid-point of the range is used in this report for all analysis.

Guidance is classified as negative if the estimate (or mid-point of a range estimates) provided by a company is lower than the mean EPS estimate the day before the guidance was issued.

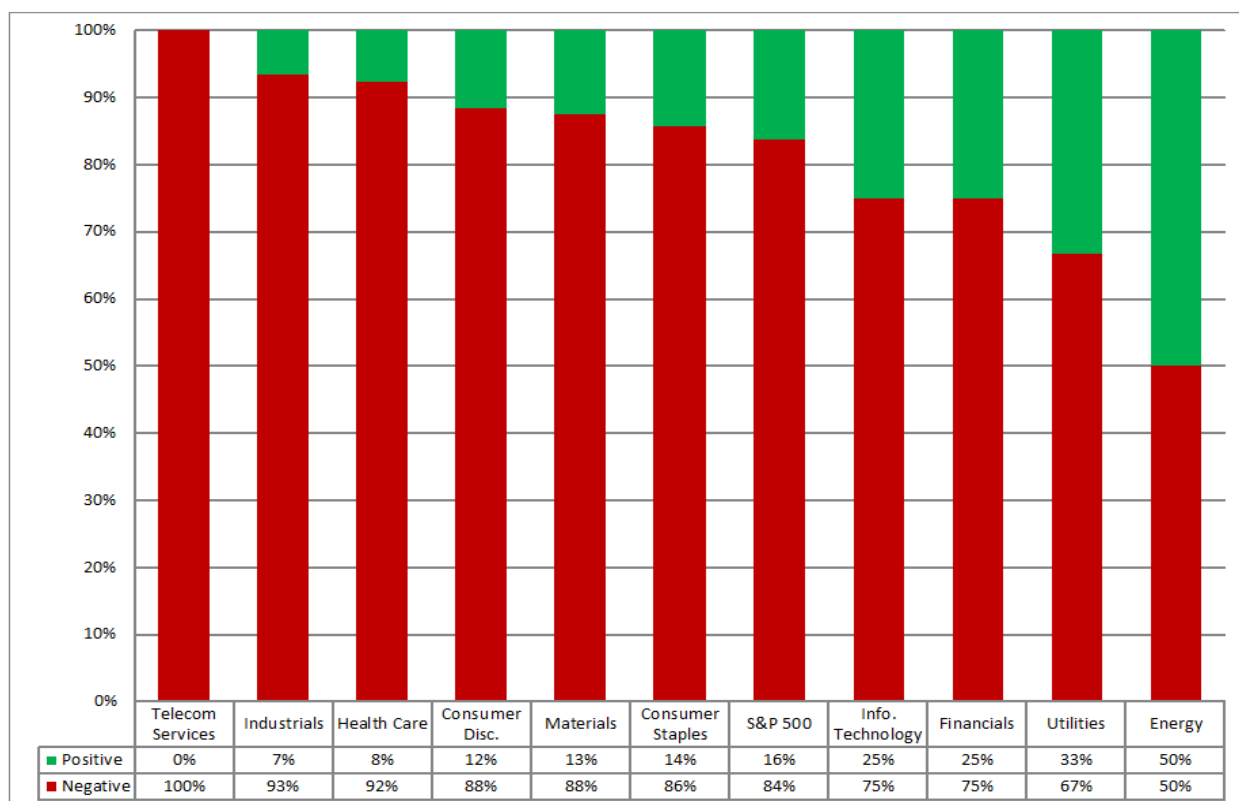
Guidance is classified as positive if the estimate (or mid-point of a range of estimates) provided by the company is higher than the mean EPS estimate the day before the guidance was issued.

Q1 2014: Sector-Level EPS Guidance

Number of Negative & Positive EPS Preannouncements

Sector	Negative (#)	Positive (#)	Negative (%)	Positive (%)
Consumer Disc.	23	3	88%	12%
Consumer Staples	6	1	86%	14%
Energy	1	1	50%	50%
Financials	3	1	75%	25%
Health Care	12	1	92%	8%
Industrials	14	1	93%	7%
Info. Technology	24	8	75%	25%
Materials	7	1	88%	13%
Telecom Services	1	0	100%	0%
Utilities	2	1	67%	33%
S&P 500	93	18	84%	16%

