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2004 Earnings Impact of Stock Options on the S&P 500 & NASDAQ 100 Earnings

Key Points

*** If employee stock options were required to be expensed on the income statement as will be required under FAS 123(R), 2004 S&P 500 GAAP reported post-tax net income from continuing operations would have been reduced by 5% and 2004 NASDAQ 100 GAAP post-tax net income from continuing operations would have been reduced by 22%. In Exhibit 1, we present the results of the S&P 500 by sector.

*** In Appendix A and Appendix B, we present the respective results from 2002-2004 for each of the S&P 500 and NASDAQ 100 constituents grouped by sector and industry. In Appendix C, we present the stock-based compensation tax benefit information and cash flow from operations information for 239 S&P 500 and NASDAQ 100 companies.

On December 16, 2004, the Financial Accounting Standards Board (FASB) issued FAS 123(R) *Share Based Payment*, a standard that will require public companies to treat employee stock options as an expense on their financial statements beginning by third-quarter 2005. To help investors gauge the impact that option expensing will have on 2005 earnings, we have analyzed the 2004 stock option disclosures in the most recently filed 10Ks of companies that were S&P 500 and NASDAQ 100 constituents as of December 31, 2004.

If employee stock options were required to be expensed on the income statement as will be required under FAS 123(R), 2004 S&P 500 GAAP reported post-tax net income from continuing operations would have been reduced by 5% and 2004 NASDAQ 100 GAAP post-tax net income from continuing operations would have been reduced by 22%. In Exhibit 1, we present the results of the S&P 500 by sector. In Exhibit 2, we present the results of the NASDAQ 100 by sector. In Appendix A and Appendix B, we present the respective results from 2002-2004 for each of the S&P 500 and NASDAQ 100 constituents grouped by sector and industry.

Exhibit 1. 2004 Pro Forma Income From Continuing Operations of the S&P 500 By Sector ($ in millions)

Sector (# of Companies)	2004 Reported Net Income from Cont. Oper.	Post-Tax Stock-Based Compensation Included in Reported NI from Cont. Oper.	Total Post-Tax Stock-Based Compensation	Pro Forma Net Income from Cont. Oper.	Percentage Change in Net Income from Cont. Oper.
Information Technology (80)	44,302	4,231	(15,431)	33,102	-25%
Consumer Discretionary (87)	39,364	642	(4,205)	35,801	-9%
Health Care (55)	58,213	486	(5,487)	53,212	-9%
Telecommunication Services (10)	10,795	361	(871)	10,285	-5%
Industrials (57)	55,149	1,667	(3,464)	53,352	-3%
Consumer Staples (36)	58,042	876	(2,155)	56,763	-2%
Materials (32)	17,673	354	(730)	17,297	-2%
Financials (82)	151,140	4,754	(7,200)	148,694	-2%
Utilities (33)	21,531	326	(531)	21,326	-1%
Energy (28)	66,452	602	(964)	66,089	-1%
S&P 500 Total	**522,660**	**14,300**	**(41,038)**	**495,922**	**-5%**

Source: Company reports; Bear Stearns & Co., Inc. estimates.

Exhibit 2. 2004 Pro Forma Income From Continuing Operations of the NASDAQ 100 By Sector ($ in millions)

Sector (# of Companies)	2004 Reported Net Income/ (Net Loss) from Cont. Oper.	Post-Tax Stock-Based Compensation Included in Reported NI from Cont. Oper.	Total Post-Tax Stock-Based Compensation	Pro Forma Net Income/ (Net Loss) from Cont. Oper.	Percentage Change in Net Income/ (Net Loss) from Cont. Oper.
Telecommunication Services (3)	(1,486)	75	(275)	(1,686)	N/M
Information Technology (51)	39,474	4,102	(13,004)	30,572	-23%
Health Care (14)	4,620	34	(857)	3,797	-18%
Consumer Discretionary (20)	3,755	378	(1,032)	3,100	-17%
Materials (2)	187	6	(27)	166	-11%
Consumer Staples (2)	1,012	23	(82)	953	-6%
Industrials (8)	2,242	90	(170)	2,163	-4%
Nasdaq 100 Total	**49,804**	**4,708**	**(15,447)**	**39,064**	**-22%**

Note: If Microsoft (MSFT) is excluded from the NASDAQ 100 analysis above, the expensing of stock options would have reduced net income from continuing operations for the Information Technology Sector by 28% and net income from continuing operations of the NASDAQ 100 would have been reduced by 26%.

Source: Company reports; Bear Stearns & Co., Inc. estimates.

In Exhibit 3, we present 49 companies with 2004 stock-based compensation in excess of $200 million. In some cases, companies such as Microsoft (MSFT) have already adopted expensing of stock options under the fair value method, thus, the full impact of stock options and other forms of stock-based compensation are already included in GAAP net income. See our December 16, 2004 First Call “FASB Does It: FAS 123(R) Requires Stock Option Expensing for a list of 842 companies that have already adopted the fair value method or announced their intention to do so.

Exhibit 3. 2004 S&P 500 and NASDAQ 100 Companies with Post-Tax Stock-Based Compensation Expense Greater Than $200 Million
($ in millions except per share data)

			2004						
Symbol	Company Name	Fiscal Year-end	Reported Net Income/ (Net Loss) from Cont. Oper.	Post-Tax Stock-Based Compensation Included in Reported NI from Cont. Oper.	Total Post-Tax Stock-Based Compensation	Pro Forma Net Income/ (Net Loss) from Cont. Oper.	Percentage Change in Net Income/ (Net Loss) from Cont. Oper.	Reported EPS 2004	Pro Forma EPS 2004
MSFT	Microsoft Corp.	6/30/2004	8,168	3,842	(3,842)	8,168	0%	0.75	0.75
INTC	Intel Corp.	12/25/2004	7,516	-	(1,271)	6,245	-17%	1.16	0.97
CSCO	Cisco Systems	7/31/2004	4,968	-	(1,215)	3,753	-24%	0.70	0.53
IBM	International Bus. Machines	12/31/2004	8,448	129	(1,080)	7,497	-11%	4.94	4.39
JPM	JPMorgan Chase & Co.	12/31/2004	4,466	778	(960)	4,284	-4%	1.55	1.48
GS	Goldman Sachs Group	11/26/2004	4,553	790	(947)	4,396	-3%	8.92	8.61
SUNW	Sun Microsystems	6/30/2004	(388)	16	(834)	(1,206)	N/M	(0.12)	(0.37)
DELL	Dell Inc.	1/28/2005	3,043	-	(812)	2,231	-27%	1.18	0.88
HPQ	Hewlett-Packard	10/31/2004	3,497	33	(751)	2,779	-21%	1.15	0.91
BRCM	Broadcom Corporation	12/31/2004	219	75	(677)	(383)	-275%	0.63	(1.20)
LEH	Lehman Bros.	11/30/2004	2,369	464	(623)	2,210	-7%	7.90	7.42
PFE	Pfizer, Inc.	12/31/2004	11,332	38	(612)	10,758	-5%	1.49	1.41
UPS	United Parcel Service	12/31/2004	3,333	563	(588)	3,308	-1%	2.93	2.91
MER	Merrill Lynch	12/31/2004	4,436	574	(574)	4,436	0%	4.38	4.38
MRK	Merck & Co.	12/31/2004	5,813	17	(492)	5,338	-8%	2.61	2.39
EMC	EMC Corp.	12/31/2004	871	40	(404)	508	-42%	0.36	0.21
BA	Boeing Company	12/31/2004	1,820	374	(374)	1,820	0%	2.24	2.24
TXN	Texas Instruments	12/31/2004	1,861	12	(372)	1,501	-19%	1.05	0.85
BSC	Bear Stearns Cos.	11/30/2004	1,345	335	(368)	1,313	-2%	9.76	9.54
VIA.B	Viacom Inc.	12/31/2004	(15,060)	-	(347)	(15,407)	N/M	(8.78)	(8.99)
AMAT	Applied Materials	10/31/2004	1,351	-	(346)	1,005	-26%	0.78	0.58
AMCC	Applied Micro Circuits	3/31/2004	(105)	21	(341)	(425)	N/M	(0.34)	(1.39)
LU	Lucent Technologies	9/30/2004	2,002	16	(338)	1,680	-16%	0.42	0.36
JNJ	Johnson & Johnson	1/2/2005	8,509	-	(329)	8,180	-4%	2.84	2.74
AXP	American Express	12/31/2004	3,516	141	(325)	3,332	-5%	2.74	2.60
PG	Procter & Gamble	6/30/2004	6,481	-	(325)	6,156	-5%	2.32	2.20
C	Citigroup Inc.	12/31/2004	17,046	173	(325)	16,894	-1%	3.26	3.23
JDSU	JDS Uniphase Corp	6/30/2004	(113)	2	(300)	(411)	N/M	(0.08)	(0.25)
TWX	Time Warner Inc.	12/31/2004	3,209	-	(298)	2,911	-9%	0.68	0.61
LLY	Lilly (Eli) & Co.	12/31/2004	1,810	35	(294)	1,550	-14%	1.66	1.42
AMGN	Amgen	12/31/2004	2,363	-	(292)	2,071	-12%	1.81	1.58
HD	Home Depot	2/1/2004	4,304	35	(283)	4,056	-6%	1.88	1.77
QCOM	QUALCOMM Inc.	9/26/2004	1,725	-	(281)	1,444	-16%	1.03	0.86
WYE	Wyeth	12/31/2004	1,234	16	(275)	975	-21%	0.91	0.72
WFC	Wells Fargo	12/31/2004	7,014	2	(275)	6,741	-4%	4.09	3.93
PEP	PepsiCo Inc.	12/25/2004	4,174	265	(265)	4,174	0%	2.41	2.41
DIS	Walt Disney Co.	9/30/2004	2,345	-	(255)	2,090	-11%	1.12	1.00
KO	Coca Cola Co.	12/31/2004	4,847	254	(254)	4,847	0%	2.00	2.00
GE	General Electric	12/31/2004	16,593	93	(245)	16,441	-1%	1.59	1.57
YHOO	Yahoo Inc.	12/31/2004	840	19	(236)	623	-26%	0.58	0.43
A	Agilent Technologies	10/31/2004	349	-	(232)	117	-66%	0.71	0.24
TYC	Tyco International	9/30/2004	3,005	7	(225)	2,787	-7%	1.41	1.32
ADI	Analog Devices	10/30/2004	571	6	(213)	363	-36%	1.45	0.91
MCK	McKesson Corp.	3/31/2004	647	5	(210)	442	-32%	2.19	1.50
CMCSA	Comcast Corp.	12/31/2004	970	27	(206)	791	-18%	0.43	(0.35)
NXTL	Nextel Communications	12/31/2004	3,000	11	(205)	2,806	-6%	2.62	2.45
MU	Micron Technology	9/2/2004	157	-	(204)	(47)	-130%	0.24	(0.07)
ORCL	Oracle Corp.	5/31/2004	2,681	-	(203)	2,478	-8%	0.50	0.46
ABT	Abbott Labs	12/31/2004	3,176	-	(200)	2,976	-6%	2.02	1.90

Source: Company reports; Bear Stearns & Co., Inc. estimates.

In Exhibit 4 we present 72 companies from the S&P 500 and NASDAQ 100 whose 2004 reported net income from continuing operations would have declined by 20% or more in 2004 if stock options had been expensed. In Exhibit 5 we present 20 companies from the S&P 500 and NASDAQ 100 whose 2004 reported net loss from continuing operations would have increased by 10% or more if stock options had been expensed.

Exhibit 4. 2004 S&P 500 and NASDAQ 100 Companies in which Expensing Stock Options Would Have Reduced Earnings by 20% or More
($ in millions except per share data)

Symbol	Company Name	Fiscal Year-end	2004 Reported Net Income/ (Net Loss) from Cont. Oper.	Post-Tax Stock-based Compensation Included in Reported NI from Cont. Oper.	Total Post-Tax Stock-based Compensation	Pro Forma Net Income/ (Net Loss) from Cont. Oper.	Percentage Change in Net Income/ (Net Loss) from Cont. Oper.	Reported EPS 2004	Pro Forma EPS 2004
BRCM	Broadcom Corporation	12/31/2004	219	75	(677)	(383)	-275%	0.63	(1.20)
MRVL	Marvell Technology Group, Ltd.	1/31/2004	46	5	(87)	(37)	-181%	0.33	(0.29)
AMD	Advanced Micro Devices	12/26/2004	91	1	(156)	(63)	-170%	0.25	(0.18)
CHIR	Chiron Corp.	12/31/2004	54	5	(87)	(28)	-152%	0.28	(0.15)
SEBL	Siebel Systems Inc	12/31/2004	111	-	(162)	(51)	-146%	0.20	(0.10)
MU	Micron Technology	9/2/2004	157	-	(204)	(47)	-130%	0.24	(0.07)
MERQ	Mercury Interactive	12/31/2004	85	1	(107)	(21)	-125%	0.83	(0.24)
PMCS	PMC-Sierra Inc.	12/26/2004	52	-	(60)	(8)	-115%	0.27	(0.04)
GENZ	Genzyme Corp.	12/31/2004	87	0	(94)	(8)	-109%	0.37	(0.03)
ADCT	ADC Telecommunications	10/31/2004	31	3	(37)	(2)	-108%	0.04	-
EDS	Electronic Data Systems (1)	12/31/2004	135	26	(170)	(9)	-106%	0.27	(0.02)
BEAS	BEA Systems, Inc.	1/31/2004	119	8	(132)	(6)	-105%	0.28	(0.01)
ABI	Applera Corp	6/30/2004	115	2	(121)	(4)	-104%	0.83	0.36
SNPS	Synopsys, Inc.	10/31/2004	74	3	(79)	(1)	-101%	0.46	(0.01)
NVDA	NVIDIA Corp.	1/25/2004	74	1	(75)	0	-99%	0.43	-
PMTC	Parametric Technology	9/30/2004	35	0	(34)	1	-97%	0.13	-
ISIL	Intersil Corporation	12/31/2004	40	12	(47)	5	-87%	0.28	0.04
UIS	Unisys Corp.	12/31/2004	39	-	(33)	6	-84%	0.11	0.02
MMC	Marsh & McLennan	12/31/2004	176	-	(146)	30	-83%	0.33	0.06
NOVL	Novell Inc.	10/31/2004	57	5	(51)	11	-81%	0.08	(0.04)
CPWR	Compuware Corp.	3/31/2004	50	-	(40)	10	-81%	0.13	0.03
VRSN	VeriSign, Inc.	12/31/2004	186	3	(140)	49	-73%	0.72	0.19
LBTYA	Liberty Media International, Inc.	12/31/2004	(32)	52	(30)	(10)	-68%	(0.20)	(0.06)
LAMR	Lamar Advertising Company	12/31/2004	13	-	(9)	4	-67%	0.12	0.04
A	Agilent Technologies	10/31/2004	349	-	(232)	117	-66%	0.71	0.24
NSM	National Semiconductor	5/30/2004	285	2	(187)	100	-65%	0.73	0.25
NTAP	Network Appliance	4/30/2004	152	2	(94)	60	-61%	0.42	0.16
VRTS	Veritas Software (1)	12/31/2004	430	6	(253)	183	-57%	0.98	0.42
TER	Teradyne Inc.	12/31/2004	165	-	(92)	73	-56%	0.84	0.37
JNPR	Juniper Networks, Inc.	12/31/2004	136	27	(94)	69	-49%	0.25	0.13
IVGN	Invitrogen Corporation	12/31/2004	89	3	(40)	52	-42%	1.63	0.95
EMC	EMC Corp.	12/31/2004	871	40	(404)	508	-42%	0.36	0.21
MNST	Monster Worldwide	12/31/2004	74	2	(32)	44	-41%	0.62	0.37
MIL	Millipore Corp.	12/31/2004	106	2	(44)	63	-40%	2.10	1.25
AAPL	Apple Computer	9/25/2004	276	33	(141)	168	-39%	0.71	0.44
RIMM	Research in Motion Limited	2/28/2004	52	-	(20)	32	-39%	0.62	0.39
TOY	Toys R Us, Inc.	1/31/2004	88	-	(34)	54	-39%	0.41	0.25
S	Sears, Roebuck & Co.	1/1/2005	332	-	(123)	209	-37%	1.53	0.96
ADSK	Autodesk, Inc.	1/31/2004	120	1	(45)	76	-37%	1.04	0.67
CTXS	Citrix Systems	12/31/2004	132	-	(48)	84	-37%	0.75	0.48
ADI	Analog Devices	10/30/2004	571	6	(213)	363	-36%	1.45	0.91
XLNX	Xilinx, Inc	4/3/2004	303	-	(103)	200	-34%	0.85	0.56
ALTR	Altera Corp.	12/31/2004	275	2	(95)	182	-34%	0.72	0.48
KLAC	KLA-Tencor Corp.	6/30/2004	244	-	(82)	161	-34%	1.21	0.80
MXIM	Maxim Integrated Prod	6/26/2004	420	-	(135)	285	-32%	1.20	0.82
MCK	McKesson Corp. (New)	3/31/2004	647	5	(210)	442	-32%	2.19	1.50
LRCX	Lam Research Corporation	6/27/2004	83	2	(27)	58	-30%	0.59	0.42
ANDW	Andrew Corp.	9/30/2004	33	-	(10)	23	-30%	0.20	0.14
NVLS	Novellus Systems	12/31/2004	157	3	(49)	111	-29%	1.06	0.75
DDS	Dillard Inc.	1/31/2004	9	-	(3)	7	-29%	0.11	0.08
JBL	Jabil Circuit	8/31/2004	167	-	(46)	121	-27%	0.81	0.59
MCHP	Microchip Technology Incorporated	3/31/2004	137	-	(37)	100	-27%	0.65	0.47
DELL	Dell Inc.	1/28/2005	3,043	-	(812)	2,231	-27%	1.18	0.88
SYMC	Symantec Corp.	4/2/2004	371	-	(98)	273	-26%	1.07	0.81
FSL.B	Freescale Semiconductor Inc.	12/31/2004	211	20	(75)	156	-26%	1.06	0.78
QLGC	QLogic Corp.	3/28/2004	134	1	(35)	99	-26%	1.39	1.03
YHOO	Yahoo Inc.	12/31/2004	840	19	(236)	623	-26%	0.58	0.43
AMAT	Applied Materials	10/31/2004	1,351	-	(346)	1,005	-26%	0.78	0.58
CSCO	Cisco Systems	7/31/2004	4,968	-	(1,215)	3,753	-24%	0.70	0.53
EBAY	eBay Inc.	12/31/2004	778	2	(191)	589	-24%	0.57	0.43
SBL	Symbol Technologies	12/31/2004	82	2	(21)	62	-24%	0.33	0.25
LUV	Southwest Airlines	12/31/2004	313	-	(74)	239	-24%	0.38	0.30
ADBE	Adobe Systems	12/3/2004	450	0	(106)	345	-23%	1.82	1.39
LLTC	Linear Technology Corp.	6/27/2004	328	-	(75)	253	-23%	1.02	0.79
DJ	Dow Jones & Co.	12/31/2004	100	5	(27)	77	-22%	1.21	0.94
INTU	Intuit, Inc.	7/31/2004	317	1	(70)	247	-22%	1.58	1.23
BAX	Baxter International Inc.	12/31/2004	388	13	(96)	305	-21%	0.62	0.48
SCH	Charles Schwab	12/31/2004	414	39	(127)	326	-21%	0.30	0.24
NYT	New York Times Cl. A	12/26/2004	293	-	(62)	230	-21%	1.96	1.54
WYE	Wyeth	12/31/2004	1,234	16	(275)	975	-21%	0.91	0.72
HPQ	Hewlett-Packard	10/31/2004	3,497	33	(751)	2,779	-21%	1.15	0.91
CVG	Convergys Corp.	12/31/2004	112	12	(35)	89	-20%	0.77	0.61

(1) EDS and VRTS filed NT-10K forms requesting extensions in completing their 10K filings. Net income from continuing operations results for these companies above are based on First Call estimates of companies earnings. Stock-based compensation expense results for these two companies were estimated by annualizing the companies' most recently filed 10Q stock-based compensation disclosures.

Source: Company reports; Bear Stearns & Co., Inc. estimates.