Percentage of Negative & Positive EPS Preannouncements

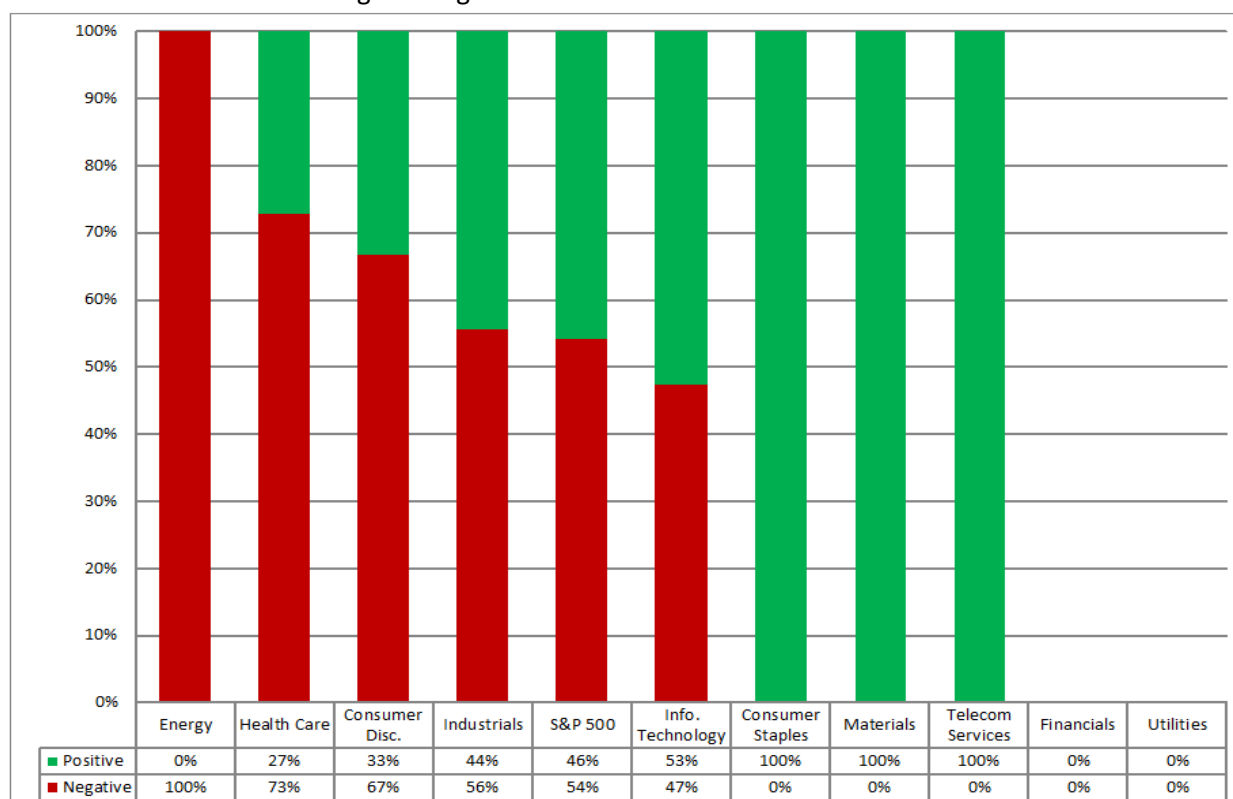


Q1 2014: Sector-Level Revenue Guidance

Number of Negative & Positive Revenue Preannouncements

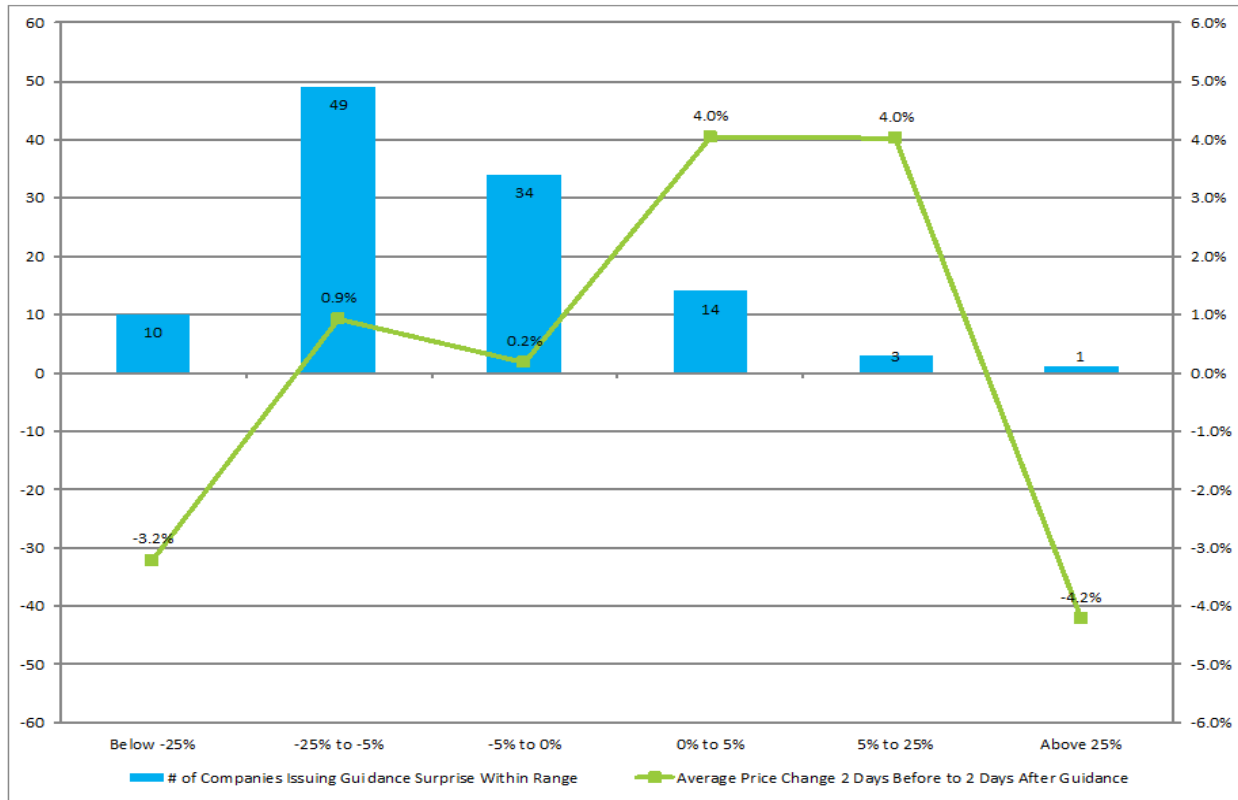
Sector	Negative (#)	Positive (#)	Negative (%)	Positive (%)
Consumer Disc.	8	4	67%	33%
Consumer Staples	0	1	0%	100%
Energy	1	0	100%	0%
Financials	0	0	0%	0%
Health Care	8	3	73%	27%
Industrials	5	4	56%	44%
Info. Technology	18	20	47%	53%
Materials	0	1	0%	100%
Telecom Services	0	1	0%	100%
Utilities	0	0	0%	0%
S&P 500	40	34	54%	46%

Percentage of Negative & Positive Revenue Preannouncements

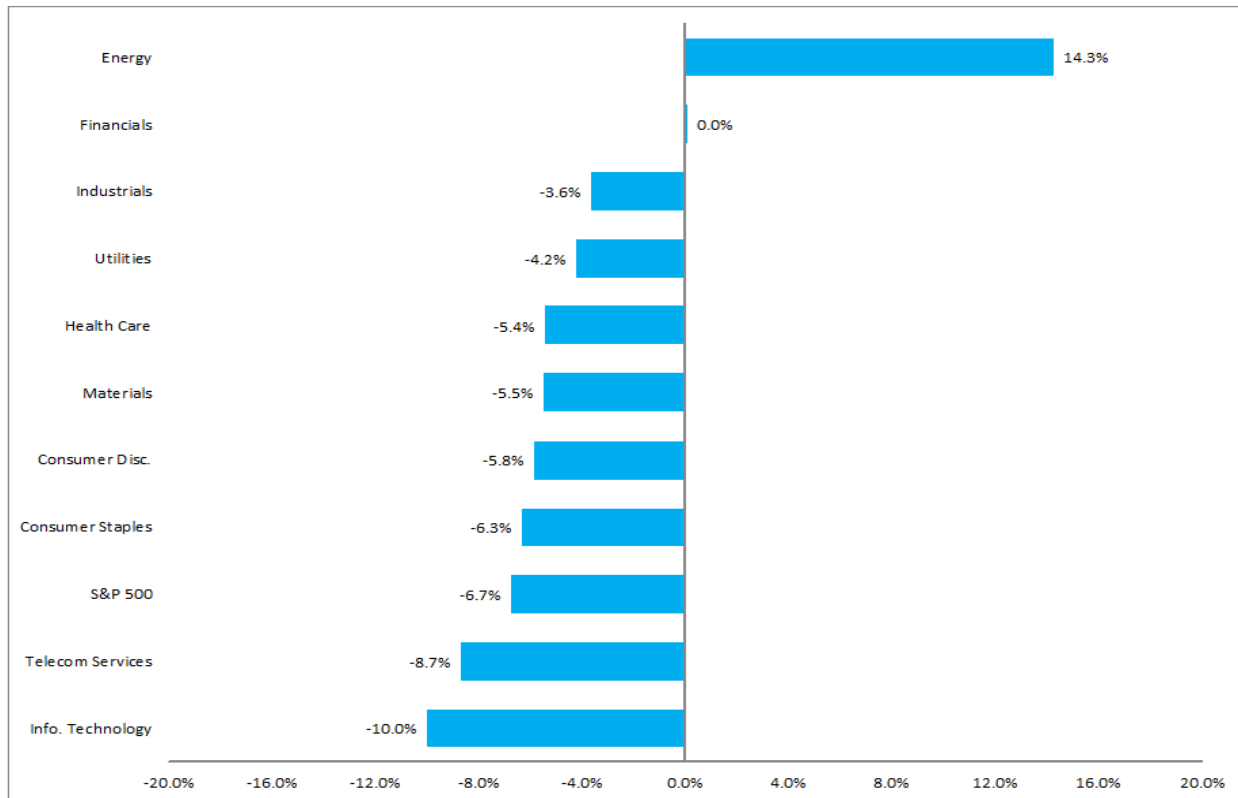


Q1 2014: EPS Guidance vs. Mean EPS Estimate

Difference between EPS Guidance and Mean EPS Estimate vs. Price

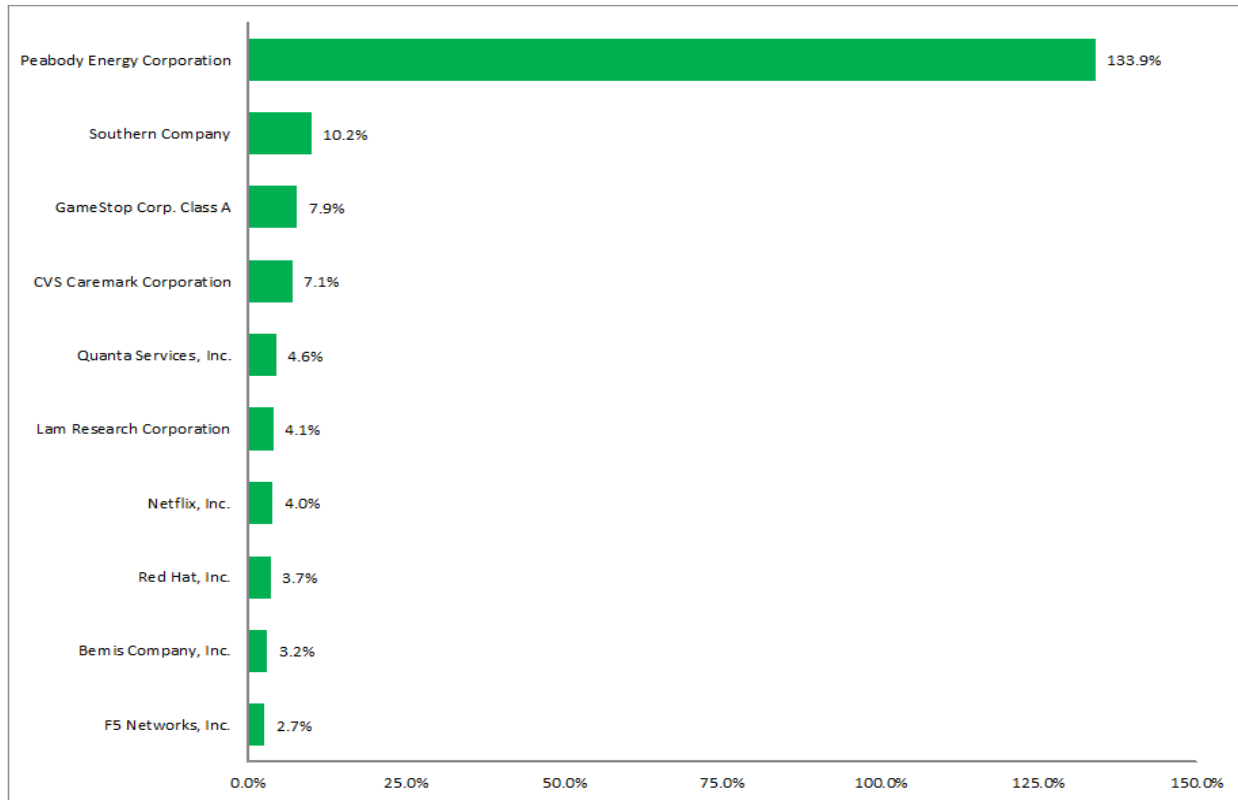


Difference between EPS Guidance and Mean EPS Estimate: Sector-Level Average

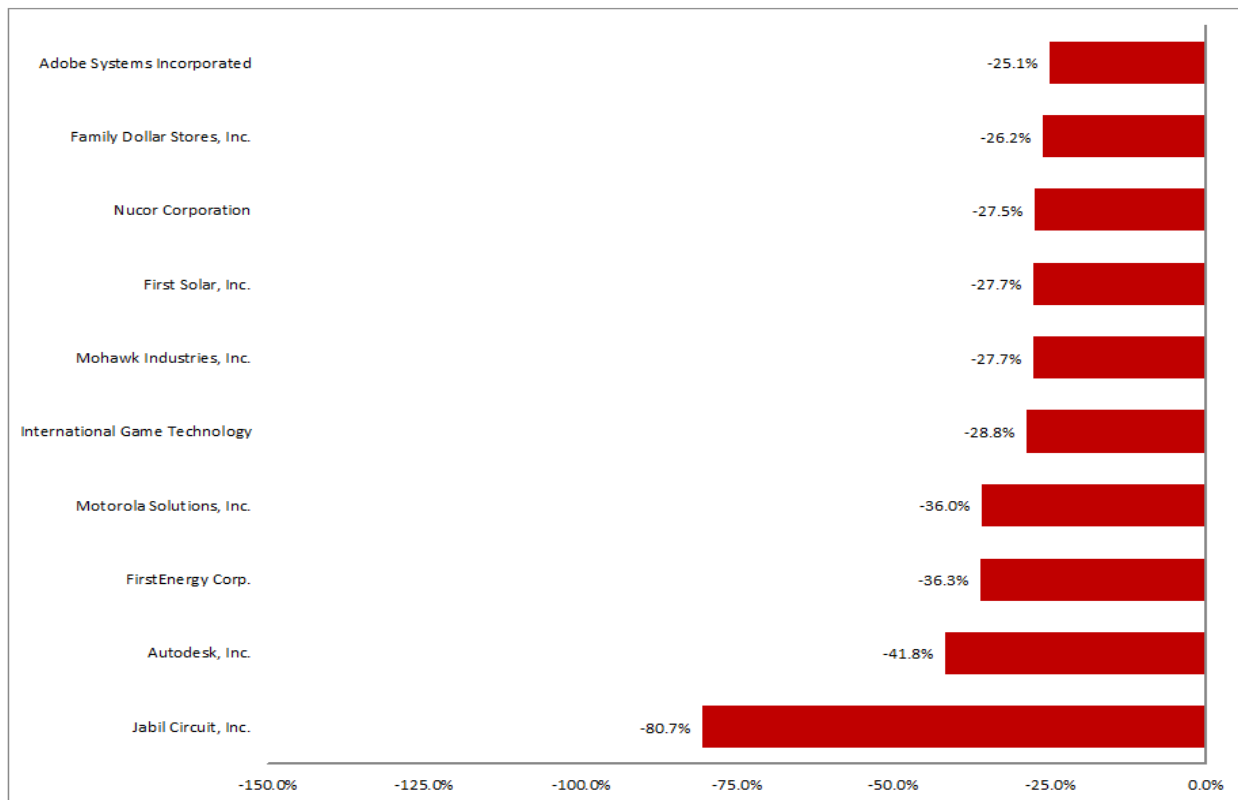