Exhibit 5. 2004 S&P 500 and NASDAQ 100 Companies in which Expensing Stock Options Would Have Increased the Reported Loss from Continuing Operations by 10% or More ($ in millions except per share data)

			2004						
Symbol	**Company Name**	**Fiscal Year-end**	**Reported (Net Loss) from Cont. Oper.**	**Post-Tax Stock-based Compensation Included in Reported NI from Cont. Oper.**	**Total Post-Tax Stock-based Compensation**	**Pro Forma (Net Loss) from Cont. Oper.**	**Percentage Increase in Net Loss from Cont. Oper.**	**Reported EPS 2004**	**Pro Forma EPS 2004**
CMVT	Comverse Technology	1/31/2004	(5)	-	(152)	(158)	2831%	(0.03)	(0.88)
MEDI	MedImmune Inc.	12/31/2004	(4)	1	(63)	(66)	1642%	(0.02)	(0.27)
SANM	Sanmina-SCI Corp.	10/2/2004	(15)	12	(60)	(63)	317%	(0.03)	(0.12)
AMCC	Applied Micro Circuits	3/31/2004	(105)	21	(341)	(425)	305%	(0.34)	(1.39)
JDSU	JDS Uniphase Corp	6/30/2004	(113)	2	(300)	(411)	265%	(0.08)	(0.29)
DYN	Dynegy Inc. (New) Class A	12/31/2004	(10)	4	(27)	(33)	230%	(0.09)	(0.15)
SUNW	Sun Microsystems	6/30/2004	(388)	16	(834)	(1,206)	211%	(0.12)	(0.37)
CA	Computer Associates Intl.	3/31/2004	(36)	8	(78)	(106)	194%	(0.06)	(0.18)
TLAB	Tellabs, Inc.	12/31/2004	(30)	7	(62)	(85)	186%	(0.07)	(0.20)
NWL	Newell Rubbermaid Co.	12/31/2004	(19)	-	(14)	(33)	74%	(0.07)	(0.12)
PWER	Power-One Inc.	12/31/2004	(21)	2	(15)	(35)	65%	(0.25)	(0.42)
BMC	BMC Software	3/31/2004	(184)	15	(99)	(268)	46%	(0.75)	(1.09)
MYG	Maytag Corp.	1/1/2005	(9)	-	(3)	(12)	31%	(0.12)	(0.16)
MLNM	Millennium Pharmaceuticals, Inc.	12/31/2004	(252)	0	(72)	(324)	29%	(0.83)	(1.06)
LSI	LSI Logic	12/31/2004	(464)	3	(120)	(580)	25%	(1.21)	(1.51)
SLR	Solectron	8/27/2004	(252)	-	(61)	(312)	24%	(0.29)	(0.36)
SSCC	Smurfit-Stone Container Corporation	12/31/2004	(46)	6	(15)	(55)	20%	(0.23)	(0.26)
FLEX	Flextronics International Ltd.	3/31/2004	(352)	-	(53)	(405)	15%	(0.67)	(0.77)
KG	King Pharmaceuticals	12/31/2004	(51)	-	(6)	(57)	12%	(0.21)	(0.24)
SGP	Schering-Plough	12/31/2004	(947)	59	(160)	(1,048)	11%	(0.67)	(0.74)

Source: Company reports; Bear Stearns & Co., Inc. estimates.

Currently, in the cash flow statement, the tax benefit from the exercise of employee stock options is shown, either implicitly or explicitly, as an operating cash inflow. Under FAS 123(R), when the tax benefit received is greater than the accrued deferred tax asset, the amount credited directly to additional paid-in capital will be treated as a financing cash inflow rather than an operating cash flow. In Appendix C, we present the tax benefit information for 239 S&P 500 and NASDAQ 100 companies. These tax benefits of $12 billion, $9 billion, and $8 billion in 2004, 2003, and 2002 respectively represent 4% of cash flow from operations in 2004 and 3% of cash flow from operations in both 2003 and 2002. The total In Exhibit 6, we present 75 companies with aggregate tax benefits between 2002 and 2004 from stock-based compensation in excess of $100 million. In Exhibit 7, we present 83 companies with aggregate 2002-2004 tax benefits in excess of 5% of aggregate cash flow from operations.

Exhibit 6. S&P 500 and NASDAQ 100 Companies with Tax Benefits from Stock-Based Compensation in Excess of $100 million between 2002 and 2004 ($ in millions)

Symbol	Company Name	Stock-Based Compensation Tax Benefit 2004	Stock-Based Compensation Tax Benefit 2003	Stock-Based Compensation Tax Benefit 2002	Reported CFO 2004	Reported CFO 2003	Reported CFO 2002	Stock-Based Compensation Tax Benefit 2002-2004	CFO 2002-2004	Tax Benefit as % of CFO 2002-2004
MSFT	Microsoft Corp.	1,100.0	1,365.0	1,596.0	14,626.0	15,797.0	14,509.0	4,061.0	44,932.0	9%
LEH	Lehman Bros.	468.0	543.0	347.0	(10,910.0)	2,547.0	24,459.0	1,358.0	16,096.0	8%
MWD	Morgan Stanley	331.0	333.0	282.0	(24,506.0)	2,356.0	(5,013.0)	946.0	(27,163.0)	N/M
INTC	Intel Corp.	344.0	216.0	270.0	13,119.0	11,515.0	9,129.0	830.0	33,763.0	2%
CSCO	Cisco Systems	537.0	132.0	61.0	7,121.0	5,240.0	6,587.0	730.0	18,948.0	4%
AMGN	Amgen	203.0	269.0	252.0	3,697.0	3,567.0	2,249.0	724.0	9,513.0	8%
DELL	Dell Inc.	249.0	181.0	260.0	5,310.0	3,670.0	3,538.0	690.0	12,518.0	6%
PEP	PepsiCo Inc.	183.0	340.0	136.0	5,054.0	4,328.0	4,627.0	659.0	14,009.0	5%
IBM	International Bus. Machines	277.0	202.0	136.0	15,323.0	14,407.0	13,066.0	615.0	42,796.0	1%
YHOO	Yahoo Inc.	409.0	124.9	60.4	1,089.8	428.1	302.4	594.2	1,820.4	33%
QCOM	QUALCOMM Inc.	285.0	267.0	11.0	2,481.0	1,824.0	1,263.0	563.0	5,568.0	10%
BSC	Bear Stearns Cos.	163.9	247.5	128.1	1,784.234	2,537.775	3,009.237	539.5	7,331.2	7%
PFE	Pfizer, Inc.	261.0	238.0	N/A	16,340.0	11,713.0	9,864.0	499.0	37,917.0	1%
EBAY	eBay Inc.	262.0	130.6	91.2	1,285.3	874.1	479.9	483.9	2,639.3	18%
MXIM	Maxim Integrated Prod	152.5	113.5	140.0	695.5	581.8	403.8	406.0	1,681.0	24%
TWX	Time Warner Inc.	244.0	23.0	102.0	6,618.0	6,601.0	6,757.0	369.0	19,976.0	2%
BSX	Boston Scientific	185.0	154.0	28.0	1,804.0	787.0	736.0	367.0	3,327.0	11%
AMAT	Applied Materials	100.6	124.2	75.3	1,627.3	801.8	492.1	300.1	2,921.2	10%
KRB	MBNA Corp.	59.0	77.9	149.9	4,633.4	3,863.0	4,782.0	286.8	13,278.4	2%
ORCL	Oracle Corp.	110.0	110.0	44.0	3,177.0	3,023.0	3,135.0	264.0	9,335.0	3%
TYC	Tyco International	158.0	37.0	54.0	5,384.0	5,309.0	5,423.0	249.0	16,116.0	2%
CD	Cendant Corporation	116.0	106.0	25.0	5,417.0	6,928.0	953.0	247.0	13,298.0	2%
HD	Home Depot	24.0	68.0	138.0	6,545.0	4,802.0	5,963.0	230.0	17,310.0	1%
CAH	Cardinal Health, Inc.	66.4	65.5	73.6	2,624.7	1,398.0	983.9	205.5	5,006.6	4%
CFC	Countrywide Financial Corp.	93.1	88.0	22.0	3,299.8	(1,571.0)	(3,672.1)	203.1	(1,943.3)	N/M
CMX	Caremark Rx	117.7	22.3	62.8	1,592.6	513.5	358.0	202.9	2,464.1	8%
SLM	SLM Corporation	58.6	57.6	83.4	(317.2)	674.4	762.6	199.6	1,119.9	18%
GDT	Guidant Corp.	139.5	42.8	5.0	1,135.6	406.8	1,044.2	187.3	2,586.6	7%
DOW	Dow Chemical	100.0	52.0	31.0	2,730.0	3,843.0	2,108.0	183.0	8,681.0	2%
STJ	St Jude Medical	114.0	42.5	25.2	604.3	474.3	417.2	181.7	1,495.8	12%
XLNX	Xilinx, Inc	109.2	17.1	52.4	432.5	345.0	280.9	178.7	1,058.4	17%
YUM	Yum! Brands, Inc	102.0	26.0	49.0	1,131.0	1,053.0	1,088.0	177.0	3,272.0	5%
TXN	Texas Instruments	58.0	64.0	49.0	3,146.0	2,151.0	1,992.0	171.0	7,289.0	2%
MCD	McDonald's Corp.	87.3	20.5	61.3	3,903.6	3,268.8	2,890.1	169.1	10,062.5	2%
ERTS	Electronic Arts	68.6	74.6	22.5	669.3	714.5	288.1	165.8	1,671.8	10%
COH	Coach, Inc.	106.5	41.5	13.8	448.6	221.6	107.9	161.8	778.1	21%
BUD	Anheuser-Busch	41.6	41.3	77.1	2,940.3	2,970.9	2,765.2	160.0	8,676.4	2%
BBY	Best Buy Co., Inc.	41.0	33.0	86.0	1,414.0	746.0	1,543.0	160.0	3,703.0	4%
ADBE	Adobe Systems	97.8	37.4	21.8	683.7	433.1	329.3	157.1	1,446.2	11%
GILD	Gilead Sciences	22.0	132.4	0.4	511.4	234.6	74.4	154.7	820.4	19%
SYMC	Symantec Corp.	66.7	39.6	46.2	902.6	599.2	511.2	152.5	2,013.0	8%
DGX	Quest Diagnostics	71.3	30.5	44.5	798.8	662.8	596.4	146.3	2,057.9	7%
MDT	Medtronic Inc.	55.4	48.6	41.9	2,845.8	2,078.2	1,590.2	145.9	6,514.2	2%
SBUX	Starbucks Corp.	63.4	36.6	44.2	820.2	587.1	496.5	144.2	1,903.9	8%
KLAC	KLA-Tencor Corp.	56.8	22.4	59.7	349.7	246.3	284.0	139.0	880.0	16%
TRB	Tribune Co.	32.8	52.7	52.4	1,073.2	1,158.7	896.8	138.0	3,128.6	4%
PIXR	Pixar	56.7	39.4	38.6	271.4	124.8	(5.1)	134.6	391.0	34%
AAPL	Apple Computer	99.0	7.0	28.0	934.0	289.0	89.0	134.0	1,312.0	10%
WAG	Walgreen Co.	50.3	24.4	56.8	1,652.7	1,491.5	1,473.8	131.5	4,618.0	3%
FRX	Forest Laboratories	50.3	52.9	28.2	628.1	728.4	426.5	131.4	1,783.0	7%
GIS	General Mills	63.0	21.0	46.0	1,461.0	1,631.0	916.0	130.0	4,008.0	3%
KSS	Kohl's Corp.	40.7	42.0	45.8	947.7	754.5	669.6	128.6	2,371.7	5%
INTU	Intuit, Inc.	27.1	47.8	53.2	574.6	570.2	351.6	128.1	1,496.4	9%
BBBY	Bed Bath & Beyond	64.8	31.2	32.0	947.7	754.5	669.6	128.0	2,371.7	5%
IACI	IAC/InterActiveCorp	12.4	107.9	7.6	1,273.2	1,304.7	778.5	127.8	3,356.4	4%
CDWC	CDW Corporation	19.6	36.5	69.5	184.2	125.4	231.4	125.6	541.0	23%
KR	Kroger Co.	21.0	50.0	52.0	2,215.0	3,183.0	2,347.0	123.0	7,745.0	2%
SPLS	Staples Inc.	69.3	30.6	21.7	1,179.2	1,019.7	914.4	121.6	3,113.3	4%
HRB	Block H&R	24.0	37.3	57.8	926.8	690.8	741.4	119.1	2,359.1	5%
TGT	Target Corp.	28.0	26.0	63.0	3,160.0	1,590.0	2,012.0	117.0	6,762.0	2%
MCO	Moody's Corp	55.9	33.3	27.5	519.7	468.4	334.8	116.7	1,322.9	9%
APOL	Apollo Group	39.6	46.4	30.0	513.4	343.0	260.5	116.0	1,116.9	10%
GENZ	Genzyme Corp.	50.0	57.5	8.4	577.5	387.9	222.8	115.9	1,188.2	10%
SNPS	Synopsys, Inc.	30.5	65.0	19.5	264.0	391.5	(181.0)	115.0	474.5	24%
LUV	Southwest Airlines	35.0	41.0	38.0	1,157.0	1,336.0	520.0	114.0	3,013.0	4%
LXK	Lexmark Int'l Inc	43.6	37.2	31.3	775.4	747.6	815.6	112.1	2,338.6	5%
LLTC	Linear Technology Corp.	35.7	37.3	38.1	457.8	284.2	257.1	111.2	999.2	11%
SUNW	Sun Microsystems	4.0	9.0	98.0	2,226.0	1,037.0	880.0	111.0	4,143.0	3%
AMZN	Amazon.com, Inc.	107.3	2.2	0.0	566.6	392.0	174.3	109.5	1,132.9	10%
GPS	Gap (The)	7.0	44.0	58.0	2,171.0	1,238.0	1,335.0	109.0	4,744.0	2%
PGR	Progressive Corp.	44.3	44.0	19.3	2,662.5	2,436.9	1,912.0	107.6	7,011.4	2%
NVDA	NVIDIA Corp.	8.5	9.2	88.9	49.7	265.0	160.8	106.6	475.5	22%
AZO	AutoZone Inc.	24.3	37.4	42.2	638.4	698.3	739.1	103.9	2,075.7	5%
BLS	BellSouth	39.0	22.0	40.0	6,801.0	7,883.0	7,712.0	101.0	22,396.0	0%
PBG	Pepsi Bottling Group	51.0	8.0	42.0	1,251.0	1,084.0	1,014.0	101.0	3,349.0	3%

Source: Company reports; Factset Research; Bear Stearns & Co., Inc. estimates.

Exhibit 7. S&P 500 and NASDAQ 100 Companies with Tax Benefits from Stock-Based Compensation Representing 5% or Greater of 2002-2004 Cash Flow from Operations ($ in millions)

Symbol	Company Name	Stock-Based Compensation Tax Benefit 2004	Stock-Based Compensation Tax Benefit 2003	Stock-Based Compensation Tax Benefit 2002	Reported CFO 2004	Reported CFO 2003	Reported CFO 2002	Stock-Based Compensation Tax Benefit 2002-2004	CFO 2002-2004	Tax Benefit as % of CFO 2002-2004
MWD	Morgan Stanley	331.0	333.0	282.0	(24,506.0)	2,356.0	(5,013.0)	946.0	(27,163.0)	N/M
CFC	Countrywide Financial Corp.	93.1	88.0	22.0	3,299.8	(1,571.0)	(3,672.1)	203.1	(1,943.3)	N/M
PHM	Pulte Homes, Inc.	35.7	28.7	20.7	(698.3)	(331.3)	158.8	85.1	(870.8)	N/M
JDSU	JDS Uniphase Corp	-	-	23.0	(135.2)	(220.0)	85.7	23.0	(269.5)	N/M
FLR	Fluor Corp. (New)	14.0	3.7	2.5	(81.5)	(300.5)	206.9	20.1	(175.2)	N/M
GTW	Gateway Inc.	0.7	0.1	0.1	(434.2)	72.7	(24.7)	0.9	(386.2)	N/M
PIXR	Pixar	56.7	39.4	38.6	271.4	124.8	(5.1)	134.6	391.0	34%
YHOO	Yahoo Inc.	409.0	124.9	60.4	1,089.8	428.1	302.4	594.2	1,820.4	33%
CTSH	Cognizant Technology Solutions Corporation	36.8	22.3	12.1	127.3	79.9	56.7	71.2	263.9	27%
SNPS	Synopsys, Inc.	30.5	65.0	19.5	264.0	391.5	(181.0)	115.0	474.5	24%
MXIM	Maxim Integrated Prod	152.5	113.5	140.0	695.5	581.8	403.8	406.0	1,681.0	24%
CDWC	CDW Corporation	19.6	36.5	69.5	184.2	125.4	231.4	125.6	541.0	23%
NVDA	NVIDIA Corp.	8.5	9.2	88.9	49.7	265.0	160.8	106.6	475.5	22%
COH	Coach, Inc.	106.5	41.5	13.8	448.6	221.6	107.9	161.8	778.1	21%
GILD	Gilead Sciences	22.0	132.4	0.4	511.4	234.6	74.4	154.7	820.4	19%
EBAY	eBay Inc.	262.0	130.6	91.2	1,285.3	874.1	479.9	483.9	2,639.3	18%
SLM	SLM Corporation	58.6	57.6	83.4	(317.2)	674.4	762.6	199.6	1,119.9	18%
BRCM	Broadcom Corporation	81.8	-	-	501.8	30.6	(69.2)	81.8	463.3	18%
XLNX	Xilinx, Inc	109.2	17.1	52.4	432.5	345.0	280.9	178.7	1,058.4	17%
KLAC	KLA-Tencor Corp.	56.8	22.4	59.7	349.7	246.3	284.0	139.0	880.0	16%
CECO	Career Education Corporation	43.1	41.9	14.3	376.2	233.3	106.2	99.3	715.7	14%
JNPR	Juniper Networks, Inc.	66.0	10.8	-	439.4	178.6	2.4	76.8	620.4	12%
STJ	St Jude Medical	114.0	42.5	25.2	604.3	474.3	417.2	181.7	1,495.8	12%
NTAP	Network Appliance	49.5	18.5	5.0	310.9	195.3	143.9	72.9	650.0	11%
MNST	Monster Worldwide	7.3	1.7	1.6	92.5	17.2	(14.6)	10.6	95.1	11%
LLTC	Linear Technology Corp.	35.7	37.3	38.1	457.8	284.2	257.1	111.2	999.2	11%
BSX	Boston Scientific	185.0	154.0	28.0	1,804.0	787.0	736.0	367.0	3,327.0	11%
ADBE	Adobe Systems	97.8	37.4	21.8	683.7	433.1	329.3	157.1	1,446.2	11%
SNDK	SanDisk Corporation	17.9	45.1	-	223.9	270.4	105.7	63.0	600.0	10%
APOL	Apollo Group	39.6	46.4	30.0	513.4	343.0	260.5	116.0	1,116.9	10%
AMAT	Applied Materials	100.6	124.2	75.3	1,627.3	801.8	492.1	300.1	2,921.2	10%
AAPL	Apple Computer	99.0	7.0	28.0	934.0	289.0	89.0	134.0	1,312.0	10%
WFMI	Whole Foods Market, Inc.	35.6	25.9	23.9	330.3	281.0	231.3	85.4	842.6	10%
QCOM	QUALCOMM Inc.	285.0	267.0	11.0	2,481.0	1,824.0	1,263.0	563.0	5,568.0	10%
ERTS	Electronic Arts	68.6	74.6	22.5	669.3	714.5	288.1	165.8	1,671.8	10%
GENZ	Genzyme Corp.	50.0	57.5	8.4	577.5	387.9	222.8	115.9	1,188.2	10%
AMZN	Amazon.com, Inc.	107.3	2.2	0.0	566.6	392.0	174.3	109.5	1,132.9	10%
MCHP	Microchip Technology Incorporated	37.6	18.0	18.8	343.1	260.2	178.8	74.3	782.1	10%
MSFT	Microsoft Corp.	1,100.0	1,365.0	1,596.0	14,626.0	15,797.0	14,509.0	4,061.0	44,932.0	9%
WAT	Waters Corporation	32.0	17.6	7.0	259.4	157.0	219.6	56.6	636.1	9%
MCO	Moody's Corp	55.9	33.3	27.5	519.7	468.4	334.8	116.7	1,322.9	9%
INTU	Intuit, Inc.	27.1	47.8	53.2	574.6	570.2	351.6	128.1	1,496.4	9%
LEH	Lehman Bros.	468.0	543.0	347.0	(10,910.0)	2,547.0	24,459.0	1,358.0	16,096.0	8%
CMX	Caremark Rx	117.7	22.3	62.8	1,592.6	513.5	358.0	202.9	2,464.1	8%
CTXS	Citrix Systems	20.9	10.3	25.7	265.3	255.4	187.1	56.9	707.8	8%
RHI	Robert Half International	23.2	1.3	11.1	161.8	123.9	165.6	35.7	451.3	8%
AMGN	Amgen	203.0	269.0	252.0	3,697.0	3,567.0	2,249.0	724.0	9,513.0	8%
SYMC	Symantec Corp.	66.7	39.6	46.2	902.6	599.2	511.2	152.5	2,013.0	8%
SBUX	Starbucks Corp.	63.4	36.6	44.2	820.2	587.1	496.5	144.2	1,903.9	8%
FRX	Forest Laboratories	50.3	52.9	28.2	628.1	728.4	426.5	131.4	1,783.0	7%
BSC	Bear Stearns Cos.	163.9	247.5	128.1	1,784.234	2,537.775	3,009.237	539.5	7,331.2	7%
GDT	Guidant Corp.	139.5	42.8	5.0	1,135.6	406.8	1,044.2	187.3	2,586.6	7%
DGX	Quest Diagnostics	71.3	30.5	44.5	798.8	662.8	596.4	146.3	2,057.9	7%
EXPD	Expeditors International of Washington, Inc.	19.5	3.9	6.0	192.7	114.3	116.5	29.3	423.5	7%
CHIR	Chiron Corp.	14.9	33.1	8.7	170.7	413.9	268.2	56.6	852.8	7%
FSH	Fisher Scientific	36.0	5.6	8.9	392.8	218.0	159.3	50.5	770.1	7%
MDP	Meredith Corp.	11.0	13.7	6.5	171.0	172.4	136.8	31.2	480.2	7%
TMO	Thermo Electron	16.0	12.0	6.7	250.0	200.3	114.5	34.7	564.9	6%
FAST	Fastenal Company	4.2	2.0	3.4	57.4	90.6	17.8	9.6	165.9	6%
FII	Federated Investors Inc.	39.5	3.5	0.1	297.0	248.8	215.8	43.0	761.7	6%
SYK	Stryker Corp.	39.8	35.7	22.5	593.3	648.5	503.9	98.0	1,745.7	6%
DELL	Dell Inc.	249.0	181.0	260.0	5,310.0	3,670.0	3,538.0	690.0	12,518.0	6%
IVGN	Invitrogen Corporation	17.0	11.7	1.2	252.7	168.1	123.6	29.9	544.3	5%
KSS	Kohl's Corp.	40.7	42.0	45.8	947.7	754.5	669.6	128.6	2,371.7	5%
YUM	Yum! Brands, Inc	102.0	26.0	49.0	1,131.0	1,053.0	1,088.0	177.0	3,272.0	5%
BBBY	Bed Bath & Beyond	64.8	31.2	32.0	947.7	754.5	669.6	128.0	2,371.7	5%
ALTR	Altera Corp.	27.1	8.4	11.5	314.0	327.5	247.7	47.0	889.1	5%
QLGC	QLogic Corp.	10.6	6.0	7.5	157.2	155.3	149.2	24.2	461.7	5%
HRB	Block H&R	24.0	37.3	57.8	926.8	690.8	741.4	119.1	2,359.1	5%
AZO	AutoZone Inc.	24.3	37.4	42.2	638.4	698.3	739.1	103.9	2,075.7	5%
PETM	PETsMART, Inc.	17.7	14.1	0.2	246.4	222.8	190.0	32.0	659.2	5%
TIF	Tiffany & Co.	19.5	11.0	5.3	283.8	221.4	241.5	35.9	746.8	5%
LXK	Lexmark Int'l Inc	43.6	37.2	31.3	775.4	747.6	815.6	112.1	2,338.6	5%
ROST	Ross Stores, Inc.	15.1	16.6	12.1	315.3	349.0	255.0	43.7	919.3	5%
IGT	International Game Technology	15.0	28.3	33.7	623.6	408.6	589.1	77.1	1,621.3	5%
UST	UST Inc.	17.1	8.5	5.4	562.5	(704.9)	802.1	31.1	659.7	5%
PEP	PepsiCo Inc.	183.0	340.0	136.0	5,054.0	4,328.0	4,627.0	659.0	14,009.0	5%
MEDI	MedImmune Inc.	5.2	16.1	14.7	144.7	357.5	263.5	36.0	765.7	5%
RBK	Reebok International	11.5	9.4	4.0	175.7	135.4	224.1	24.9	535.2	5%
MERQ	Mercury Interactive	18.0	6.4	-	212.8	180.5	132.2	24.3	525.5	5%
ACS	Affiliated Computer	26.3	16.1	22.0	476.2	545.3	372.0	64.3	1,393.5	5%
ROK	Rockwell Automation, Inc.	40.2	20.9	6.0	596.9	419.9	461.9	67.1	1,478.7	5%
S	Sears, Roebuck & Co.	45.0	25.0	24.0	54.0	2,524.0	(505.0)	94.0	2,073.0	5%

Source: Company reports; Factset Research; Bear Stearns & Co., Inc. estimates.

APPENDIX A: *Pro Forma Income From Continuing Operations of the S&P 500 By Sector and Industry Group ($ in Millions)*

		2004					2003					2002				
Sector (# of Companies)	Industry Group Name (# of Companies)	Reported Net Income/ (Net Loss) from Cont. Oper.	Stock-based Compensation Included in Reported NI from Cont. Oper.	Total Stock-based Compensation	Pro Forma Net Income/ (Net Loss) from Cont. Oper.	Change in Net Income/ (Net Loss) from Cont. Oper.	Reported Net Income/ (Net Loss) from Cont. Oper.	Stock-based Compensation Included in Reported NI from Cont. Oper.	Total Stock-based Compensation	Pro Forma Net Income/ (Net Loss) from Cont. Oper.	Change in Net Income/ (Net Loss) from Cont. Oper.	Reported Net Income/ (Net Loss) from Cont. Oper.	Stock-based Compensation Included in Reported NI from Cont. Oper.	Total Stock-based Compensation	Pro Forma Net Income/ (Net Loss) from Cont. Oper.	Change in Net Income/ (Net Loss) from Cont. Oper.
Consumer Discretionary (87)	Auto Components (6)	(281)	45	(101)	(337)	N/M	(1,185)	18	(96)	(1,263)	N/M	(346)	1	(121)	(466)	N/M
	Automobiles (3)	7,329	115	(143)	7,301	0%	4,525	254	(320)	4,459	-1%	2,910	44	(378)	2,576	-11%
	Distributors (1)	396	2	(4)	393	-1%	354	0	(6)	348	-2%	368	-	(3)	364	-1%
	Hotels Restaurants & Leisure (11)	7,695	62	(526)	7,230	-6%	5,430	40	(531)	4,940	-9%	4,679	23	(541)	4,160	-11%
	Household Durables (11)	4,466	74	(180)	4,360	-2%	3,500	50	(164)	3,386	-3%	3,084	26	(164)	2,946	-4%
	Internet & Catalog Retail (1)	778	2	(191)	589	-24%	447	5	(202)	251	-44%	250	6	(193)	63	-75%
	Leisure Equipment & Products (4)	1,841	6	(74)	1,774	-4%	1,086	3	(59)	1,030	-5%	1,427	3	(151)	1,279	-10%
	Media (16)	(3,695)	166	(1,720)	(5,248)	N/M	11,531	129	(1,735)	9,925	-14%	(34,496)	161	(2,198)	(36,533)	N/M
	Multiline Retail (11)	5,301	21	(329)	4,993	-6%	7,921	5	(255)	7,672	-3%	5,573	8	(257)	5,323	-4%
	Specialty Retail (17)	13,045	125	(791)	12,379	-5%	10,500	105	(816)	9,790	-7%	8,348	56	(772)	7,632	-9%
	Textiles, Apparel & Luxury Goods (6)	2,490	25	(147)	2,368	-5%	2,050	15	(128)	1,937	-6%	1,814	13	(128)	1,699	-6%
	Sector Total	39,364	642	(4,205)	35,801	-9%	46,160	624	(4,311)	42,473	-8%	(6,392)	341	(4,907)	(10,958)	N/M
Consumer Staples (36)	Beverages (7)	12,769	540	(774)	12,534	-2%	11,509	611	(851)	11,269	-2%	10,221	585	(787)	10,020	-2%
	Food & Staples Retailing (9)	14,641	154	(457)	14,338	-2%	13,514	113	(467)	13,159	-3%	11,173	108	(459)	10,821	-3%
	Food Products (10)	7,233	92	(318)	7,006	-3%	6,475	82	(317)	6,240	-4%	5,644	80	(366)	5,358	-5%
	Household Products (4)	10,125	-	(425)	9,700	-4%	8,765	-	(519)	8,246	-6%	7,625	-	(578)	7,047	-8%
	Personal Products (3)	2,690	67	(143)	2,614	-3%	2,212	5	(142)	2,075	-6%	1,890	5	(154)	1,742	-8%
	Tobacco (3)	10,585	24	(37)	10,572	0%	5,754	10	(32)	5,732	0%	11,171	-	(149)	11,022	-1%
	Sector Total	58,042	876	(2,155)	56,763	-2%	48,227	821	(2,327)	46,722	-3%	47,724	778	(2,493)	46,009	-4%
Energy (28)	Energy Equipment & Services (8)	2,915	51	(189)	2,777	-5%	1,476	32	(245)	1,264	-14%	(1,422)	44	(341)	(1,720)	N/M
	Oil & Gas (20)	63,536	551	(775)	63,312	0%	42,456	352	(614)	42,194	-1%	14,254	253	(859)	13,648	-4%
	Sector Total	66,452	602	(964)	66,089	-1%	43,932	384	(859)	43,457	-1%	12,832	296	(1,200)	11,928	-7%
Financials (82)	Capital Markets (15)	22,907	2,406	(3,051)	22,262	-3%	19,039	1,983	(2,930)	18,093	-5%	12,880	2,359	(3,650)	11,589	-10%
	Commercial Banks (21)	46,298	648	(1,178)	45,768	-1%	38,450	506	(1,168)	37,788	-2%	34,460	356	(1,338)	33,478	-3%
	Consumer Finance (5)	10,095	281	(687)	9,689	-4%	8,089	172	(766)	7,495	-7%	6,280	110	(824)	5,565	-11%
	Diversified Financial Services (5)	23,393	997	(1,366)	23,024	-2%	26,150	688	(1,294)	25,543	-2%	15,988	366	(1,701)	14,652	-8%
	Insurance (22)	34,734	291	(687)	34,338	-1%	26,283	238	(817)	25,704	-2%	17,679	94	(792)	16,981	-4%
	Real Estate (7)	1,308	37	(58)	1,287	-2%	1,539	27	(53)	1,513	-2%	1,895	37	(75)	1,857	-2%
	Thrifts & Mortgage Finance (7)	12,404	95	(172)	12,326	-1%	12,497	76	(172)	12,401	-1%	7,732	46	(177)	7,601	-2%
	Sector Total	151,140	4,754	(7,200)	148,694	-2%	132,047	3,689	(7,199)	128,537	-3%	96,913	3,368	(8,558)	91,723	-5%
Health Care (55)	Biotechnology (7)	3,775	24	(789)	3,011	-20%	1,511	9	(702)	818	-46%	(874)	7	(657)	(1,524)	N/M
	Health Care Equipment & Supplies (17)	7,875	85	(774)	7,186	-9%	6,183	11	(711)	5,483	-11%	5,164	19	(689)	4,494	-13%
	Health Care Providers & Services (18)	11,709	184	(1,296)	10,597	-9%	9,285	234	(1,051)	8,468	-9%	7,747	191	(938)	7,000	-10%
	Pharmaceuticals (13)	34,854	193	(2,629)	32,418	-7%	26,679	139	(2,786)	24,033	-10%	37,296	117	(2,735)	34,678	-7%
	Sector Total	58,213	486	(5,487)	53,212	-9%	43,659	393	(5,250)	38,803	-11%	49,333	334	(5,020)	44,647	-9%
Industrials (57)	Aerospace & Defense (10)	10,729	550	(901)	10,378	-3%	8,292	387	(787)	7,893	-5%	7,699	358	(767)	7,289	-5%
	Air Freight & Logistics (3)	4,387	574	(634)	4,327	-1%	3,864	457	(547)	3,773	-2%	4,092	392	(504)	3,979	-3%
	Airlines (2)	(4,885)	-	(112)	(4,997)	N/M	(331)	-	(90)	(421)	N/M	(1,031)	-	(100)	(1,131)	N/M
	Building Products (2)	1,243	48	(77)	1,214	-2%	1,195	41	(73)	1,163	-3%	1,010	21	(60)	971	-4%
	Commercial Services & Supplies (12)	5,541	149	(343)	5,346	-4%	4,456	32	(301)	4,188	-6%	3,859	22	(619)	3,261	-15%
	Construction & Engineering (1)	187	-	(9)	178	-5%	179	-	(9)	171	-5%	170	-	(8)	162	-5%
	Electrical Equipment (5)	2,111	60	(103)	2,068	-2%	1,727	26	(90)	1,664	-4%	1,419	18	(103)	1,333	-6%
	Industrial Conglomerates (4)	22,961	123	(648)	22,436	-2%	19,319	106	(785)	18,640	-4%	14,630	38	(929)	13,739	-6%
	Machinery (13)	9,852	83	(465)	9,471	-4%	5,780	53	(310)	5,523	-4%	3,852	12	(291)	3,573	-7%
	Road & Rail (4)	2,736	73	(151)	2,658	-3%	2,381	60	(155)	2,286	-4%	2,895	59	(158)	2,796	-3%
	Trading Companies & Distributors (1)	287	7	(21)	273	-5%	227	3	(18)	213	-6%	235	4	(19)	221	-6%
	Sector Total	55,149	1,667	(3,464)	53,352	-3%	47,090	1,166	(3,163)	45,093	-4%	38,829	923	(3,558)	36,193	-7%
Information Technology (80)	Communications Equipment (13)	8,337	74	(2,821)	5,590	-33%	2,799	144	(3,183)	(239)	N/M	(24,675)	258	(6,086)	(30,503)	N/M
	Computers & Peripherals (11)	(388)	16	(834)	(1,206)	N/M	(3,429)	23	(578)	(3,984)	N/M	(587)	33	(680)	(1,234)	N/M
	Electronic Equipment & Instruments (7)	625	25	(458)	192	-69%	(4,781)	19	(1,196)	(5,958)	N/M	(6,690)	(32)	(561)	(7,283)	N/M
	Internet Software & Services (1)	840	19	(236)	623	-26%	238	13	(184)	67	-72%	107	5	(389)	(277)	N/M
	IT Services (11)	5,480	60	(683)	4,857	-11%	4,393	66	(761)	3,699	-16%	5,355	78	(811)	4,622	-14%
	Office Electronics (1)	776	-	(69)	707	-9%	360	-	(85)	275	-24%	154	-	(83)	71	-54%
	Semiconductor & Semiconductor Equipment (20)	15,269	157	(4,996)	10,430	-32%	5,050	802	(5,603)	248	-95%	(7,250)	646	(5,800)	(12,403)	N/M
	Software (16)	13,363	3,880	(5,335)	11,908	-11%	11,097	2,532	(4,612)	9,016	-19%	6,601	2,596	(5,534)	3,664	-44%
	Sector Total	44,302	4,231	(15,431)	33,102	-25%	15,727	3,599	(16,202)	3,124	-80%	(26,983)	3,584	(19,943)	(43,342)	N/M
Materials (32)	Chemicals (14)	8,520	250	(449)	8,321	-2%	5,154	79	(396)	4,837	-6%	3,619	30	(483)	3,166	-13%
	Construction Materials (1)	261	4	(9)	257	-2%	238	3	(7)	233	-2%	233	1	(5)	228	-2%
	Containers & Packaging (5)	1,071	30	(45)	1,056	-1%	909	32	(54)	887	-2%	298	21	(43)	276	-7%
	Metals & Mining (7)	5,359	58	(135)	5,283	-1%	1,124	69	(142)	1,051	-6%	678	6	(159)	525	-23%
	Paper & Forest Products (5)	2,462	11	(93)	2,379	-3%	1,213	5	(90)	1,128	-7%	292	2	(103)	191	-35%
	Sector Total	17,673	354	(730)	17,297	-2%	8,638	188	(690)	8,136	-6%	5,120	60	(794)	4,387	-14%
Telecommunication Services (10)	Diversified Telecommunication Services (9)	7,795	350	(666)	7,479	-4%	14,492	256	(763)	13,985	-3%	(550)	285	(1,424)	(1,689)	N/M
	Wireless Telecommunication Services (1)	3,000	11	(205)	2,806	-6%	1,511	35	(360)	1,186	-22%	1,360	8	(350)	1,018	-25%
	Sector Total	10,795	361	(871)	10,285	-5%	16,003	291	(1,123)	15,171	-5%	810	293	(1,774)	(671)	-183%
Utilities (33)	Electric Utilities (20)	15,390	222	(347)	15,264	-1%	11,429	122	(274)	11,277	-1%	12,331	91	(267)	12,154	-1%
	Gas Utilities (4)	1,202	14	(25)	1,191	-1%	1,066	12	(26)	1,052	-1%	993	5	(21)	977	-2%
	Multi-Utilities & Unregulated Power (9)	4,940	90	(158)	4,872	-1%	921	63	(199)	784	-15%	(886)	34	(430)	(1,282)	N/M
	Sector Total	21,531	326	(531)	21,326	-1%	13,415	197	(499)	13,113	-2%	12,439	130	(719)	11,850	-5%
S&P 500 Total		**522,660**	**14,300**	**(41,038)**	**495,922**	**-5%**	**414,899**	**11,351**	**(41,622)**	**384,627**	**-7%**	**230,625**	**10,107**	**(48,966)**	**191,767**	**-17%**

APPENDIX A - Summary

APPENDIX A: Pro Forma Income From Continuing Operations of the S&P 500 By Sector and Industry Group ($ in Millions)