Q1 2014: EPS Guidance vs. Mean EPS Estimate

Upside Difference between EPS Guidance and Mean EPS Estimate: Top 10



Downside Difference between EPS Guidance and Mean EPS Estimate: Top 10

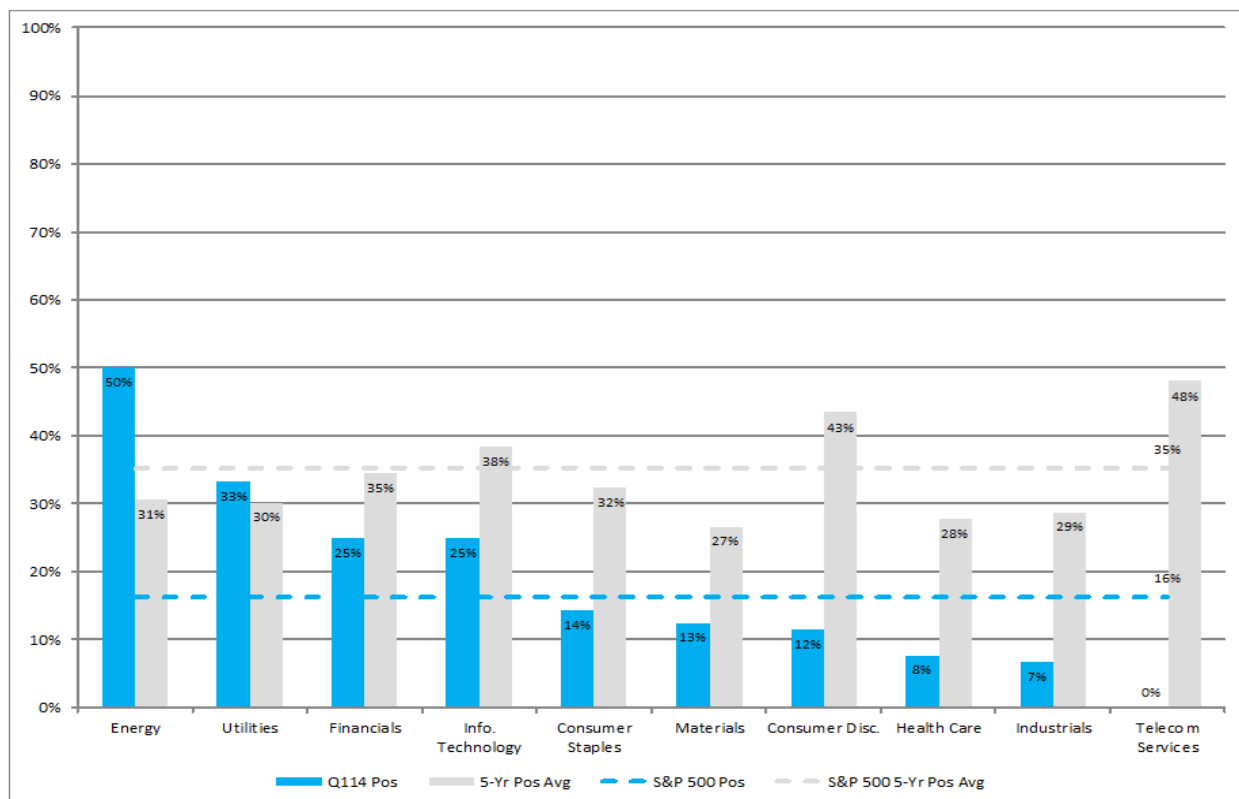


Q1 2014: Positive EPS Guidance vs. 5-Year Average

Number of Positive Preannouncements vs. 5-Year Average

Sector	Positive (#)	5-Year Avg. #	Diff. (#)	Diff. (%)
Consumer Disc.	3.0	9.3	-6.3	-68%
Consumer Staples	1.0	1.7	-0.7	-41%
Energy	1.0	0.8	0.3	33%
Financials	1.0	2.0	-1.0	-49%
Health Care	1.0	3.5	-2.5	-71%
Industrials	1.0	3.5	-2.5	-71%
Info. Technology	8.0	12.6	-4.6	-36%
Materials	1.0	2.5	-1.5	-59%
Telecom Services	0.0	0.8	-0.8	-100%
Utilities	1.0	0.6	0.4	67%
S&P 500	18.0	37.0	-19.0	-51%