			2004							2003						
Company Name	Ticker	Fiscal Yearend	Reported Net Income/ (Net Loss) from Cont. Oper.	Stock-based Compensation Included in Reported NI from Cont. Oper.	Total Stock-based Compensation	Pro Forma Net Income/ (Net Loss) from Cont. Oper.	Reported EPS from Cont. Oper.	Pro Forma EPS from Cont. Oper.	(Decrease in Net Income) / Increase in Net Loss from Cont. Oper.	Reported Net Income/ (Net Loss) from Cont. Oper.	Stock-based Compensation Included in Reported NI from Cont. Oper.	Total Stock-based Compensation	Pro Forma Net Income/ (Net Loss) from Cont. Oper.	Reported EPS from Cont. Oper.	Pro Forma EPS from Cont. Oper.	(Decrease in Net Income) / Increase in Net Loss from Cont. Oper.
Consumer Discretionary																
Auto Components (6)																
Cooper Tire & Rubber	CTB	12/31/2004	27.4	-	(1.3)	26.1	0.37	0.35	-5%	27.3	-	(1.7)	25.7	0.37	0.35	-5%
Dana Corp.	DCN	12/31/2004	95.0	3.0	(16.0)	82.0	0.63	0.54	-14%	175.0	2.0	(16.0)	161.0	1.17	1.08	-8%
Delphi Corporation (1)	DPH	12/31/2003	163.2	-	(15.0)	148.2	0.29	0.26	-9%	(56.0)	-	(17.0)	(73.0)	(0.10)	(0.13)	N/M
Goodyear Tire & Rubber	GT	12/31/2004	114.8	6.4	(20.2)	101.0	0.63	0.56	-11%	(807.4)	1.3	(28.0)	(834.1)	(4.61)	(4.76)	N/M
Johnson Controls	JCI	9/30/2004	817.5	17.6	(21.9)	813.2	4.24	4.22	0%	682.9	5.5	(15.0)	673.4	3.60	3.55	-1%
Visteon Corp.	VC	12/31/2004	(1,499.0)	18.0	(27.0)	(1,508.0)	(11.96)	(12.04)	N/M	(1,207.0)	9.0	(18.0)	(1,216.0)	(9.59)	(9.67)	N/M
Total			**(281.0)**	**45.0**	**(101.4)**	**(337.5)**			**N/M**	**(1,185.2)**	**17.8**	**(95.7)**	**(1,263.0)**			**N/M**
Automobiles (3)																
Ford Motor	F	12/31/2004	3,634.0	77.0	(77.0)	3,634.0	1.80	1.80	0%	902.0	112.0	(112.0)	902.0	0.49	0.49	0%
General Motors	GM	12/31/2004	2,805.0	38.0	(52.0)	2,791.0	4.95	4.92	-1%	2,862.0	142.0	(195.0)	2,809.0	5.03	4.93	-2%
Harley-Davidson	HDI	12/31/2004	889.8	-	(13.9)	875.8	3.00	2.96	-1%	760.9	-	(13.4)	747.5	2.50	2.46	-2%
Total			**7,328.8**	**115.0**	**(142.9)**	**7,300.8**			**0%**	**4,524.9**	**254.0**	**(320.4)**	**4,458.5**			**-1%**
Distributors (1)																
Genuine Parts	GPC	12/31/2004	395.6	1.6	(3.8)	393.4	2.25	2.24	0%	353.6	0.0	(5.7)	348.0	2.03	2.00	-1%
Total			**395.6**	**1.6**	**(3.8)**	**393.4**			**-1%**	**353.6**	**0.0**	**(5.7)**	**348.0**			**-2%**
Hotels Restaurants & Leisure (11)																
Carnival Corp. (2)	CCL	11/30/2004	1,854.0	11.0	(66.0)	1,799.0	2.24	2.18	-3%	1,194.0	7.0	(36.0)	1,165.0	1.63	1.60	-2%
Darden Restaurants	DRI	5/30/2004	227.2	3.2	(18.0)	212.4	1.34	1.25	-7%	226.0	2.6	(19.8)	208.8	1.27	1.18	-7%
Harrah's Entertainment	HET	12/31/2004	329.5	-	(29.9)	299.6	2.92	2.65	-9%	261.1	-	(23.5)	237.5	2.36	2.15	-9%
Hilton Hotels	HLT	12/31/2004	238.0	6.0	(18.0)	226.0	0.60	0.57	-5%	164.0	4.0	(21.0)	147.0	0.43	0.39	-9%
International Game Technology	IGT	9/30/2004	429.8	1.3	(27.7)	403.3	1.18	1.11	-6%	375.3	2.7	(21.3)	356.7	1.07	1.02	-5%
Marriott Int'l.	MAR	12/31/2004	594.0	31.0	(58.0)	567.0	2.47	2.34	-5%	476.0	19.0	(48.0)	447.0	1.94	1.83	-6%
McDonald's Corp.	MCD	12/31/2004	2,278.5	6.8	(156.3)	2,129.0	1.79	1.68	-6%	1,508.2	4.4	(224.1)	1,288.5	1.18	1.01	-14%
Starbucks Corp.	SBUX	10/3/2004	390.6	-	(45.1)	345.5	0.95	0.84	-12%	266.8	-	(37.4)	229.4	0.66	0.57	-14%
Starwood Hotels & Resorts	HOT	12/31/2004	369.0	-	(55.0)	314.0	1.72	1.47	-15%	105.0	-	(49.0)	56.0	0.51	0.27	-47%
Wendy's International (1)	WEN	1/2/2005	244.1	2.5	(18.3)	228.4	2.12	1.99	-6%	236.0	0.4	(14.8)	221.6	2.05	1.95	-5%
Yum! Brands, Inc	YUM	12/25/2004	740.0	-	(34.0)	706.0	2.42	2.31	-5%	618.0	-	(36.0)	582.0	2.02	1.91	-5%
Total			**7,694.7**	**61.7**	**(526.3)**	**7,230.1**			**-6%**	**5,430.4**	**40.2**	**(531.0)**	**4,939.5**			**-9%**
Household Durables (11)																
Black & Decker Corp.	BDK	12/31/2004	441.1	11.9	(22.3)	430.7	5.40	5.30	-2%	287.2	2.6	(19.3)	270.5	3.68	3.48	-5%
Centex Corp.	CTX	3/31/2004	777.1	19.7	(31.6)	765.3	6.01	5.90	-2%	526.8	4.2	(24.5)	506.5	4.18	4.02	-4%
Fortune Brands, Inc.	FO	12/31/2004	783.8	12.3	(39.1)	757.0	5.23	5.06	-3%	579.2	11.9	(30.1)	561.0	3.86	3.74	-3%
KB Home	KBH	11/30/2004	480.9	-	(14.1)	466.8	11.40	11.32	-1%	370.8	-	(13.5)	357.3	8.80	8.69	-1%
Leggett & Platt	LEG	12/31/2004	285.4	9.6	(11.0)	284.0	1.45	1.44	-1%	205.9	7.5	(9.2)	204.2	1.05	1.04	-1%
Maytag Corp.	MYG	1/1/2005	(9.3)	-	(2.9)	(12.2)	(0.12)	(0.16)	N/M	114.4	-	(4.6)	109.7	1.45	1.39	-4%
Newell Rubbermaid Co.	NWL	12/31/2004	(19.1)	-	(14.2)	(33.3)	(0.07)	(0.12)	N/M	213.2	-	(19.0)	194.2	0.78	0.71	-9%
Pulte Homes, Inc.	PHM	12/31/2004	998.0	9.9	(15.2)	992.7	7.67	7.63	-1%	619.2	9.0	(11.5)	616.8	4.93	4.91	0%
Snap-On Inc.	SNA	2/1/2005	81.7	1.5	(5.7)	77.5	1.40	1.33	-5%	78.7	1.5	(5.6)	74.6	1.35	1.28	-5%
Stanley Works	SWK	1/1/2005	240.2	-	(6.7)	233.5	2.85	2.77	-3%	90.9	-	(1.9)	89.0	1.07	1.05	-2%
Whirlpool Corp.	WHR	12/31/2004	406.0	9.0	(17.0)	398.0	5.90	5.78	-2%	414.0	13.0	(25.0)	402.0	5.91	5.74	-3%
Total			**4,465.8**	**73.9**	**(179.9)**	**4,359.9**			**-2%**	**3,500.3**	**49.7**	**(164.2)**	**3,385.8**			**-3%**
Internet & Catalog Retail (1)																
eBay Inc.	EBAY	12/31/2004	778.2	1.7	(190.9)	589.0	0.57	0.43	-25%	447.2	5.5	(201.8)	250.9	0.34	0.19	-44%
Total			**778.2**	**1.7**	**(190.9)**	**589.0**			**-24%**	**447.2**	**5.5**	**(201.8)**	**250.9**			**-44%**
Leisure Equipment & Products (4)																
Brunswick Corp.	BC	12/31/2004	269.8	6.2	(11.2)	264.8	2.77	2.72	-2%	135.2	2.8	(8.2)	129.8	1.47	1.41	-4%
Eastman Kodak (1)	EK	12/31/2004	802.9	-	(16.0)	786.9	2.63	2.58	-2%	238.0	-	(16.0)	222.0	0.83	0.78	-6%
Hasbro Inc.	HAS	12/26/2004	196.0	0.1	(13.8)	182.2	0.96	0.89	-7%	175.0	0.1	(12.9)	162.2	0.94	0.87	-7%
Mattel, Inc.	MAT	12/31/2004	572.7	-	(32.9)	539.8	1.35	1.27	-6%	537.6	-	(22.0)	515.6	1.22	1.17	-4%
Total			**1,841.4**	**6.3**	**(73.9)**	**1,773.8**			**-4%**	**1,085.8**	**2.9**	**(59.1)**	**1,029.6**			**-5%**
Media (16)																
Clear Channel Communications	CCU	12/31/2004	845.8	-	(76.6)	769.2	1.41	1.29	-9%	1,145.6	-	(43.8)	1,101.8	1.85	1.78	-4%
Comcast Corp. (3)	CMCSA	12/31/2004	970.0	27.0	(206.0)	791.0	0.43	0.35	-19%	(218.0)	10.0	(160.0)	(368.0)	(0.10)	(0.16)	N/M
Dow Jones & Co.	DJ	12/31/2004	99.5	5.3	(27.4)	77.5	1.21	0.94	-22%	170.6	4.5	(20.2)	154.8	2.08	1.89	-9%
Gannett Co.	GCI	12/26/2004	1,317.2	-	(119.2)	1,198.0	4.92	4.47	-9%	1,211.2	-	(60.3)	1,150.9	4.46	4.24	-5%
Interpublic Group (1)	IPG	12/31/2003	(460.5)	25.3	(56.2)	(491.4)	(1.19)	(1.27)	N/M	(552.9)	22.7	(57.4)	(587.6)	(1.43)	(1.52)	N/M
Knight-Ridder Inc.	KRI	12/26/2004	326.2	-	(14.9)	311.3	4.19	4.00	-5%	296.1	-	(14.6)	281.4	3.63	3.46	-5%
McGraw-Hill	MHP	12/31/2004	756.4	28.9	(62.3)	723.0	3.92	3.75	-4%	687.8	9.2	(52.3)	644.7	3.58	3.35	-6%
Meredith Corp.	MDP	6/30/2004	110.7	0.7	(7.5)	104.0	2.14	2.00	-7%	88.1	0.5	(6.9)	81.7	1.73	1.60	-8%
New York Times Cl. A (4)	NYT	12/26/2004	292.6	-	(62.1)	230.5	1.96	1.54	-21%	302.7	-	(51.7)	251.0	1.98	1.65	-17%
News Corporation (5)	NWS.A	6/30/2004	N/A	N/A	N/A	N/A	0.65	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Omnicom Group (6)	OMC	12/31/2004	723.5	76.2	(76.2)	723.5	3.88	3.88	0%	631.0	81.1	(81.1)	631.0	3.37	3.37	0%
Time Warner Inc.	TWX	12/31/2004	3,209.0	-	(298.0)	2,911.0	0.68	0.61	-10%	3,146.0	-	(548.0)	2,598.0	0.68	0.56	-18%
Tribune Co.	TRB	12/26/2004	573.3	-	(70.9)	502.4	1.72	1.51	-12%	891.4	-	(75.8)	815.6	2.61	2.38	-9%
Univision Communications	UVN	12/31/2004	255.9	3.0	(40.3)	218.6	0.72	0.62	-14%	155.4	1.1	(33.6)	123.0	0.55	0.43	-22%

APPENDIX A: Pro Forma Income From Continuing Operations of the S&P 500 By Sector and Industry Group ($ in Millions)

Company Name	Ticker	Fiscal Yearend	2004 Reported Net Income/ (Net Loss) from Cont. Oper.	2004 Stock-based Compensation Included in Reported NI from Cont. Oper.	2004 Total Stock-based Compensation	2004 Pro Forma Net Income/ (Net Loss) from Cont. Oper.	2004 Reported EPS from Cont. Oper.	2004 Pro Forma EPS from Cont. Oper.	2004 (Decrease in Net Income) / Increase in Net Loss from Cont. Oper.	2003 Reported Net Income/ (Net Loss) from Cont. Oper.	2003 Stock-based Compensation Included in Reported NI from Cont. Oper.	2003 Total Stock-based Compensation	2003 Pro Forma Net Income/ (Net Loss) from Cont. Oper.	2003 Reported EPS from Cont. Oper.	2003 Pro Forma EPS from Cont. Oper.	2003 (Decrease in Net Income) / Increase in Net Loss from Cont. Oper.
Viacom Inc. (7)	VIA.B	12/31/2004	(15,059.5)	-	(347.3)	(15,406.8)	(8.78)	(8.99)	N/M	2,237.8	-	(234.7)	2,003.1	1.27	1.14	-10%
Walt Disney Co.	DIS	9/30/2004	2,345.0	-	(255.0)	2,090.0	1.12	1.00	-11%	1,338.0	-	(294.0)	1,044.0	0.65	0.51	-22%
Total			**(3,694.8)**	**166.3**	**(1,719.8)**	**(5,248.3)**			**N/M**	**11,530.7**	**129.1**	**(1,734.5)**	**9,925.3**			**-14%**
Multiline Retail (11)																
Big Lots, Inc.	BLI	1/29/2005	90.9	-	(6.3)	84.6	0.78	0.73	-6%	76.6	-	(5.1)	71.5	0.66	0.61	-8%
Dillard Inc.	DDS	1/31/2004	9.3	-	(2.7)	6.6	0.11	0.08	-29%	131.9	-	(9.3)	122.7	1.55	1.44	-7%
Dollar General	DG	1/30/2004	301.0	-	(7.9)	293.1	0.89	0.87	-2%	264.9	-	(15.2)	249.7	0.79	0.75	-5%
Family Dollar Stores	FDO	8/28/2004	262.7	-	(8.1)	254.6	1.53	1.48	-3%	247.5	-	(6.0)	241.5	1.43	1.39	-3%
Federated Dept. Stores	FD	1/31/2004	693.0	-	(46.0)	647.0	3.71	3.48	-6%	638.0	-	(42.0)	596.0	3.21	3.00	-7%
Kohl's Corp.	KSS	1/29/2005	730.4	-	(27.0)	703.4	2.12	2.04	-4%	580.9	-	(34.4)	546.5	1.69	1.59	-6%
May Dept. Stores	MAY	10/28/2004	434.0	2.0	(22.0)	414.0	1.41	1.34	-5%	542.0	-	(23.0)	519.0	1.76	1.69	-4%
Nordstrom	JWN	1/29/2005	242.8	9.9	(23.7)	229.0	1.76	1.67	-5%	103.6	2.2	(21.9)	83.9	0.76	0.62	-18%
Penney (J.C.)	JCP	1/31/2004	364.0	5.0	(26.0)	343.0	1.21	1.14	-6%	285.0	3.0	(23.0)	265.0	0.95	0.89	-6%
Sears, Roebuck & Co.	S	1/1/2005	332.0	-	(123.0)	209.0	1.53	0.96	-37%	3,397.0	-	(44.0)	3,353.0	11.86	11.71	-1%
Target Corp.	TGT	1/31/2004	1,841.0	4.0	(36.0)	1,809.0	2.01	1.98	-2%	1,654.0	-	(31.0)	1,623.0	1.81	1.78	-2%
Total			**5,301.1**	**20.9**	**(328.7)**	**4,993.3**			**-6%**	**7,921.4**	**5.2**	**(254.9)**	**7,671.8**			**-3%**
Specialty Retail (17)																
AutoNation, Inc.	AN	12/31/2004	396.4	-	(11.8)	384.6	1.45	1.41	-3%	515.2	-	(17.4)	497.8	1.80	1.74	-3%
AutoZone Inc.	AZO	8/28/2004	566.2	-	(16.5)	549.7	6.56	6.36	-3%	517.6	-	(14.5)	503.1	5.34	5.20	-3%
Bed Bath & Beyond	BBBY	2/28/2004	399.5	-	(29.4)	370.1	1.31	1.23	-6%	302.2	-	(25.4)	276.7	1.00	0.92	-8%
Best Buy Co., Inc.	BBY	2/28/2004	800.0	5.0	(101.0)	704.0	2.44	2.17	-11%	622.0	1.0	(85.0)	538.0	1.91	1.66	-13%
Circuit City Group	CC	2/29/2004	(0.8)	N/A	N/A	(0.8)	-	-	0%	(5.3)	N/A	N/A	(5.3)	(0.03)	(0.03)	N/M
Gap (The)	GPS	1/29/2005	1,030.0	1.0	(53.0)	978.0	1.09	1.03	-6%	477.0	4.0	(42.0)	439.0	0.54	0.50	-7%
Home Depot	HD	2/1/2004	4,304.0	35.0	(283.0)	4,056.0	1.88	1.77	-6%	3,664.0	-	(250.0)	3,414.0	1.56	1.46	-6%
Limited Brands, Inc.	LTD	1/31/2004	717.0	12.0	(38.0)	691.0	1.36	1.32	-3%	496.0	58.0	(50.0)	504.0	0.95	0.98	3%
Lowe's Cos.	LOW	1/30/2004	1,862.0	-	(0.1)	1,861.9	2.32	2.32	0%	1,459.0	-	(85.0)	1,374.0	1.83	1.71	-7%
Office Depot	ODP	12/25/2004	335.5	-	(19.5)	316.0	1.06	1.00	-6%	299.2	-	(22.4)	276.8	0.95	0.88	-7%
OfficeMax Inc.	OMX	12/31/2004	234.1	15.7	(15.7)	234.1	2.44	2.44	0%	35.4	4.2	(9.3)	30.3	0.37	0.29	-22%
RadioShack Corp	RSH	12/31/2004	337.2	12.8	(34.7)	315.3	2.08	1.94	-7%	298.5	14.2	(51.1)	261.6	1.77	1.55	-12%
Sherwin-Williams	SHW	12/31/2004	393.3	7.8	(14.6)	386.5	2.72	2.67	-2%	332.1	3.7	(12.1)	323.6	2.26	2.20	-3%
Staples Inc.	SPLS	1/29/2005	708.4	29.5	(71.0)	666.9	1.40	1.32	-6%	490.2	17.7	(57.7)	450.2	0.99	0.91	-8%
Tiffany & Co.	TIF	1/31/2004	215.5	-	(13.2)	202.3	1.45	1.36	-6%	189.9	-	(12.8)	177.1	1.28	1.19	-7%
TJX Companies Inc.	TJX	1/29/2005	658.4	6.3	(55.2)	609.4	1.28	1.19	-7%	578.4	2.0	(41.7)	538.7	1.08	1.00	-7%
Toys R Us, Inc.	TOY	1/31/2004	88.0	-	(34.0)	54.0	0.41	0.25	-39%	229.0	-	(39.0)	190.0	1.09	0.91	-17%
Total			**13,044.6**	**125.0**	**(790.7)**	**12,379.0**			**-5%**	**10,500.3**	**104.8**	**(815.5)**	**9,789.6**			**-7%**
Textiles, Apparel & Luxury Goods (6)																
Coach, Inc.	COH	7/3/2004	261.7	-	(23.8)	237.9	1.36	1.23	-10%	146.6	-	(15.9)	130.7	0.79	0.70	-11%
Jones Apparel Group	JNY	12/31/2004	301.8	10.3	(16.9)	295.2	2.39	2.34	-2%	328.6	7.5	(19.5)	316.6	2.48	2.39	-4%
Liz Claiborne, Inc.	LIZ	1/1/2005	313.6	7.7	(29.3)	292.0	2.85	2.67	-6%	279.7	6.4	(26.4)	259.7	2.55	2.39	-6%
NIKE Inc.	NKE	5/31/2004	945.6	-	(48.7)	896.9	3.51	3.35	-5%	740.1	-	(42.2)	697.9	2.77	2.62	-5%
Reebok International	RBK	12/31/2004	192.4	-	(9.5)	182.9	3.05	2.94	-4%	157.3	-	(10.4)	146.8	2.43	2.32	-5%
V.F. Corp.	VFC	1/1/2005	474.7	6.8	(18.8)	462.7	4.21	4.10	-3%	397.9	1.0	(13.6)	385.3	3.61	3.49	-3%
Total			**2,489.8**	**24.8**	**(146.9)**	**2,367.7**			**-5%**	**2,050.2**	**14.9**	**(128.1)**	**1,937.0**			**-6%**
Consumer Discretionary (87)																
Total			**39,364.2**	**642.3**	**(4,205.4)**	**35,801.2**			**-9%**	**46,159.8**	**624.2**	**(4,310.9)**	**42,473.0**			**-8%**
Consumer Staples																
Beverages (7)																
Anheuser-Busch	BUD	12/31/2004	2,240.3	-	(121.6)	2,118.7	2.77	2.62	-5%	2,075.9	-	(113.4)	1,962.5	2.48	2.34	-6%
Brown-Forman Corp.	BF.B	4/30/2004	258.0	-	(4.0)	254.0	2.11	2.08	-1%	245.0	-	(4.0)	241.0	1.82	1.79	-2%
Coca Cola Co.	KO	12/31/2004	4,847.0	254.0	(254.0)	4,847.0	2.00	2.00	0%	4,347.0	308.0	(308.0)	4,347.0	1.77	1.77	0%
Coca-Cola Enterprises	CCE	12/31/2004	596.0	15.0	(71.0)	540.0	1.26	1.14	-10%	676.0	8.0	(69.0)	615.0	1.46	1.33	-9%
Coors (Adolph) (8)	RKY	12/26/2004	196.7	5.6	(21.8)	180.5	5.19	4.76	-8%	174.7	0.3	(21.1)	153.9	4.77	4.20	-12%
Pepsi Bottling Group	PBG	12/25/2004	457.0	-	(37.0)	420.0	1.73	1.59	-8%	422.0	2.0	(42.0)	382.0	1.52	1.37	-10%
PepsiCo Inc.	PEP	12/25/2004	4,174.0	265.0	(265.0)	4,174.0	2.41	2.41	0%	3,568.0	293.0	(293.0)	3,568.0	2.05	2.05	0%
Total			**12,769.0**	**539.5**	**(774.4)**	**12,534.2**			**-2%**	**11,508.6**	**611.3**	**(850.5)**	**11,269.4**			**-2%**
Food & Staples Retailing (9)																
Albertson's	ABS	2/3/2005	556.0	16.0	(45.0)	527.0	1.51	1.43	-5%	865.0	12.0	(44.0)	833.0	2.17	2.09	-4%
Costco Co.	COST	8/29/2004	882.4	23.0	(58.4)	847.0	1.85	1.78	-4%	721.0	7.5	(70.3)	658.3	1.53	1.40	-8%
CVS Corp.	CVS	1/1/2005	918.8	1.5	(40.2)	880.1	2.20	2.11	-4%	847.3	2.2	(52.4)	797.1	2.06	1.95	-5%
Kroger Co.	KR	1/31/2004	315.0	8.0	(48.0)	275.0	0.42	0.36	-14%	1,221.0	6.0	(47.0)	1,180.0	1.54	1.49	-3%
Safeway Inc.	SWY	1/1/2005	560.2	2.8	(47.6)	515.4	1.25	1.15	-8%	(169.8)	0.1	(51.2)	(220.9)	(0.38)	(0.50)	N/M
Supervalu Inc.	SVU	2/28/2004	280.1	-	(10.3)	269.9	2.07	1.99	-4%	257.0	-	(9.5)	247.5	1.91	1.84	-4%
Sysco Corp.	SYY	7/3/2004	907.2	-	(61.5)	845.7	1.37	1.28	-7%	778.3	-	(51.9)	726.4	1.18	1.10	-7%
Walgreen Co.	WAG	8/31/2004	1,360.2	0.4	(44.1)	1,316.5	1.32	1.28	-3%	1,175.7	0.7	(57.0)	1,119.4	1.14	1.09	-4%
Wal-Mart Stores	WMT	1/31/2004	8,861.0	102.0	(102.0)	8,861.0	2.03	2.03	0%	7,818.0	84.0	(84.0)	7,818.0	1.76	1.76	0%
Total			**14,640.9**	**153.7**	**(457.0)**	**14,337.6**			**-2%**	**13,513.5**	**112.5**	**(467.2)**	**13,158.8**			**-3%**

APPENDIX A: *Pro Forma Income From Continuing Operations of the S&P 500 By Sector and Industry Group ($ in Millions)*

			2004							2003						
Company Name	Ticker	Fiscal Yearend	Reported Net Income/ (Net Loss) from Cont. Oper.	Stock-based Compensation Included in Reported NI from Cont. Oper.	Total Stock-based Compensation	Pro Forma Net Income/ (Net Loss) from Cont. Oper.	Reported EPS from Cont. Oper.	Pro Forma EPS from Cont. Oper.	(Decrease in Net Income) / Increase in Net Loss from Cont. Oper.	Reported Net Income/ (Net Loss) from Cont. Oper.	Stock-based Compensation Included in Reported NI from Cont. Oper.	Total Stock-based Compensation	Pro Forma Net Income/ (Net Loss) from Cont. Oper.	Reported EPS from Cont. Oper.	Pro Forma EPS from Cont. Oper.	(Decrease in Net Income) / Increase in Net Loss from Cont. Oper.
Food Products (10)																
Archer-Daniels-Midland	ADM	6/30/2004	494.7	4.6	(8.7)	490.5	0.76	0.75	-1%	451.1	2.7	(8.1)	445.7	0.70	0.69	-1%
Campbell Soup	CPB	8/1/2004	647.0	11.0	(40.0)	618.0	1.57	1.50	-4%	626.0	13.0	(37.0)	602.0	1.52	1.46	-4%
ConAgra Foods, Inc.	CAG	5/30/2004	796.0	13.5	(31.8)	777.7	1.50	1.47	-2%	807.0	11.3	(31.5)	786.8	1.52	1.49	-2%
General Mills	GIS	5/30/2004	1,055.0	17.0	(67.0)	1,005.0	2.75	2.62	-5%	917.0	13.0	(68.0)	862.0	2.43	2.29	-6%
Heinz (H.J.)	HNZ	4/28/2004	778.9	-	(25.0)	753.9	2.20	2.13	-3%	555.4	-	(26.1)	529.3	1.57	1.49	-5%
Hershey Foods	HSY	12/31/2004	590.9	-	(13.0)	577.9	2.30	2.25	-2%	465.0	-	(15.6)	449.3	1.76	1.70	-3%
Kellogg Co.	K	1/1/2005	890.6	11.4	(41.8)	860.2	2.14	2.07	-3%	787.1	12.5	(42.1)	757.5	1.92	1.85	-4%
McCormick & Co.	MKC	11/30/2004	214.5	0.3	(15.5)	199.3	1.52	1.41	-7%	199.2	1.2	(12.7)	187.7	1.40	1.32	-6%
Sara Lee Corp.	SLE	7/3/2004	1,272.0	20.0	(48.0)	1,244.0	1.59	1.56	-2%	1,221.0	16.0	(49.0)	1,188.0	1.50	1.46	-3%
Wrigley (Wm) Jr.	WWY	12/31/2004	493.0	13.8	(27.4)	479.4	2.19	2.13	-3%	445.9	11.9	(26.5)	431.4	1.98	1.91	-4%
Total			**7,232.6**	**91.6**	**(318.2)**	**7,005.9**			**-3%**	**6,474.7**	**81.6**	**(316.6)**	**6,239.7**			**-4%**
Household Products (4)																
Clorox Co.	CLX	6/30/2004	546.0	-	(19.0)	527.0	2.55	2.46	-4%	514.0	-	(21.0)	493.0	2.33	2.24	-4%
Colgate-Palmolive	CL	12/31/2004	1,327.1	-	(42.3)	1,284.8	2.33	2.26	-3%	1,421.3	-	(44.2)	1,377.1	2.46	2.38	-3%
Kimberly-Clark	KMB	12/31/2004	1,770.4	-	(38.6)	1,731.8	3.55	3.47	-2%	1,643.6	-	(55.6)	1,588.0	3.23	3.12	-3%
Procter & Gamble	PG	6/30/2004	6,481.0	-	(325.0)	6,156.0	2.32	2.20	-5%	5,186.0	-	(398.0)	4,788.0	1.85	1.70	-8%
Total			**10,124.5**	**-**	**(424.9)**	**9,699.6**			**-4%**	**8,764.9**	**-**	**(518.8)**	**8,246.1**			**-6%**
Personal Products (3)																
Alberto-Culver (9)	ACV	9/30/2004	141.8	56.5	(11.0)	187.4	1.54	2.04	32%	162.2	0.9	(9.6)	153.5	1.80	1.71	-5%
Avon Products	AVP	12/31/2004	856.9	5.7	(32.0)	830.6	1.77	1.72	-3%	674.6	4.3	(33.0)	645.9	1.39	1.33	-4%
Gillette Co.	G	12/31/2004	1,691.0	5.0	(100.0)	1,596.0	1.68	1.58	-6%	1,375.0	-	(99.0)	1,276.0	1.34	1.25	-7%
Total			**2,689.7**	**67.2**	**(143.0)**	**2,614.0**			**-3%**	**2,211.8**	**5.2**	**(141.6)**	**2,075.4**			**-6%**
Tobacco (3)																
Altria Group, Inc.	MO	12/31/2004	9,420.0	-	(12.0)	9,408.0	4.57	4.57	0%	9,121.0	-	(19.0)	9,102.0	4.48	4.47	0%
Reynolds American Inc.	RAI	12/31/2004	627.0	22.0	(20.0)	629.0	5.62	5.64	0%	(3,689.0)	10.0	(9.0)	(3,688.0)	(44.08)	(44.07)	N/M
UST Inc.	UST	12/31/2004	538.1	2.1	(5.3)	534.9	3.23	3.22	0%	322.0	0.1	(3.8)	318.3	1.92	1.90	-1%
Total			**10,585.1**	**24.1**	**(37.3)**	**10,571.9**			**0%**	**5,754.0**	**10.1**	**(31.8)**	**5,732.3**			**0%**
Consumer Staples (36)																
Total			**58,041.8**	**876.2**	**(2,154.7)**	**56,763.3**			**-2%**	**48,227.4**	**820.8**	**(2,326.6)**	**46,721.6**			**-3%**
Energy																
Energy Equipment & Services (8)																
Baker Hughes	BHI	12/31/2004	528.2	1.6	(23.1)	506.7	1.57	1.50	-4%	177.9	1.9	(23.1)	156.7	0.53	0.47	-11%
BJ Services	BJS	9/30/2004	361.0	3.8	(17.7)	347.1	2.21	2.12	-4%	188.2	1.1	(16.5)	172.8	1.17	1.07	-9%
Halliburton Co.	HAL	12/31/2004	385.0	14.0	(42.0)	357.0	0.87	0.81	-7%	339.0	13.0	(43.0)	309.0	0.78	0.71	-9%
Nabors Industries Ltd.	NBR	12/31/2004	302.5	-	(22.5)	279.9	1.92	1.78	-7%	192.2	-	(13.6)	178.7	1.25	1.16	-7%
Noble Corporation	NE	12/31/2004	146.1	3.7	(12.9)	136.9	1.09	1.02	-6%	166.4	3.0	(20.1)	149.3	1.25	1.12	-10%
Rowan Cos.	RDC	12/31/2004	26.4	4.0	(7.2)	23.2	0.25	0.22	-12%	(3.9)	4.6	(8.8)	(8.1)	(0.04)	(0.09)	N/M
Schlumberger Ltd.	SLB	12/31/2004	1,014.1	6.0	(39.0)	981.1	1.70	1.65	-3%	398.2	4.0	(99.0)	303.2	0.68	0.52	-24%
Transocean Inc.	RIG	12/31/2004	152.2	18.2	(25.0)	145.4	0.47	0.45	-4%	18.4	4.6	(20.7)	2.3	0.06	0.01	-83%
Total			**2,915.4**	**51.3**	**(189.4)**	**2,777.3**			**-5%**	**1,476.4**	**32.2**	**(244.7)**	**1,263.9**			**-14%**
Oil & Gas (20)																
Amerada Hess	AHC	12/31/2004	970.0	11.0	(18.0)	963.0	9.50	9.43	-1%	467.0	7.0	(8.0)	466.0	5.17	5.17	0%
Anadarko Petroleum	APC	12/31/2004	1,606.0	14.0	(18.0)	1,602.0	6.36	6.34	0%	1,245.0	12.0	(30.0)	1,227.0	4.91	4.84	-1%
Apache Corp.	APA	12/31/2004	1,670.1	56.0	(56.0)	1,670.1	5.04	5.04	0%	1,095.3	2.6	(15.3)	1,082.6	3.35	3.31	-1%
Ashland Inc.	ASH	9/30/2004	398.0	4.0	(4.0)	398.0	5.59	5.59	0%	94.0	5.0	(5.0)	94.0	1.37	1.37	0%
Burlington Resources	BR	12/31/2004	1,527.0	-	(10.0)	1,517.0	3.86	3.84	-1%	1,260.0	-	(10.0)	1,250.0	3.15	3.13	-1%
ChevronTexaco Corp.	CVX	12/31/2004	13,034.0	10.0	(52.0)	12,992.0	6.14	6.12	0%	7,382.0	1.0	(26.0)	7,357.0	3.55	3.54	0%
ConocoPhillips	COP	12/31/2004	8,107.0	93.0	(106.0)	8,094.0	11.57	11.55	0%	4,593.0	50.0	(78.0)	4,565.0	6.70	6.66	-1%
Devon Energy Corp.	DVN	12/31/2004	2,186.0	7.0	(31.0)	2,162.0	4.38	4.33	-1%	1,731.0	2.0	(23.0)	1,710.0	4.00	3.95	-1%
El Paso Corp. (1)	EP	12/31/2003	(878.0)	15.0	(37.0)	(900.0)	(1.37)	(1.41)	N/M	(1,928.0)	38.0	(88.0)	(1,978.0)	(3.23)	(3.31)	N/M
EOG Resources	EOG	12/31/2004	624.9	-	(11.9)	613.0	5.15	5.05	-2%	437.3	-	(13.9)	423.4	3.66	3.54	-3%
Exxon Mobil Corp.	XOM	12/31/2004	25,330.0	144.0	(146.0)	25,328.0	3.89	3.89	0%	20,960.0	86.0	(93.0)	20,953.0	3.15	3.15	0%
Kerr-McGee	KMG	12/31/2004	415.0	11.0	(24.0)	402.0	3.19	3.09	-3%	264.0	7.0	(23.0)	248.0	2.58	2.44	-5%
Kinder Morgan	KMI	12/31/2004	528.5	3.2	(15.8)	515.9	4.23	4.13	-2%	381.7	2.1	(16.5)	367.3	3.08	2.97	-4%
Marathon Oil Corp.	MRO	12/31/2004	1,257.0	39.0	(32.0)	1,264.0	3.72	3.74	1%	1,012.0	23.0	(17.0)	1,018.0	3.26	3.28	1%
Occidental Petroleum	OXY	12/31/2004	2,606.0	47.0	(61.0)	2,592.0	6.50	6.47	0%	1,601.0	38.0	(56.0)	1,583.0	4.12	4.07	-1%
Sunoco., Inc.	SUN	12/31/2004	605.0	20.2	(20.2)	605.0	8.08	8.08	0%	312.0	8.0	(8.0)	312.0	4.03	4.03	0%
Unocal Corp.	UCL	12/31/2004	1,145.0	11.0	(14.0)	1,142.0	4.25	4.24	0%	698.0	17.0	(22.0)	693.0	2.66	2.64	-1%
Valero Energy	VLO	12/31/2004	1,803.8	-	(16.1)	1,787.7	6.53	6.47	-1%	621.5	-	(16.4)	605.1	2.55	2.48	-3%
Williams Cos.	WMB	12/31/2004	93.2	8.9	(25.1)	77.0	0.18	0.15	-17%	(57.5)	18.7	(31.6)	(70.4)	(0.17)	(0.19)	N/M
XTO Energy Inc.	XTO	12/31/2004	507.9	56.4	(76.9)	487.4	1.51	1.45	-4%	286.5	34.5	(33.5)	287.5	0.94	0.94	0%
Total			**63,536.3**	**550.6**	**(774.9)**	**63,312.0**			**0%**	**42,455.7**	**352.0**	**(614.2)**	**42,193.5**			**-1%**
Energy (28)																
Total			**66,451.7**	**601.9**	**(964.3)**	**66,089.3**			**-1%**	**43,932.1**	**384.2**	**(858.9)**	**43,457.4**			**-1%**

APPENDIX A: Pro Forma Income From Continuing Operations of the S&P 500 By Sector and Industry Group ($ in Millions)

Company Name	Ticker	Fiscal Yearend	2004 Reported Net Income/ (Net Loss) from Cont. Oper.	2004 Stock-based Compensation Included in Reported NI from Cont. Oper.	2004 Total Stock-based Compensation	2004 Pro Forma Net Income/ (Net Loss) from Cont. Oper.	2004 Reported EPS from Cont. Oper.	2004 Pro Forma EPS from Cont. Oper.	2004 (Decrease in Net Income) / Increase in Net Loss from Cont. Oper.	2003 Reported Net Income/ (Net Loss) from Cont. Oper.	2003 Stock-based Compensation Included in Reported NI from Cont. Oper.	2003 Total Stock-based Compensation	2003 Pro Forma Net Income/ (Net Loss) from Cont. Oper.	2003 Reported EPS from Cont. Oper.	2003 Pro Forma EPS from Cont. Oper.	2003 (Decrease in Net Income) / Increase in Net Loss from Cont. Oper.
Financials																
Capital Markets (15)																
Bank of New York	BK	12/31/2004	1,440.0	23.0	(57.0)	1,406.0	1.85	1.81	-2%	1,157.0	16.0	(81.0)	1,092.0	1.52	1.45	-5%
Bear Stearns Cos.	BSC	11/30/2004	1,344.7	335.4	(367.6)	1,312.5	9.76	9.54	-2%	1,156.4	306.4	(359.5)	1,103.3	8.52	8.16	-4%
Charles Schwab	SCH	12/31/2004	414.0	39.0	(127.0)	326.0	0.30	0.24	-20%	476.0	23.0	(124.0)	375.0	0.35	0.27	-23%
E*Trade Financial Corp.	ET	12/31/2004	350.9	3.1	(22.6)	331.4	0.92	0.87	-5%	204.7	2.0	(17.6)	189.2	0.55	0.51	-7%
Federated Investors Inc.	FII	12/31/2004	179.1	0.5	(2.9)	176.7	1.62	1.60	-1%	188.1	0.2	(5.6)	182.7	1.68	1.63	-3%
Franklin Resources	BEN	9/30/2004	701.9	-	(47.2)	654.6	2.78	2.60	-6%	502.8	-	(65.3)	437.5	1.97	1.72	-13%
Goldman Sachs Group	GS	11/26/2004	4,553.0	790.0	(947.0)	4,396.0	8.92	8.61	-3%	3,005.0	458.0	(782.0)	2,681.0	5.87	5.24	-11%
Janus Capital Group	JNS	12/31/2004	169.5	13.7	(13.7)	169.5	0.73	0.73	0%	948.6	7.5	(7.5)	948.6	4.14	4.14	0%
Lehman Bros.	LEH	11/30/2004	2,369.0	464.0	(623.0)	2,210.0	7.90	7.42	-6%	1,699.0	362.0	(534.0)	1,527.0	6.35	5.77	-9%
Mellon Bank Corp.	MEL	12/31/2004	800.0	32.0	(55.0)	777.0	1.89	1.83	-3%	683.0	18.0	(52.0)	649.0	1.59	1.51	-5%
Merrill Lynch (10)	MER	12/31/2004	4,436.0	574.0	(574.0)	4,436.0	4.38	4.38	0%	3,836.0	638.0	(638.0)	3,836.0	3.87	3.87	0%
Morgan Stanley	MWD	11/30/2004	4,509.0	106.0	(106.0)	4,509.0	4.08	4.08	0%	3,810.0	117.0	(117.0)	3,810.0	3.47	3.47	0%
Northern Trust Corp.	NTRS	12/31/2004	504.8	10.3	(37.6)	477.5	2.26	2.13	-6%	423.3	12.7	(59.3)	376.7	1.89	1.68	-11%
State Street Corp.	STT	12/31/2004	798.0	15.0	(42.0)	771.0	2.35	2.27	-3%	722.0	22.0	(61.0)	683.0	2.15	2.04	-5%
T. Rowe Price Group	TROW	12/31/2004	337.3	-	(28.5)	308.8	2.51	2.31	-8%	227.5	-	(25.8)	201.7	1.77	1.59	-10%
Total			**22,907.2**	**2,405.9**	**(3,051.0)**	**22,262.0**			**-3%**	**19,039.4**	**1,982.8**	**(2,929.5)**	**18,092.7**			**-5%**
Commercial Banks (21)																
AmSouth Bancorporation	ASO	12/31/2004	623.5	2.5	(33.1)	593.0	1.74	1.66	-5%	626.1	1.9	(27.0)	601.0	1.77	1.70	-4%
Bank of America Corp.	BAC	12/31/2004	14,143.0	161.0	(198.0)	14,106.0	3.69	3.69	0%	10,810.0	78.0	(225.0)	10,663.0	3.57	3.52	-1%
BB&T Corporation	BBT	12/31/2004	1,558.4	0.5	(19.2)	1,539.7	2.80	2.77	-1%	1,064.9	0.6	(29.0)	1,036.5	2.07	2.02	-2%
Comerica Inc.	CMA	12/31/2004	757.0	22.0	(27.0)	752.0	4.36	4.32	-1%	661.0	18.0	(26.0)	653.0	3.75	3.70	-1%
Compass Bancshares	CBSS	12/31/2004	369.8	-	(9.4)	360.4	2.95	2.87	-3%	341.9	-	(10.8)	331.1	2.69	2.60	-3%
Fifth Third Bancorp	FITB	12/31/2004	1,525.0	87.0	(87.0)	1,525.0	2.68	2.68	0%	1,652.0	110.0	(110.0)	1,652.0	2.81	2.81	0%
First Horizon National	FHN	12/31/2004	454.4	3.4	(12.1)	445.7	3.54	3.47	-2%	473.3	6.4	(27.1)	452.6	3.62	3.46	-4%
Huntington Bancshares	HBAN	12/31/2004	398.9	-	(14.4)	384.5	1.71	1.64	-4%	385.7	-	(10.9)	374.8	1.67	1.62	-3%
KeyCorp	KEY	12/31/2004	954.0	26.0	(32.0)	948.0	2.30	2.28	-1%	903.0	15.0	(26.0)	892.0	2.12	2.10	-1%
M&T Bank Corp. (11)	MTB	12/31/2004	722.5	31.2	(31.2)	722.5	6.00	6.00	0%	573.9	28.0	(28.0)	573.9	4.95	4.95	0%
Marshall & Ilsley Corp.	MI	12/31/2004	627.1	9.5	(31.0)	605.5	2.77	2.66	-4%	544.1	7.1	(29.5)	521.8	2.38	2.29	-4%
National City Corp. (12)	NCC	12/31/2004	2,779.9	17.3	(27.2)	2,770.1	4.31	4.29	0%	2,117.1	8.5	(41.3)	2,084.4	3.43	3.38	-2%
North Fork Bancorporation	NFB	12/31/2004	553.0	9.5	(12.7)	549.8	1.85	1.84	-1%	396.4	6.8	(9.3)	393.9	1.73	1.72	-1%
PNC Bank Corp.	PNC	12/31/2004	1,197.0	33.0	(50.0)	1,180.0	4.21	4.15	-1%	1,029.0	21.0	(54.0)	996.0	3.65	3.53	-3%
Regions Financial Corp. (New)	RF	12/31/2004	823.8	8.4	(19.2)	813.0	2.19	2.16	-1%	651.8	6.7	(16.0)	642.6	2.35	2.31	-2%
SunTrust Banks	STI	12/31/2004	1,572.9	11.0	(15.8)	1,568.0	5.19	5.17	0%	1,332.3	5.3	(14.5)	1,323.1	4.73	4.70	-1%
Synovus Financial	SNV	12/31/2004	437.0	-	(13.3)	423.7	1.41	1.36	-4%	388.9	-	(13.9)	375.1	1.28	1.23	-4%
U.S. Bancorp	USB	12/31/2004	4,166.8	138.5	(138.5)	4,166.8	2.18	2.18	0%	3,710.1	123.4	(123.4)	3,710.1	1.92	1.92	0%
Wachovia Corp. (New)	WB	12/31/2004	5,214.0	85.0	(119.0)	5,180.0	3.81	3.78	-1%	4,247.0	66.0	(133.0)	4,180.0	3.17	3.12	-2%
Wells Fargo	WFC	12/31/2004	7,014.0	2.0	(275.0)	6,741.0	4.09	3.93	-4%	6,202.0	3.0	(198.0)	6,007.0	3.65	3.53	-3%
Zions Bancorp	ZION	12/31/2004	406.0	-	(12.5)	393.5	4.47	4.33	-3%	339.6	-	(15.4)	324.2	3.74	3.57	-5%
Total			**46,298.0**	**647.8**	**(1,177.8)**	**45,768.1**			**-1%**	**38,450.1**	**505.7**	**(1,167.9)**	**37,788.0**			**-2%**
Consumer Finance (5)																
American Express	AXP	12/31/2004	3,516.0	141.0	(325.0)	3,332.0	2.74	2.60	-5%	3,000.0	79.0	(349.0)	2,730.0	2.31	2.10	-9%
Capital One Financial	COF	12/31/2004	1,543.5	77.8	(192.9)	1,428.4	6.21	5.71	-8%	1,150.9	31.8	(173.7)	1,009.0	4.92	4.40	-11%
MBNA Corp.	KRB	12/31/2004	2,677.3	56.8	(110.9)	2,623.2	2.05	2.01	-2%	2,338.1	56.3	(129.4)	2,264.9	1.79	1.74	-3%
Providian Financial Corp. (1)	PVN	12/31/2004	445.1	5.4	(16.1)	434.3	1.35	1.32	-2%	196.2	4.9	(28.3)	172.8	0.67	0.52	-22%
SLM Corporation	SLM	12/31/2004	1,913.3	-	(41.9)	1,871.4	4.04	3.96	-2%	1,403.6	-	(85.5)	1,318.1	2.91	2.73	-6%
Total			**10,095.1**	**281.0**	**(686.8)**	**9,689.3**			**-4%**	**8,088.8**	**172.0**	**(766.0)**	**7,494.8**			**-7%**
Diversified Financial Services (5)																
CIT Group	CIT	12/31/2004	753.6	-	(20.6)	733.0	3.50	3.41	-3%	566.9	-	(23.0)	543.9	2.66	2.55	-4%
Citigroup Inc.	C	12/31/2004	17,046.0	173.0	(325.0)	16,894.0	3.26	3.23	-1%	17,853.0	110.0	(365.0)	17,598.0	3.42	3.37	-1%
JPMorgan Chase & Co.	JPM	12/31/2004	4,466.0	778.0	(960.0)	4,284.0	1.55	1.48	-5%	6,719.0	551.0	(863.0)	6,407.0	3.24	3.09	-5%
Moody's Corp	MCO	12/31/2004	425.1	16.8	(28.2)	413.7	2.79	2.71	-3%	363.9	6.6	(20.0)	350.5	2.39	2.30	-4%
Principal Financial Group	PFG	12/31/2004	702.5	29.2	(32.3)	699.4	2.23	2.22	0%	647.3	20.1	(23.4)	644.0	1.98	1.97	-1%
Total			**23,393.2**	**997.0**	**(1,366.1)**	**23,024.1**			**-2%**	**26,150.1**	**687.7**	**(1,294.4)**	**25,543.4**			**-2%**
Insurance (22)																
ACE Limited	ACE	12/31/2004	1,139.1	42.4	(75.1)	1,106.5	3.83	3.73	-3%	1,417.5	31.5	(64.1)	1,385.0	5.01	4.90	-2%
AFLAC Inc.	AFL	12/31/2004	1,299.0	-	(33.0)	1,266.0	2.52	2.45	-3%	795.0	-	(27.0)	768.0	1.52	1.47	-3%
Allstate Corp.	ALL	12/31/2004	3,356.0	14.0	(40.0)	3,330.0	4.82	4.79	-1%	2,725.0	9.0	(40.0)	2,694.0	3.87	3.83	-1%
Ambac Financial Group	ABK	12/31/2004	725.8	6.3	(13.7)	718.4	6.54	6.48	-1%	628.1	4.5	(15.5)	617.1	5.74	5.64	-2%
American Int'l. Group (1)	AIG	12/31/2003	11,497.3	NA	NA	11,497.3	4.36	4.36	0%	9,644.0	16.0	(72.0)	9,588.0	3.53	3.51	-1%
Aon Corp.	AOC	12/31/2004	577.0	29.0	(47.0)	559.0	1.72	1.67	-3%	676.0	31.0	(55.0)	652.0	2.04	1.97	-3%
Chubb Corp.	CB	12/31/2004	1,548.4	47.5	(47.5)	1,548.4	8.01	8.01	0%	808.8	59.1	(59.1)	808.8	4.46	4.46	0%
Cincinnati Financial	CINF	12/31/2004	584.0	-	(12.0)	572.0	3.44	3.37	-2%	374.0	-	(12.0)	362.0	2.20	2.13	-3%
Hartford Financial Svc.Gp.	HIG	12/31/2004	2,138.0	27.0	(38.0)	2,127.0	7.20	7.16	-1%	(91.0)	20.0	(50.0)	(121.0)	(0.33)	(0.44)	N/M
Jefferson-Pilot	JP	12/31/2004	563.0	-	(8.0)	555.0	4.04	3.98	-1%	492.0	-	(6.0)	486.0	3.44	3.40	-1%
Lincoln National	LNC	12/31/2004	731.5	N/A	N/A	731.5	4.09	4.09	0%	767.2	N/A	N/A	767.2	4.27	4.27	0%
Loews Corp. (13)	LTR	12/31/2004	1,231.3	-	(5.3)	1,226.0	5.64	5.62	0%	(666.1)	-	(5.6)	(671.7)	(4.21)	(4.24)	N/M
Marsh & McLennan	MMC	12/31/2004	176.0	-	(146.0)	30.0	0.33	0.06	-82%	1,540.0	-	(171.0)	1,369.0	2.81	2.50	-11%
MBIA Inc. (14)	MBI	12/31/2004	812.7	10.9	(10.9)	812.7	5.75	5.75	0%	813.8	17.2	(17.2)	813.8	5.69	5.69	0%
MetLife Inc.	MET	12/31/2004	2,708.0	26.0	(44.0)	2,690.0	3.59	3.57	-1%	1,899.0	11.0	(40.0)	1,870.0	2.51	2.47	-2%