Percentage of Positive Preannouncements vs. 5-Year History

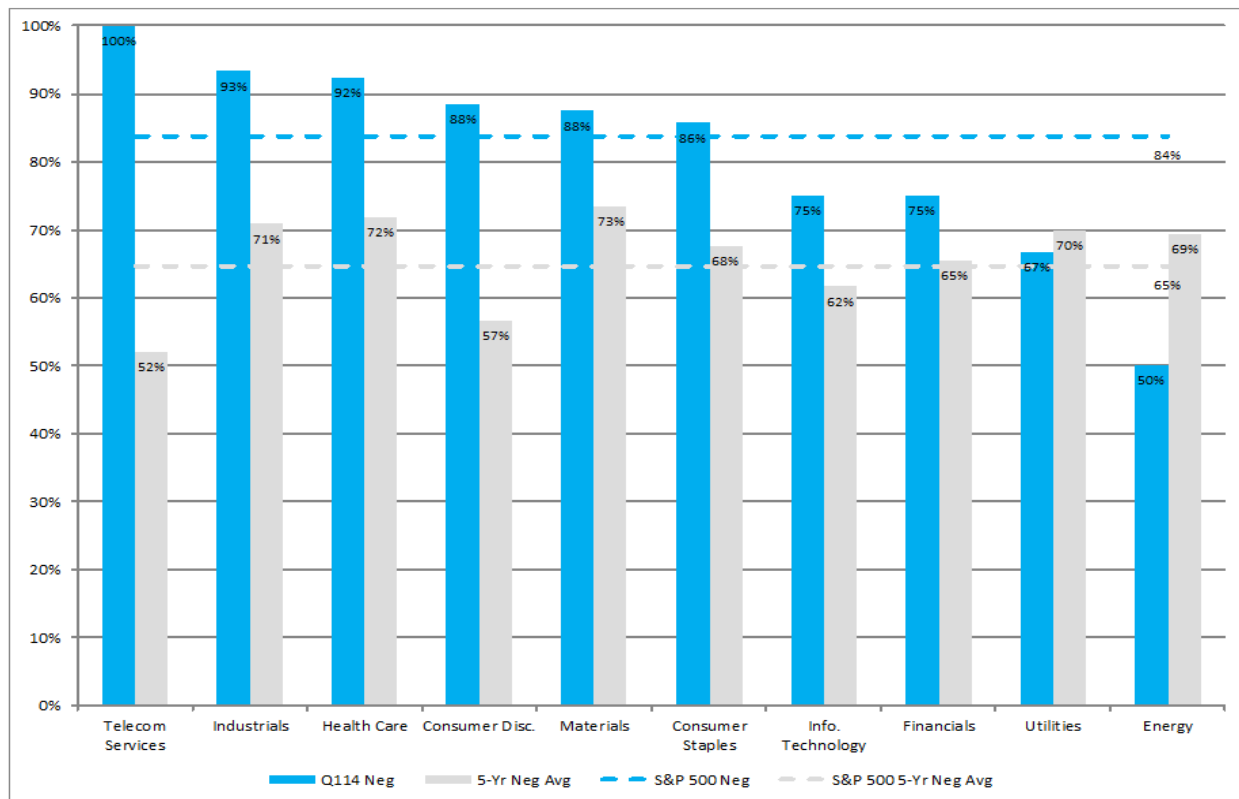


Q1 2014: Negative EPS Guidance vs. 5-Year Average

Number of Negative Preannouncements vs. 5-Year Averages

Sector	Negative (#)	5-Year Avg. #	Diff. (#)	Diff. (%)
Consumer Disc.	23.0	12.1	11.0	91%
Consumer Staples	6.0	3.6	2.5	69%
Energy	1.0	1.7	-0.7	-41%
Financials	3.0	3.7	-0.7	-19%
Health Care	12.0	9.1	3.0	33%
Industrials	14.0	8.5	5.5	65%
Info. Technology	24.0	20.2	3.9	19%
Materials	7.0	6.8	0.3	4%
Telecom Services	1.0	1.9	-0.9	-46%
Utilities	2.0	0.7	1.4	208%
S&P 500	93.0	68.0	25.1	37%

Percentage of Negative Preannouncements vs. 5-Year Averages



Current FY: Sector-Level EPS Guidance

Number of Positive & Negative EPS Preannouncements

Sector	Negative (#)	Positive (#)	Negative (%)	Positive (%)
Consumer Disc.	31	8	79%	21%
Consumer Staples	17	8	68%	32%
Energy	2	1	67%	33%
Financials	13	6	68%	32%
Health Care	36	12	75%	25%
Industrials	35	9	80%	20%
Info. Technology	18	10	64%	36%
Materials	12	2	86%	14%
Telecom Services	1	0	100%	0%
Utilities	20	7	74%	26%
S&P 500	185	63	75%	25%

Percentage of Positive & Negative EPS Preannouncements



Current FY: Sector-Level Revenue Guidance

Number of Positive & Negative Revenue Preannouncements

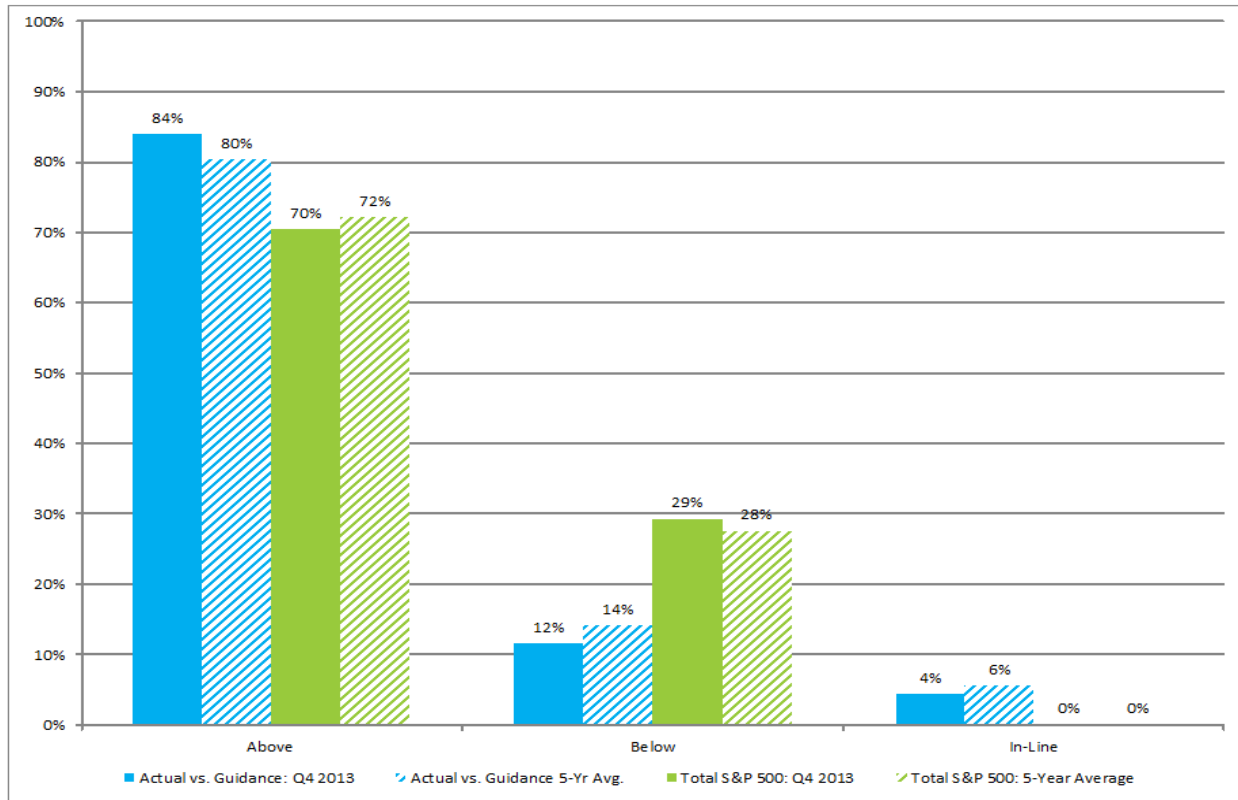
Sector	Negative (#)	Positive (#)	Negative (%)	Positive (%)
Consumer Disc.	20	10	67%	33%
Consumer Staples	10	5	67%	33%
Energy	1	0	100%	0%
Financials	4	1	80%	20%
Health Care	20	18	53%	47%
Industrials	20	13	61%	39%
Info. Technology	15	13	54%	46%
Materials	3	1	75%	25%
Telecom Services	0	3	0%	100%
Utilities	0	0	0%	0%
S&P 500	93	64	59%	41%