APPENDIX A: Pro Forma Income From Continuing Operations of the S&P 500 By Sector and Industry Group ($ in Millions)

Company Name	Ticker	Fiscal Yearend	2004 Reported Net Income/ (Net Loss) from Cont. Oper.	2004 Stock-based Compensation Included in Reported NI from Cont. Oper.	2004 Total Stock-based Compensation	2004 Pro Forma Net Income/ (Net Loss) from Cont. Oper.	2004 Reported EPS from Cont. Oper.	2004 Pro Forma EPS from Cont. Oper.	2004 (Decrease in Net Income) / Increase in Net Loss from Cont. Oper.	2003 Reported Net Income/ (Net Loss) from Cont. Oper.	2003 Stock-based Compensation Included in Reported NI from Cont. Oper.	2003 Total Stock-based Compensation	2003 Pro Forma Net Income/ (Net Loss) from Cont. Oper.	2003 Reported EPS from Cont. Oper.	2003 Pro Forma EPS from Cont. Oper.	2003 (Decrease in Net Income) / Increase in Net Loss from Cont. Oper.
Progressive Corp.	PGR	12/31/2004	1,648.7	-	(6.3)	1,642.4	7.63	7.62	0%	1,255.4	-	(12.8)	1,242.6	5.69	5.65	-1%
Prudential Financial (15)	PRU	12/31/2004	2,332.0	19.0	(46.0)	2,305.0	3.45	3.40	-1%	1,322.0	10.0	(46.0)	1,286.0	2.08	2.01	-3%
SAFECO Corp.	SAFC	12/31/2004	620.2	17.6	(22.0)	615.8	4.59	4.56	-1%	285.5	9.0	(16.8)	277.7	2.06	2.01	-2%
St. Paul Travelers Cos.	STA	12/31/2004	955.0	49.0	(75.0)	929.0	1.53	1.49	-3%	1,696.0	18.0	(73.0)	1,641.0	3.80	3.76	-1%
Torchmark Corp.	TMK	12/31/2004	475.7	0.3	(8.0)	468.0	4.25	4.17	-2%	430.1	0.4	(8.1)	422.4	3.73	3.67	-2%
UnumProvident Corp.	UNM	12/31/2004	(192.2)	0.8	(4.8)	(196.2)	(0.65)	(0.66)	N/M	(264.6)	0.6	(12.8)	(276.8)	(0.96)	(1.00)	N/M
XL Capital	XL	12/31/2004	(192.2)	0.8	(4.8)	(196.2)	(0.65)	(0.66)	N/M	(264.6)	0.6	(12.8)	(276.8)	(0.96)	(1.00)	N/M
Total			**34,734.4**	**290.6**	**(687.4)**	**34,337.6**			**-1%**	**26,283.0**	**237.9**	**(816.8)**	**25,704.2**			**-2%**
Real Estate (7)																
Apartment Investment & Mgmt'A'	AIV	12/31/2004	55.7	6.8	(9.2)	53.3	(0.36)	(0.39)	N/M	64.1	5.4	(8.8)	60.7	(0.32)	(0.35)	N/M
Archstone-Smith Trust	ASN	12/31/2004	155.3	0.3	(1.8)	153.7	0.73	0.72	-1%	106.1	-	(1.7)	104.4	0.44	0.43	-2%
Equity Office Properties	EOP	12/31/2004	155.7	5.2	(9.5)	151.4	0.28	0.27	-4%	520.9	2.9	(10.9)	512.9	1.20	1.18	-2%
Equity Residential	EQR	12/31/2004	135.3	16.8	(19.2)	132.9	0.37	0.36	-3%	157.9	14.9	(19.0)	153.7	0.32	0.31	-3%
Plum Creek Timber Co. (16)	PCL	12/31/2004	339.0	8.3	(8.5)	338.8	1.84	1.84	0%	192.0	4.2	(4.6)	191.7	1.04	1.04	0%
ProLogis	PLD	12/31/2004	233.5	-	(5.0)	228.5	1.09	1.07	-2%	249.2	-	(4.1)	245.0	1.15	1.13	-2%
Simon Property Group, Inc	SPG	12/31/2004	233.5	-	(5.0)	228.5	1.09	1.07	-2%	249.2	-	(4.1)	245.0	1.15	1.13	-2%
Total			**1,308.1**	**37.3**	**(58.2)**	**1,287.1**			**-2%**	**1,539.4**	**27.4**	**(53.4)**	**1,513.4**			**-2%**
Thrifts & Mortgage Finance (7)																
Countrywide Financial Corp.	CFC	12/31/2004	2,197.6	3.3	(41.3)	2,159.5	3.63	3.57	-2%	2,373.0	1.3	(29.5)	2,344.8	4.18	4.13	-1%
Fannie Mae (1)	FNM	12/31/2003	7,423.7	78.0	(106.0)	7,395.7	7.57	7.54	0%	7,720.0	64.0	(116.0)	7,668.0	7.72	7.66	-1%
Federal Home Loan Mtg. (5)	FRE	12/31/2003	N/A	N/A	N/A	N/A	6.40	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Golden West Financial	GDW	12/31/2004	1,279.7	-	(7.2)	1,272.5	4.13	4.10	-1%	1,106.1	-	(8.2)	1,097.9	3.57	3.55	-1%
MGIC Investment	MTG	12/31/2004	553.2	7.7	(11.7)	549.2	5.63	5.59	-1%	493.9	4.1	(10.5)	487.5	4.99	4.92	-1%
Sovereign Bancorp	SOV	12/31/2004	474.8	2.9	(3.1)	474.6	1.36	1.35	-1%	401.9	3.1	(3.7)	401.3	1.38	1.38	0%
Washington Mutual	WM	12/31/2004	474.8	2.9	(3.1)	474.6	1.36	1.35	-1%	401.9	3.1	(3.7)	401.3	1.38	1.38	0%
Total			**12,403.7**	**94.8**	**(172.4)**	**12,326.1**			**-1%**	**12,496.6**	**75.6**	**(171.5)**	**12,400.8**			**-1%**
Financials (82)																
Total			**151,139.7**	**4,754.3**	**(7,199.7)**	**148,694.3**			**-2%**	**132,047.4**	**3,689.2**	**(7,199.4)**	**128,537.3**			**-3%**
Health Care																
Biotechnology (7)																
Amgen	AMGN	12/31/2004	2,363.0	-	(292.0)	2,071.0	1.81	1.58	-13%	2,259.0	-	(198.0)	2,061.0	1.69	1.55	-8%
Applera Corp-Applied Biosystems Group	ABI	6/30/2004	115.0	1.9	(120.9)	(4.0)	0.83	0.36	-57%	118.5	1.1	(148.7)	(29.1)	0.95	0.39	-59%
BIOGEN IDEC Inc. (1)	BIIB	12/31/2004	258.1	16.5	(33.3)	241.3	1.45	1.36	-7%	(875.1)	-	(51.9)	(926.9)	1.69	1.55	-8%
Chiron Corp.	CHIR	12/31/2004	54.1	4.7	(86.8)	(28.0)	0.28	(0.15)	-154%	220.3	5.6	(100.8)	125.1	1.15	0.65	-43%
Genzyme Corp.	GENZ	12/31/2004	86.5	0.0	(94.1)	(7.5)	0.37	(0.03)	-108%	(67.6)	0.4	(80.0)	(147.3)	0.42	0.08	-81%
Gilead Sciences	GILD	12/31/2004	449.4	0.5	(80.8)	369.0	0.99	0.81	-18%	(72.0)	1.2	(61.4)	(132.2)	(0.18)	(0.33)	N/M
MedImmune Inc.	MEDI	12/31/2004	449.4	0.5	(80.8)	369.0	0.99	0.81	-18%	(72.0)	1.2	(61.4)	(132.2)	(0.18)	(0.33)	N/M
Total			**3,775.4**	**24.1**	**(788.8)**	**3,010.6**			**-20%**	**1,511.1**	**9.5**	**(702.3)**	**818.4**			**-46%**
Health Care Equipment & Supplies (17)																
Bard (C.R.) Inc.	BCR	12/31/2004	302.8	-	(22.1)	280.7	2.82	2.63	-7%	168.5	-	(17.2)	151.3	1.60	1.44	-10%
Bausch & Lomb	BOL	12/25/2004	159.6	4.7	(17.5)	146.8	2.93	2.70	-8%	126.4	4.6	(15.7)	115.3	2.36	2.16	-8%
Baxter International Inc.	BAX	12/31/2004	388.0	13.0	(96.0)	305.0	0.62	0.48	-23%	883.0	1.0	(157.0)	727.0	1.50	1.25	-17%
Becton, Dickinson	BDX	9/30/2004	582.5	-	(32.0)	550.5	2.21	2.10	-5%	554.9	-	(35.9)	519.0	2.10	1.98	-6%
Biomet, Inc.	BMET	5/31/2004	332.7	-	(5.8)	326.9	1.27	1.24	-2%	294.8	-	(5.5)	289.3	1.10	1.08	-2%
Boston Scientific	BSX	12/31/2004	1,062.0	62.0	(67.0)	1,057.0	1.24	1.24	0%	472.0	1.0	(62.0)	411.0	0.56	0.49	-13%
Fisher Scientific	FSH	12/31/2004	166.4	0.8	(30.2)	137.0	1.80	1.48	-18%	78.4	-	(19.2)	59.2	1.29	0.98	-24%
Guidant Corp. (17)	GDT	12/31/2004	573.0	-	(66.5)	506.5	1.78	1.57	-12%	419.3	-	(64.3)	355.0	1.34	1.13	-16%
Hospira Inc.	HSP	12/31/2004	285.5	-	(46.4)	239.1	1.83	1.53	-16%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Medtronic Inc.	MDT	4/30/2004	1,959.3	-	(172.2)	1,787.1	1.60	1.46	-9%	1,599.8	-	(179.3)	1,420.5	1.30	1.16	-11%
Millipore Corp.	MIL	12/31/2004	105.6	1.6	(44.1)	63.0	2.10	1.25	-40%	100.8	0.6	(19.1)	82.4	2.06	1.68	-18%
PerkinElmer	PKI	1/2/2005	98.3	1.5	(19.5)	80.2	0.76	0.62	-18%	57.9	1.8	(20.2)	39.6	0.45	0.31	-31%
St Jude Medical	STJ	12/31/2004	409.9	-	(50.9)	359.0	1.10	0.98	-11%	336.8	-	(38.0)	298.7	0.91	0.81	-11%
Stryker Corp.	SYK	12/31/2004	465.7	-	(25.7)	440.0	1.14	1.08	-5%	453.5	-	(19.1)	434.4	1.11	1.07	-4%
Thermo Electron	TMO	12/31/2004	218.4	1.1	(12.7)	206.8	1.31	1.24	-5%	175.2	1.7	(18.3)	158.6	1.05	0.96	-9%
Waters Corporation	WAT	12/31/2004	224.1	-	(39.4)	184.6	1.82	1.50	-18%	170.9	-	(26.0)	144.9	1.34	1.14	-15%
Zimmer Holdings	ZMH	12/31/2004	541.8	-	(26.0)	515.8	2.19	2.08	-5%	291.2	-	(14.3)	276.9	1.38	1.31	-5%
Total			**7,875.4**	**84.7**	**(774.1)**	**7,186.0**			**-9%**	**6,183.4**	**10.7**	**(711.1)**	**5,483.0**			**-11%**
Health Care Providers & Services (18)																
Aetna Inc. (New)	AET	12/31/2004	1,215.1	11.9	(102.2)	1,124.8	7.74	7.15	-8%	933.8	40.1	(81.0)	892.9	5.91	5.64	-5%
AmerisourceBergen Corp.	ABC	9/30/2004	468.4	0.6	(87.1)	381.9	4.06	3.32	-18%	441.2	0.6	(19.6)	422.3	3.89	3.73	-4%
Cardinal Health, Inc.	CAH	6/30/2004	1,524.7	2.0	(104.3)	1,422.4	3.47	3.26	-6%	1,381.2	1.8	(91.6)	1,291.4	3.05	2.87	-6%
Caremark Rx	CMX	12/31/2004	600.3	19.0	(30.7)	588.6	1.43	1.40	-2%	290.8	0.3	(6.3)	284.8	1.10	1.07	-3%
CIGNA Corp. (18)	CI	12/31/2004	1,577.0	44.2	(44.2)	1,577.0	11.44	11.44	0%	584.0	44.9	(44.9)	584.0	4.16	4.16	0%
Express Scripts	ESRX	12/31/2004	278.2	6.5	(15.1)	269.6	3.59	3.46	-4%	250.6	4.4	(16.3)	238.8	3.17	3.01	-5%
HCA Inc.	HCA	12/31/2004	1,246.0	-	(191.0)	1,055.0	2.58	2.18	-16%	1,332.0	-	(89.0)	1,243.0	2.61	2.43	-7%
Health Management Assoc.	HMA	9/30/2004	325.1	-	(11.8)	313.3	1.32	1.28	-3%	283.4	-	(10.2)	273.2	1.13	1.08	-4%
Humana Inc.	HUM	12/31/2004	280.0	2.5	(12.5)	269.9	1.72	1.66	-3%	228.9	3.9	(9.1)	223.7	1.41	1.38	-2%
IMS Health Inc.	RX	12/31/2004	285.4	2.9	(26.2)	262.1	1.20	1.10	-8%	139.3	2.4	(23.2)	118.5	0.56	0.48	-14%

APPENDIX A: *Pro Forma Income From Continuing Operations of the S&P 500 By Sector and Industry Group ($ in Millions)*