Percentage of Positive & Negative EPS Preannouncements

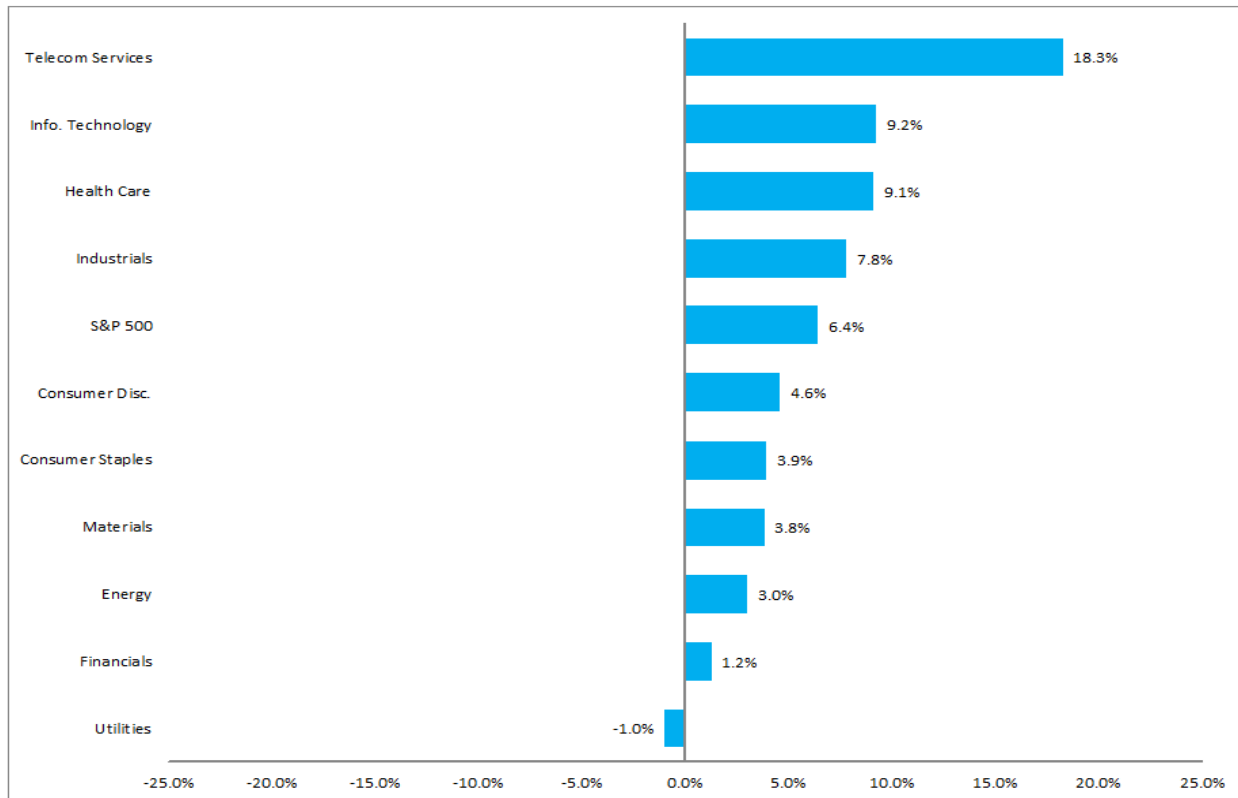


Q4 2013: Actual EPS vs. EPS Guidance

Actual EPS vs. EPS Guidance

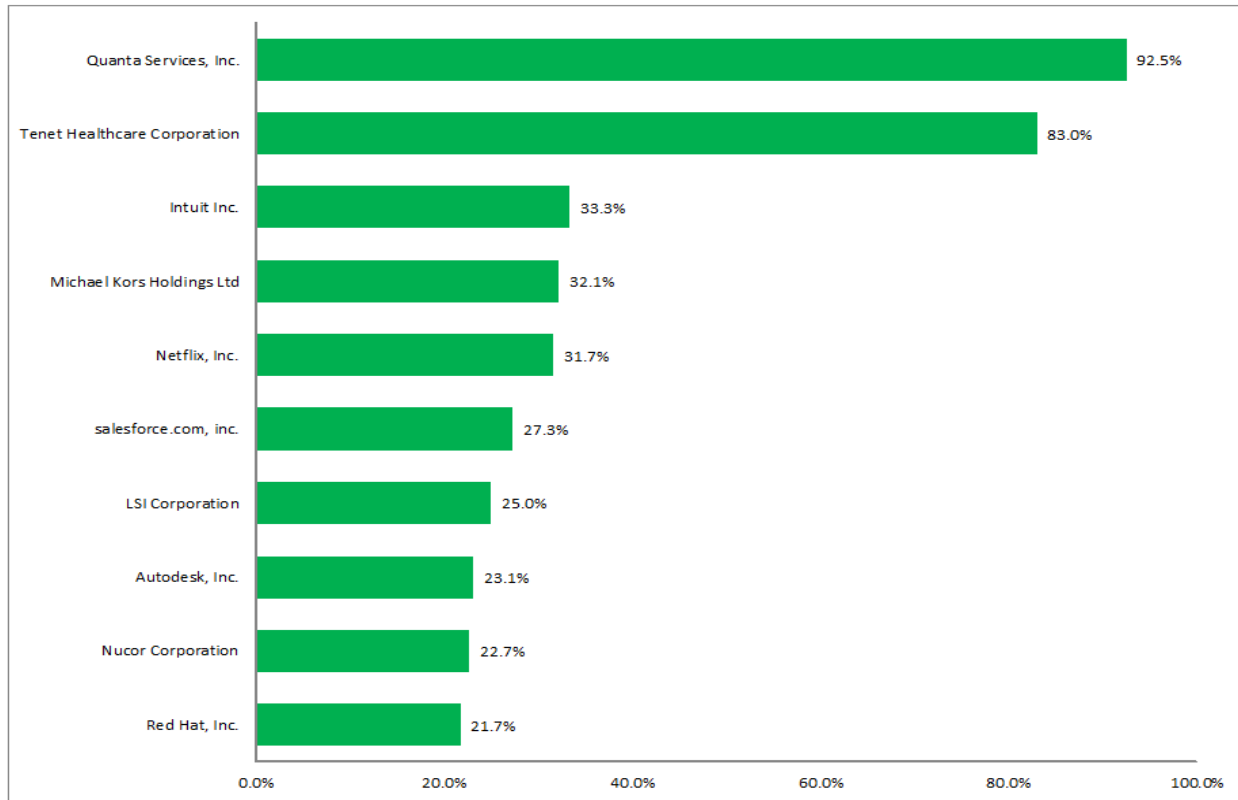


Actual EPS vs. EPS Guidance: Sector-Level Average

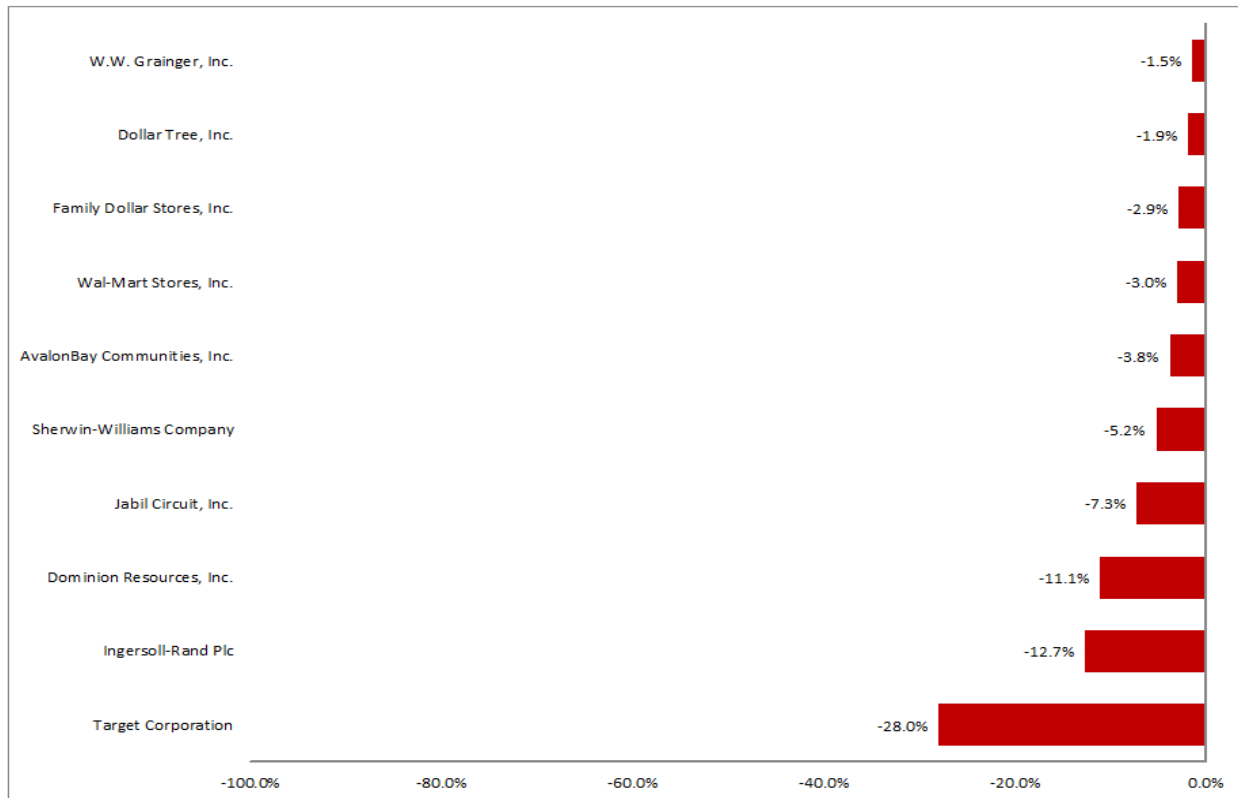


Q4 2013: Actual EPS vs. EPS Guidance

Upside Difference between Actual EPS & EPS Guidance: Top 10



Downside Difference between Actual EPS & EPS Guidance: Top 10



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