Company Name	Ticker	Fiscal Yearend	2004 Reported Net Income/ (Net Loss) from Cont. Oper.	2004 Stock-based Compensation Included in Reported NI from Cont. Oper.	2004 Total Stock-based Compensation	2004 Pro Forma Net Income/ (Net Loss) from Cont. Oper.	2004 Reported EPS from Cont. Oper.	2004 Pro Forma EPS from Cont. Oper.	2004 (Decrease in Net Income) / Increase in Net Loss from Cont. Oper.	2003 Reported Net Income/ (Net Loss) from Cont. Oper.	2003 Stock-based Compensation Included in Reported NI from Cont. Oper.	2003 Total Stock-based Compensation	2003 Pro Forma Net Income/ (Net Loss) from Cont. Oper.	2003 Reported EPS from Cont. Oper.	2003 Pro Forma EPS from Cont. Oper.	2003 (Decrease in Net Income) / Increase in Net Loss from Cont. Oper.
Laboratory Corp. of America Holding	LH	3/3/2005	363.0	9.1	(29.9)	342.2	2.45	2.27	-7%	321.0	10.7	(35.9)	295.8	2.11	1.91	-9%
Manor Care Inc.	HCR	12/31/2004	168.2	-	(4.5)	163.7	1.90	1.84	-3%	119.0	-	(9.5)	109.5	1.30	1.20	-8%
McKesson Corp. (New)	MCK	3/31/2004	646.5	5.3	(209.8)	442.0	2.19	1.50	-32%	562.1	3.2	(159.5)	405.8	1.90	1.38	-27%
Medco Health Solutions Inc.	MHS	12/25/2004	481.6	-	(89.0)	392.6	1.75	1.43	-18%	425.8	-	(141.4)	284.4	1.57	1.05	-33%
Quest Diagnostics	DGX	12/31/2004	499.2	1.4	(43.7)	456.9	4.69	4.27	-9%	436.7	5.3	(52.4)	389.7	4.04	3.65	-10%
Tenet Healthcare Corp. (19)	THC	12/31/2004	(1,797.0)	72.2	(72.2)	(1,797.0)	(3.85)	(3.85)	N/M	(1,044.0)	114.4	(114.4)	(1,044.0)	(2.24)	(2.24)	N/M
United Health Group Inc.	UNH	12/31/2004	2,587.0	-	(132.0)	2,455.0	3.94	3.74	-5%	1,825.0	-	(122.0)	1,703.0	2.96	2.76	-7%
WellPoint Inc.	WLP	12/31/2004	960.1	6.6	(89.5)	877.2	6.10	5.60	-8%	774.3	1.7	(24.6)	751.4	5.45	5.29	-3%
Total			**11,708.9**	**184.1**	**(1,295.8)**	**10,597.2**			**-9%**	**9,285.3**	**233.7**	**(1,050.7)**	**8,468.2**			**-9%**
Pharmaceuticals (13)																
Abbott Labs	ABT	12/31/2004	3,175.8	-	(200.0)	2,975.8	2.02	1.90	-6%	2,504.7	-	(300.0)	2,204.7	1.59	1.47	-8%
Allergan, Inc.	AGN	12/31/2004	377.1	7.6	(45.4)	339.3	2.82	2.53	-10%	(52.5)	7.2	(43.6)	(88.9)	(0.40)	(0.68)	N/M
Bristol-Myers Squibb	BMY	12/31/2004	2,378.0	19.0	(138.0)	2,259.0	1.21	1.15	-5%	3,097.0	14.0	(195.0)	2,916.0	1.59	1.50	-6%
Forest Laboratories	FRX	3/31/2004	735.9	-	(39.0)	696.9	1.95	1.85	-5%	622.0	-	(32.6)	589.4	1.66	1.58	-5%
Johnson & Johnson	JNJ	1/2/2005	8,509.0	-	(329.0)	8,180.0	2.84	2.74	-4%	7,197.0	-	(349.0)	6,848.0	2.40	2.29	-5%
King Pharmaceuticals	KG	12/31/2004	(50.6)	-	(5.9)	(56.6)	(0.21)	(0.24)	N/M	97.4	-	(1.5)	95.9	0.40	0.39	-3%
Lilly (Eli) & Co.	LLY	12/31/2004	1,810.1	34.5	(294.2)	1,550.4	1.66	1.42	-14%	2,560.8	-	(210.8)	2,350.0	2.37	2.17	-8%
Merck & Co.	MRK	12/31/2004	5,813.4	16.7	(491.8)	5,338.3	2.61	2.39	-8%	6,589.6	4.9	(559.4)	6,035.1	2.92	2.68	-8%
Mylan Laboratories	MYL	3/31/2004	334.6	2.4	(25.3)	311.7	1.21	1.14	-6%	272.4	-	(19.9)	252.4	0.96	0.91	-5%
Pfizer, Inc.	PFE	12/31/2004	11,332.0	38.0	(612.0)	10,758.0	1.49	1.41	-5%	1,629.0	34.0	(575.0)	1,088.0	0.22	0.14	-36%
Schering-Plough	SGP	12/31/2004	(947.0)	59.0	(160.0)	(1,048.0)	(0.67)	(0.74)	N/M	(92.0)	66.0	(143.0)	(169.0)	(0.06)	(0.12)	N/M
Watson Pharmaceuticals	WPI	12/31/2004	151.3	-	(12.9)	138.5	1.27	1.17	-8%	202.9	-	(20.9)	182.0	1.75	1.58	-10%
Wyeth	WYE	12/31/2004	1,234.0	16.0	(275.3)	974.7	0.91	0.72	-21%	2,051.2	13.4	(335.1)	1,729.5	1.54	1.29	-16%
Total			**34,853.6**	**193.2**	**(2,628.8)**	**32,418.0**			**-7%**	**26,679.5**	**139.5**	**(2,785.7)**	**24,033.2**			**-10%**
Health Care (55)																
Total			**58,213.3**	**486.1**	**(5,487.4)**	**53,211.9**			**-9%**	**43,659.3**	**393.4**	**(5,249.9)**	**38,802.8**			**-11%**
Industrials																
Aerospace & Defense (10)																
Boeing Company (20)	BA	12/31/2004	1,820.0	374.4	(374.4)	1,820.0	2.24	2.24	0%	685.0	296.4	(296.4)	685.0	0.85	0.85	0%
General Dynamics	GD	12/31/2004	1,203.0	33.0	(61.0)	1,175.0	5.97	5.83	-2%	982.0	14.0	(42.0)	954.0	4.93	4.79	-3%
Goodrich Corporation	GR	12/31/2004	156.0	7.7	(7.7)	156.0	1.30	1.30	0%	38.5	-	(18.9)	19.6	0.33	0.17	-48%
Honeywell Int'l Inc.	HON	12/31/2004	1,281.0	-	(42.0)	1,239.0	1.49	1.44	-3%	1,344.0	-	(48.0)	1,296.0	1.56	1.50	-4%
L-3 Communications Holdings	LLL	12/31/2004	381.9	-	(23.1)	358.8	3.33	3.13	-6%	277.6	-	(17.6)	260.0	2.62	2.47	-6%
Lockheed Martin Corp.	LMT	12/31/2004	1,266.0	-	(48.0)	1,218.0	2.83	2.72	-4%	1,053.0	-	(61.0)	992.0	2.34	2.20	-6%
Northrop Grumman Corp.	NOC	12/31/2004	1,093.0	115.0	(140.0)	1,068.0	2.99	2.92	-2%	758.0	64.0	(82.0)	740.0	2.03	1.98	-2%
Raytheon Co. (New)	RTN	12/31/2004	439.0	16.0	(71.0)	384.0	0.99	0.87	-12%	535.0	5.0	(73.0)	467.0	1.29	1.13	-12%
Rockwell Collins	COL	9/30/2004	301.0	-	(15.0)	286.0	1.67	1.59	-5%	258.0	-	(15.0)	243.0	1.43	1.35	-6%
United Technologies	UTX	12/31/2004	2,788.0	4.0	(119.0)	2,673.0	5.52	5.29	-4%	2,361.0	8.0	(133.0)	2,236.0	4.69	4.44	-5%
Total			**10,728.9**	**550.1**	**(901.2)**	**10,377.8**			**-3%**	**8,292.1**	**387.4**	**(786.9)**	**7,892.6**			**-5%**
Air Freight & Logistics (3)																
FedEx Corporation	FDX	5/31/2004	838.0	10.0	(37.0)	811.0	2.76	2.68	-3%	830.0	-	(34.0)	796.0	2.74	2.63	-4%
Ryder System	R	12/31/2004	215.6	1.2	(9.0)	207.8	3.28	3.16	-4%	135.6	0.5	(5.7)	130.4	2.12	2.04	-4%
United Parcel Service	UPS	12/31/2004	3,333.0	563.0	(588.0)	3,308.0	2.93	2.91	-1%	2,898.0	456.0	(507.0)	2,847.0	2.55	2.50	-2%
Total			**4,386.6**	**574.2**	**(634.0)**	**4,326.8**			**-1%**	**3,863.6**	**456.5**	**(546.7)**	**3,773.4**			**-2%**
Airlines (2)																
Delta Air Lines	DAL	12/31/2004	(5,198.0)	-	(38.0)	(5,236.0)	(41.07)	(41.36)	N/M	(773.0)	-	(33.0)	(806.0)	(6.40)	(6.66)	N/M
Southwest Airlines	LUV	12/31/2004	313.0	-	(74.0)	239.0	0.38	0.30	-21%	442.0	-	(57.0)	385.0	0.54	0.48	-11%
Total			**(4,885.0)**	**-**	**(112.0)**	**(4,997.0)**			**N/M**	**(331.0)**	**-**	**(90.0)**	**(421.0)**			**N/M**
Building Products (2)																
American Standard	ASD	12/31/2004	313.4	-	(17.4)	296.0	1.42	1.34	-6%	405.2	-	(19.9)	385.3	1.83	1.74	-5%
Masco Corp.	MAS	12/31/2004	930.0	48.0	(60.0)	918.0	2.04	2.01	-1%	790.0	41.0	(53.0)	778.0	1.61	1.59	-1%
Total			**1,243.4**	**48.0**	**(77.4)**	**1,214.0**			**-2%**	**1,195.2**	**41.0**	**(72.9)**	**1,163.3**			**-3%**
Commercial Services & Supplies (12)																
Allied Waste Industries	AW	12/31/2004	58.0	-	(7.0)	51.0	0.11	0.08	-27%	111.2	-	(9.5)	101.7	(2.36)	(2.41)	N/M
Apollo Group	APOL	8/31/2004	277.8	74.4	(91.4)	260.7	0.77	0.67	-13%	247.0	-	(14.1)	232.9	1.30	1.22	-6%
Avery Dennison Corp.	AVY	1/1/2005	279.7	-	(18.7)	261.0	2.78	2.60	-6%	242.8	-	(19.4)	223.4	2.43	2.24	-8%
Block H&R	HRB	4/30/2004	704.3	18.0	(30.7)	691.6	3.90	3.84	-2%	580.1	1.2	(21.0)	560.3	3.15	3.06	-3%
Cendant Corporation	CD	12/31/2004	1,820.0	29.0	(31.0)	1,818.0	1.71	1.71	0%	1,430.0	10.0	(50.0)	1,390.0	1.35	1.31	-3%
Cintas Corporation	CTAS	5/31/2004	272.2	-	(7.1)	265.1	1.58	1.54	-3%	249.3	-	(6.1)	243.2	1.45	1.41	-3%
Donnelley (R.R.) & Sons	RRD	12/31/2004	264.9	9.8	(13.2)	261.5	1.30	1.28	-2%	188.5	1.7	(11.2)	179.0	1.65	1.57	-5%
Equifax Inc.	EFX	12/31/2004	237.3	1.5	(6.4)	232.4	1.78	1.74	-2%	180.7	2.3	(14.4)	168.6	1.32	1.23	-7%
Monster Worldwide	MNST	12/31/2004	74.3	1.8	(32.1)	44.0	0.62	0.37	-40%	6.7	2.1	(31.3)	(22.5)	0.06	(0.21)	-450%
Pitney-Bowes	PBI	12/31/2004	480.5	-	(18.5)	462.0	2.05	1.97	-4%	494.8	-	(21.3)	473.5	2.10	2.01	-4%
Robert Half International	RHI	12/31/2004	140.6	14.1	(29.9)	124.9	0.79	0.71	-10%	6.4	14.6	(34.4)	(13.4)	0.04	(0.08)	-300%
Waste Management Inc.	WMI	12/31/2004	931.0	-	(57.0)	874.0	1.60	1.50	-6%	719.0	-	(68.0)	651.0	1.21	1.10	-9%
Total			**5,540.6**	**148.6**	**(343.0)**	**5,346.2**			**-4%**	**4,456.4**	**32.0**	**(300.7)**	**4,187.7**			**-6%**

APPENDIX A: Pro Forma Income From Continuing Operations of the S&P 500 By Sector and Industry Group ($ in Millions)

			2004							2003						
Company Name	Ticker	Fiscal Yearend	Reported Net Income/ (Net Loss) from Cont. Oper.	Stock-based Compensation Included in Reported NI from Cont. Oper.	Total Stock-based Compensation	Pro Forma Net Income/ (Net Loss) from Cont. Oper.	Reported EPS from Cont. Oper.	Pro Forma EPS from Cont. Oper.	(Decrease in Net Income) / Increase in Net Loss from Cont. Oper.	Reported Net Income/ (Net Loss) from Cont. Oper.	Stock-based Compensation Included in Reported NI from Cont. Oper.	Total Stock-based Compensation	Pro Forma Net Income/ (Net Loss) from Cont. Oper.	Reported EPS from Cont. Oper.	Pro Forma EPS from Cont. Oper.	(Decrease in Net Income) / Increase in Net Loss from Cont. Oper.
Construction & Engineering (1)																
Fluor Corp. (New)	FLR	12/31/2004	186.7	-	(8.6)	178.1	2.25	2.15	-4%	179.5	-	(8.6)	170.9	2.23	2.12	-5%
Total			**186.7**	**-**	**(8.6)**	**178.1**			**-5%**	**179.5**	**-**	**(8.6)**	**170.9**			**-5%**
Electrical Equipment (5)																
American Power Conversion	APCC	12/31/2004	181.5	-	(10.1)	171.3	0.90	0.85	-6%	176.9	-	(23.2)	153.8	0.88	0.76	-14%
Cooper Industries, Ltd.	CBE	12/31/2004	339.8	13.3	(14.6)	338.5	3.58	3.57	0%	274.3	6.3	(12.6)	268.0	2.92	2.86	-2%
Emerson Electric	EMR	9/30/2004	1,257.0	42.0	(48.0)	1,251.0	2.98	2.97	0%	1,013.0	18.0	(25.0)	1,006.0	2.41	2.39	-1%
Power-One Inc.	PWER	12/31/2004	(21.2)	1.6	(15.3)	(34.9)	(0.25)	(0.42)	N/M	(18.2)	1.2	(23.5)	(40.5)	(0.22)	(0.49)	N/M
Rockwell Automation, Inc.	ROK	9/30/2004	354.1	3.3	(15.2)	342.2	1.85	1.79	-3%	281.4	0.3	(5.3)	276.4	1.48	1.45	-2%
Total			**2,111.2**	**60.2**	**(103.2)**	**2,068.1**			**-2%**	**1,727.4**	**25.8**	**(89.6)**	**1,663.7**			**-4%**
Industrial Conglomerates (4)																
3M Company	MMM	12/31/2004	2,990.0	3.0	(152.0)	2,841.0	3.75	3.56	-5%	2,403.0	3.0	(120.0)	2,286.0	3.02	2.88	-5%
General Electric	GE	12/31/2004	16,593.0	93.0	(245.0)	16,441.0	1.59	1.57	-1%	15,589.0	81.0	(315.0)	15,355.0	1.55	1.53	-1%
Textron Inc. (21)	TXT	1/1/2005	373.0	20.0	(26.0)	367.0	2.66	2.61	-2%	292.0	14.0	(29.0)	277.0	2.13	2.02	-5%
Tyco International	TYC	9/30/2004	3,005.0	7.0	(225.0)	2,787.0	1.41	1.32	-6%	1,035.0	8.0	(321.0)	722.0	0.52	0.36	-31%
Total			**22,961.0**	**123.0**	**(648.0)**	**22,436.0**			**-2%**	**19,319.0**	**106.0**	**(785.0)**	**18,640.0**			**-4%**
Machinery (13)																
Caterpillar Inc.	CAT	12/31/2004	2,035.0	-	(161.0)	1,874.0	5.75	5.30	-8%	1,099.0	-	(69.0)	1,030.0	3.13	2.93	-6%
Cummins Inc.	CMI	12/31/2004	350.0	9.8	(10.0)	349.8	7.39	7.38	0%	54.0	2.8	(3.6)	53.2	1.36	1.34	-1%
Danaher Corp.	DHR	12/31/2004	746.0	-	(28.5)	717.5	2.30	2.22	-3%	536.8	-	(26.8)	510.1	1.69	1.60	-5%
Deere & Co.	DE	10/31/2004	1,406.1	5.0	(31.0)	1,380.1	5.56	5.47	-2%	643.1	3.0	(32.0)	614.1	2.64	2.53	-4%
Dover Corp.	DOV	12/31/2004	409.1	-	(18.2)	390.9	2.00	1.91	-5%	285.2	-	(17.8)	267.4	1.40	1.31	-6%
Eaton Corp.	ETN	12/31/2004	648.0	-	(13.0)	635.0	4.13	4.05	-2%	386.0	-	(11.0)	375.0	2.56	2.48	-3%
Illinois Tool Works	ITW	12/31/2004	1,339.6	23.8	(61.3)	1,302.1	4.39	4.27	-3%	1,040.2	11.8	(35.6)	1,016.4	3.37	3.29	-2%
Ingersoll-Rand Co. Ltd.	IR	12/31/2004	829.8	34.0	(62.8)	801.0	4.73	4.57	-3%	532.8	34.4	(60.5)	506.7	3.09	2.93	-5%
ITT Industries, Inc.	ITT	12/31/2004	437.5	-	(22.1)	415.4	4.63	4.40	-5%	394.0	-	(6.0)	388.0	4.18	4.12	-1%
Navistar International Corp.	NAV	10/31/2004	247.0	-	(14.0)	233.0	3.20	3.02	-6%	(17.0)	-	(11.0)	(28.0)	(0.25)	(0.41)	N/M
PACCAR Inc.	PCAR	12/31/2004	906.8	2.8	(4.0)	905.6	5.16	5.15	0%	526.5	1.7	(4.7)	523.5	2.99	2.97	-1%
Pall Corp.	PLL	7/31/2004	151.6	-	(11.6)	140.0	1.20	1.10	-8%	103.2	-	(13.7)	89.5	0.83	0.72	-13%
Parker-Hannifin	PH	6/30/2004	345.8	7.7	(27.1)	326.4	2.91	2.74	-6%	196.3	(0.3)	(18.5)	177.4	1.68	1.51	-10%
Total			**9,852.3**	**83.0**	**(464.6)**	**9,470.8**			**-4%**	**5,780.1**	**53.4**	**(310.1)**	**5,523.4**			**-4%**
Road & Rail (4)																
Burlington Northern Santa Fe C	BNI	12/31/2004	791.0	19.0	(41.0)	769.0	2.10	2.04	-3%	777.0	11.0	(36.0)	752.0	2.09	2.03	-3%
CSX Corp.	CSX	12/31/2004	418.0	9.0	(31.0)	396.0	1.87	1.77	-5%	137.0	3.0	(34.0)	106.0	0.63	0.50	-21%
Norfolk Southern Corp.	NSC	12/31/2004	923.0	32.0	(44.0)	911.0	2.31	2.28	-1%	411.0	18.0	(35.0)	394.0	1.05	1.01	-4%
Union Pacific	UNP	12/31/2004	604.0	13.0	(35.0)	582.0	2.30	2.22	-3%	1,056.0	28.0	(50.0)	1,034.0	4.07	3.99	-2%
Total			**2,736.0**	**73.0**	**(151.0)**	**2,658.0**			**-3%**	**2,381.0**	**60.0**	**(155.0)**	**2,286.0**			**-4%**
Trading Companies & Distributors (1)																
Grainger (W.W.) Inc.	GWW	12/31/2004	286.9	7.3	(20.9)	273.2	3.13	2.97	-5%	227.0	3.5	(17.7)	212.7	2.46	2.31	-6%
Total			**286.9**	**7.3**	**(20.9)**	**273.2**			**-5%**	**227.0**	**3.5**	**(17.7)**	**212.7**			**-6%**
Industrials (57)																
Total			**55,148.5**	**1,667.4**	**(3,464.0)**	**53,351.9**			**-3%**	**47,090.3**	**1,165.5**	**(3,163.3)**	**45,092.6**			**-4%**
Information Technology																
Communications Equipment (13)																
ADC Telecommunications	ADCT	10/31/2004	31.3	2.9	(36.6)	(2.4)	0.04	-	-100%	(42.6)	4.4	(46.7)	(84.9)	(0.06)	(0.11)	N/M
Andrew Corp.	ANDW	9/30/2004	33.0	-	(9.8)	23.2	0.20	0.14	-30%	18.7	-	(7.2)	11.5	0.11	0.05	-55%
Avaya Inc.	AV	9/30/2004	291.0	9.0	(31.0)	269.0	0.63	0.59	-6%	(128.0)	19.0	20.0	(89.0)	(0.34)	(0.24)	N/M
Ciena Corp.	CIEN	10/31/2004	(789.5)	11.9	(39.6)	(817.2)	(1.51)	(1.57)	N/M	(386.5)	16.8	(39.6)	(409.3)	(0.87)	(0.92)	N/M
Cisco Systems	CSCO	7/31/2004	4,968.0	-	(1,215.0)	3,753.0	0.70	0.53	-24%	3,578.0	-	(1,259.0)	2,319.0	0.50	0.32	-36%
Comverse Technology	CMVT	1/31/2004	(5.4)	-	(152.5)	(157.9)	(0.03)	(0.88)	N/M	(129.5)	-	(149.8)	(279.3)	(0.69)	(1.49)	N/M
Corning Inc.	GLW	12/31/2004	(2,185.0)	11.0	(168.0)	(2,342.0)	(1.57)	(1.69)	N/M	(223.0)	1.0	(162.0)	(384.0)	(0.18)	(0.30)	N/M
JDS Uniphase Corp	JDSU	6/30/2004	(112.6)	1.8	(300.0)	(410.8)	(0.08)	(0.29)	N/M	(933.8)	50.9	(685.2)	(1,568.1)	(0.66)	(1.10)	N/M
Lucent Technologies	LU	9/30/2004	2,002.0	16.0	(338.0)	1,680.0	0.42	0.36	-14%	(770.0)	17.0	(285.0)	(1,038.0)	(0.29)	(0.36)	N/M
Motorola Inc.	MOT	12/31/2004	2,191.0	15.0	(150.0)	2,056.0	0.90	0.85	-6%	928.0	23.0	(187.0)	764.0	0.39	0.33	-15%
QUALCOMM Inc.	QCOM	9/26/2004	1,725.0	-	(281.0)	1,444.0	1.03	0.86	-17%	1,029.0	1.0	(260.0)	770.0	0.63	0.47	-25%
Scientific-Atlanta	SFA	7/2/2004	218.0	-	(37.2)	180.8	1.41	1.16	-18%	100.3	-	(58.7)	41.7	0.65	0.27	-58%
Tellabs, Inc.	TLAB	12/31/2004	(29.8)	6.5	(62.0)	(85.3)	(0.07)	(0.20)	N/M	(241.6)	11.2	(62.6)	(293.0)	(0.58)	(0.71)	N/M
Total			**8,337.0**	**74.1**	**(2,820.8)**	**5,590.4**			**-33%**	**2,799.1**	**144.3**	**(3,182.7)**	**(239.4)**			**-109%**
Computers & Peripherals (11)																
Apple Computer	AAPL	9/25/2004	276.0	33.0	(141.0)	168.0	0.71	0.44	-38%	68.0	15.0	(181.0)	(98.0)	0.19	(0.27)	-242%
Dell Inc.	DELL	1/28/2005	3,043.0	-	(812.0)	2,231.0	1.18	0.88	-25%	2,645.0	-	(829.0)	1,816.0	1.01	0.68	-33%
EMC Corp.	EMC	12/31/2004	871.2	40.3	(403.7)	507.9	0.36	0.21	-42%	496.1	9.3	(382.3)	123.1	0.22	0.06	-73%
Gateway Inc.	GTW	12/31/2004	(567.6)	13.6	(46.9)	(600.9)	(1.45)	(1.54)	N/M	(514.8)	-	(27.4)	(542.3)	(1.62)	(1.71)	N/M
Hewlett-Packard	HPQ	10/31/2004	3,497.0	33.0	(751.0)	2,779.0	1.15	0.91	-21%	2,539.0	30.0	(844.0)	1,725.0	0.83	0.56	-33%
International Bus. Machines	IBM	12/31/2004	8,448.0	129.0	(1,080.0)	7,497.0	4.94	4.39	-11%	7,613.0	76.0	(1,101.0)	6,588.0	4.34	3.76	-13%
Lexmark Int'l Inc	LXK	12/31/2004	568.7	-	(41.0)	527.7	4.28	3.97	-7%	439.2	-	(39.8)	399.4	3.34	3.04	-9%

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			2004							2003						
Company Name	Ticker	Fiscal Yearend	Reported Net Income/ (Net Loss) from Cont. Oper.	Stock-based Compensation Included in Reported NI from Cont. Oper.	Total Stock-based Compensation	Pro Forma Net Income/ (Net Loss) from Cont. Oper.	Reported EPS from Cont. Oper.	Pro Forma EPS from Cont. Oper.	(Decrease in Net Income) / Increase in Net Loss from Cont. Oper.	Reported Net Income/ (Net Loss) from Cont. Oper.	Stock-based Compensation Included in Reported NI from Cont. Oper.	Total Stock-based Compensation	Pro Forma Net Income/ (Net Loss) from Cont. Oper.	Reported EPS from Cont. Oper.	Pro Forma EPS from Cont. Oper.	(Decrease in Net Income) / Increase in Net Loss from Cont. Oper.
NCR Corp.	NCR	12/31/2004	290.0	4.0	(27.0)	267.0	1.51	1.39	-8%	58.0	3.0	(54.0)	7.0	0.30	0.04	-87%
Network Appliance	NTAP	4/30/2004	152.1	2.0	(94.2)	60.0	0.42	0.16	-62%	76.5	1.2	(173.7)	(96.1)	0.22	(0.28)	-227%
QLogic Corp.	QLGC	3/28/2004	133.7	0.7	(35.5)	99.0	1.39	1.03	-26%	103.5	1.2	(37.6)	67.1	1.09	0.70	-36%
Sun Microsystems	SUNW	6/30/2004	(388.0)	16.0	(834.0)	(1,206.0)	(0.12)	(0.37)	N/M	(3,429.0)	23.0	(578.0)	(3,984.0)	(1.07)	(1.25)	N/M
Total			**16,324.0**	**271.7**	**(4,266.2)**	**12,329.6**			**-24%**	**10,094.4**	**158.7**	**(4,247.9)**	**6,005.3**			**-41%**
Electronic Equipment & Instruments (7)																
Agilent Technologies	A	10/31/2004	349.0	-	(232.0)	117.0	0.71	0.24	-66%	(1,790.0)	-	(941.0)	(2,731.0)	(3.78)	(5.77)	N/M
Jabil Circuit	JBL	8/31/2004	166.9	-	(45.5)	121.4	0.81	0.59	-27%	43.0	-	(34.2)	8.8	0.21	0.04	-81%
Molex Inc.	MOLXE	6/30/2004	176.0	10.2	(21.0)	165.1	0.92	0.86	-7%	84.9	9.9	(17.4)	77.4	0.44	0.40	-9%
Sanmina-SCI Corp.	SANM	10/2/2004	(15.0)	12.3	(59.9)	(62.5)	(0.03)	(0.12)	N/M	(137.2)	1.7	(55.4)	(190.8)	(0.27)	(0.37)	N/M
Solectron	SLR	8/27/2004	(251.8)	-	(60.5)	(312.3)	(0.29)	(0.36)	N/M	(3,019.8)	-	(107.0)	(3,126.8)	(3.65)	(3.78)	N/M
Symbol Technologies	SBL	12/31/2004	81.8	1.6	(21.4)	62.0	0.33	0.25	-24%	3.3	6.7	(20.5)	(10.5)	0.01	(0.05)	-600%
Tektronix Inc.	TEK	5/29/2004	118.2	0.6	(17.9)	100.9	1.37	1.17	-15%	35.1	0.6	(20.9)	14.8	0.40	0.17	-58%
Total			**625.1**	**24.7**	**(458.3)**	**191.6**			**-69%**	**(4,780.6)**	**18.9**	**(1,196.4)**	**(5,958.1)**			**N/M**
Internet Software & Services (1)																
Yahoo Inc.	YHOO	12/31/2004	839.6	19.4	(235.7)	623.2	0.58	0.43	-26%	237.9	13.0	(183.5)	67.4	0.18	0.05	-72%
Total			**839.6**	**19.4**	**(235.7)**	**623.2**			**-26%**	**237.9**	**13.0**	**(183.5)**	**67.4**			**-72%**
IT Services (11)																
Affiliated Computer	ACS	6/30/2004	529.8	-	(20.5)	509.4	3.83	3.70	-3%	306.8	-	(17.6)	289.3	2.20	2.09	-5%
Automatic Data Processing Inc.	ADP	8/30/2004	935.6	7.9	(120.4)	823.0	1.56	1.38	-12%	1,018.2	6.8	(129.8)	895.1	1.68	1.48	-12%
Computer Sciences Corp.	CSC	4/2/2004	519.4	4.9	(39.9)	484.4	2.75	2.57	-7%	440.2	5.1	(53.2)	392.1	2.54	2.26	-11%
Convergys Corp.	CVG	12/31/2004	111.5	12.4	(34.7)	89.2	0.77	0.61	-21%	171.6	6.8	(45.3)	133.1	1.15	0.90	-22%
Electronic Data Systems (1)	EDS	12/31/2004	135.3	26.0	(170.0)	(8.7)	0.27	(0.02)	-106%	(252.0)	40.0	(209.0)	(421.0)	(0.53)	(0.88)	N/M
First Data	FDC	12/31/2004	1,867.8	2.0	(118.2)	1,751.6	2.22	2.08	-6%	1,394.0	-	(114.0)	1,280.0	1.86	1.71	-8%
FIserv Inc.	FISV	12/31/2004	394.9	-	(18.0)	376.9	2.00	1.91	-4%	308.8	-	(17.0)	291.8	1.58	1.49	-6%
Paychex Inc.	PAYX	5/31/2004	303.0	-	(9.1)	293.9	0.80	0.77	-4%	293.5	-	(10.0)	283.5	0.78	0.75	-4%
Sabre Holding Corp.	TSG	12/31/2004	190.4	7.0	(31.1)	166.3	1.38	1.21	-12%	83.3	7.5	(48.1)	42.8	0.58	0.30	-48%
SunGard Data Systems	SDS	12/31/2004	453.6	-	(88.3)	365.4	1.54	1.24	-19%	370.3	-	(69.1)	301.2	1.27	1.03	-19%
Unisys Corp.	UIS	12/31/2004	38.6	-	(32.6)	6.0	0.11	0.02	-82%	258.7	-	(47.7)	211.0	0.78	0.63	-19%
Total			**5,479.9**	**60.2**	**(682.7)**	**4,857.4**			**-11%**	**4,393.4**	**66.2**	**(760.8)**	**3,698.8**			**-16%**
Office Electronics (1)																
Xerox Corp.	XRX	12/31/2004	776.0	-	(69.0)	707.0	0.78	0.72	-8%	360.0	-	(85.0)	275.0	0.36	0.25	-31%
Total			**776.0**	**-**	**(69.0)**	**707.0**			**-9%**	**360.0**	**-**	**(85.0)**	**275.0**			**-24%**
Semiconductor & Semiconductor Equipment (20)																
Advanced Micro Devices	AMD	12/26/2004	91.2	1.0	(155.5)	(63.4)	0.25	(0.18)	-172%	(274.5)	1.9	(80.5)	(353.0)	(0.79)	(1.02)	N/M
Altera Corp.	ALTR	12/31/2004	275.1	1.6	(94.9)	181.8	0.72	0.48	-33%	155.1	7.6	(94.0)	68.7	0.40	0.18	-55%
Analog Devices	ADI	10/30/2004	570.7	5.7	(213.3)	363.1	1.45	0.91	-37%	298.3	5.7	(222.6)	81.5	0.78	0.22	-72%
Applied Materials	AMAT	10/31/2004	1,351.3	-	(345.9)	1,005.4	0.78	0.58	-26%	(149.1)	-	(389.1)	(538.2)	(0.09)	(0.32)	N/M
Applied Micro Circuits	AMCC	3/31/2004	(104.9)	21.2	(341.0)	(424.6)	(0.34)	(1.39)	N/M	(643.3)	131.9	(435.9)	(947.4)	(2.14)	(3.15)	N/M
Broadcom Corporation	BRCM	12/31/2004	218.7	74.7	(676.9)	(383.4)	0.63	(1.20)	-290%	(959.9)	577.5	(1,025.9)	(1,408.3)	(3.29)	(4.82)	N/M
Freescale Semiconductor Inc. (22)	FSL.B	12/31/2004	211.0	20.0	(75.0)	156.0	1.06	0.78	-26%	(366.0)	6.0	(99.0)	(459.0)	NA	N/A	N/A
Intel Corp.	INTC	12/25/2004	7,516.0	-	(1,271.0)	6,245.0	1.16	0.97	-16%	5,641.0	-	(991.0)	4,650.0	0.85	0.71	-16%
KLA-Tencor Corp.	KLAC	6/30/2004	243.7	-	(82.4)	161.3	1.21	0.80	-34%	137.2	-	(90.9)	46.3	0.70	0.24	-66%
Linear Technology Corp.	LLTC	6/27/2004	328.2	-	(75.2)	253.0	1.02	0.79	-23%	236.6	-	(75.9)	160.7	0.74	0.50	-32%
LSI Logic	LSI	12/31/2004	(463.5)	3.5	(120.3)	(580.3)	(1.21)	(1.51)	N/M	(308.5)	9.2	(200.5)	(499.8)	(0.82)	(1.32)	N/M
Maxim Integrated Prod	MXIM	6/26/2004	419.8	-	(134.7)	285.0	1.20	0.82	-32%	309.6	-	(139.7)	169.9	0.91	0.50	-45%
Micron Technology	MU	9/2/2004	157.2	-	(203.9)	(46.7)	0.24	(0.07)	-129%	(1,273.2)	0.4	(295.2)	(1,568.0)	(2.11)	(2.59)	N/M
National Semiconductor	NSM	5/30/2004	284.7	2.2	(187.0)	99.9	0.73	0.25	-66%	(33.3)	1.9	(180.9)	(212.3)	(0.09)	(0.58)	N/M
Novellus Systems	NVLS	12/31/2004	156.7	2.9	(49.1)	110.5	1.06	0.75	-29%	(5.0)	2.2	(66.1)	(68.9)	(0.03)	(0.45)	N/M
NVIDIA Corp.	NVDA	1/25/2004	74.4	0.5	(74.5)	0.4	0.43	-	-100%	90.8	37.3	(205.4)	(77.3)	0.54	(0.50)	-193%
PMC-Sierra Inc.	PMCS	12/26/2004	51.7	-	(59.6)	(8.0)	0.27	(0.04)	-115%	(8.0)	-	(59.9)	(67.8)	(0.05)	(0.39)	N/M
Teradyne Inc.	TER	12/31/2004	165.2	-	(91.8)	73.4	0.84	0.37	-56%	(194.0)	-	(85.1)	(279.1)	(1.03)	(1.49)	N/M
Texas Instruments	TXN	12/31/2004	1,861.0	12.0	(372.0)	1,501.0	1.05	0.85	-19%	1,198.0	10.0	(433.0)	775.0	0.68	0.44	-35%
Xilinx, Inc	XLNX	12/31/2004	1,861.0	12.0	(372.0)	1,501.0	1.05	0.85	-19%	1,198.0	10.0	(433.0)	775.0	0.68	0.44	-35%
Total			**15,269.2**	**157.3**	**(4,996.0)**	**10,430.4**			**-32%**	**5,049.7**	**801.6**	**(5,603.4)**	**247.9**			**-95%**
Software (16)																
Adobe Systems	ADBE	12/3/2004	450.4	0.2	(105.9)	344.7	1.82	1.39	-24%	266.3	1.8	(188.4)	79.8	1.10	0.33	-70%
Autodesk, Inc.	ADSK	1/31/2004	120.3	1.2	(45.4)	76.2	1.04	0.67	-36%	31.9	1.9	(48.9)	(15.1)	0.28	(0.13)	-146%
BMC Software	BMC	3/31/2004	(184.1)	15.0	(99.0)	(268.1)	(0.75)	(1.09)	N/M	48.0	2.3	(64.7)	(14.4)	0.20	(0.06)	-130%
Citrix Systems	CTXS	12/31/2004	131.5	-	(48.0)	83.5	0.75	0.48	-36%	126.9	-	(87.6)	39.3	0.74	0.23	-69%
Computer Associates Intl.	CA	3/31/2004	(36.0)	8.0	(78.0)	(106.0)	(0.06)	(0.18)	N/M	(270.0)	1.0	(94.0)	(363.0)	(0.47)	(0.64)	N/M
Compuware Corp.	CPWR	3/31/2004	49.8	-	(40.1)	9.7	0.13	0.03	-77%	103.1	-	(51.9)	51.2	0.27	0.14	-48%
Electronic Arts	ERTS	3/31/2004	577.3	0.1	(97.0)	480.4	1.87	1.58	-16%	317.1	-	(83.9)	233.2	1.08	0.81	-25%
Intuit, Inc.	INTU	7/31/2004	317.0	0.5	(70.5)	247.1	1.58	1.23	-22%	263.2	0.8	(84.4)	179.6	1.25	0.85	-32%
Mercury Interactive	MERQ	12/31/2004	84.6	0.8	(106.9)	(21.5)	0.83	(0.24)	-129%	41.5	5.9	(141.7)	(94.3)	0.41	(1.08)	-363%
Microsoft Corp.	MSFT	6/30/2004	8,168.0	3,842.0	(3,842.0)	8,168.0	0.75	0.75	0%	7,531.0	2,512.0	(2,512.0)	7,531.0	0.69	0.69	0%
Novell Inc.	NOVL	10/31/2004	57.2	4.9	(51.4)	10.7	0.08	(0.04)	-150%	(161.9)	3.4	(28.8)	(187.2)	(0.44)	(0.51)	N/M
Oracle Corp.	ORCL	5/31/2004	2,681.0	-	(203.0)	2,478.0	0.50	0.46	-8%	2,307.0	-	(330.0)	1,977.0	0.43	0.36	-16%
Parametric Technology	PMTC	9/30/2004	34.8	0.4	(34.1)	1.1	0.13	-	-100%	(98.3)	0.5	(51.7)	(149.5)	(0.37)	(0.57)	N/M
Siebel Systems Inc	SEBL	12/31/2004	110.7	-	(161.8)	(51.2)	0.20	(0.10)	-150%	(5.2)	-	(449.1)	(454.3)	(0.01)	(0.92)	N/M

APPENDIX A: Pro Forma Income From Continuing Operations of the S&P 500 By Sector and Industry Group ($ in Millions)

Company Name	Ticker	Fiscal Yearend	2004 Reported Net Income/ (Net Loss) from Cont. Oper.	2004 Stock-based Compensation Included in Reported NI from Cont. Oper.	2004 Total Stock-based Compensation	2004 Pro Forma Net Income/ (Net Loss) from Cont. Oper.	2004 Reported EPS from Cont. Oper.	2004 Pro Forma EPS from Cont. Oper.	2004 (Decrease in Net Income) / Increase in Net Loss from Cont. Oper.	2003 Reported Net Income/ (Net Loss) from Cont. Oper.	2003 Stock-based Compensation Included in Reported NI from Cont. Oper.	2003 Total Stock-based Compensation	2003 Pro Forma Net Income/ (Net Loss) from Cont. Oper.	2003 Reported EPS from Cont. Oper.	2003 Pro Forma EPS from Cont. Oper.	2003 (Decrease in Net Income) / Increase in Net Loss from Cont. Oper.
Symantec Corp.	SYMC	4/2/2004	370.6	-	(98.1)	272.5	1.07	0.81	-24%	248.4	0.3	(89.0)	159.7	0.77	0.53	-31%
Veritas Software (1)	VRTS	12/31/2003	430.2	6.3	(253.4)	183.1	0.98	0.42	-57%	347.5	1.8	(306.2)	43.0	0.80	0.10	-88%
Total			**13,363.4**	**3,879.7**	**(5,334.7)**	**11,908.3**			**-11%**	**11,096.6**	**2,531.6**	**(4,612.3)**	**9,016.0**			**-19%**
Information Technology (80)																
Total			**61,014.2**	**4,487.0**	**(18,863.4)**	**46,637.8**			**-24%**	**29,250.5**	**3,734.4**	**(19,872.1)**	**13,112.8**			**-55%**
Materials																
Chemicals (14)																
Air Products & Chemicals	APD	9/30/2004	604.1	-	(30.6)	573.5	2.64	2.51	-5%	400.2	-	(37.9)	362.3	1.79	1.62	-9%
Dow Chemical	DOW	12/31/2004	2,797.0	170.0	(188.0)	2,779.0	2.93	2.91	-1%	1,739.0	33.0	(80.0)	1,692.0	1.88	1.83	-3%
Du Pont (E.I.)	DD	12/31/2004	1,780.0	49.0	(77.0)	1,752.0	1.77	1.73	-2%	1,002.0	31.0	(125.0)	908.0	0.99	0.90	-9%
Eastman Chemical	EMN	12/31/2004	170.0	1.0	(6.0)	165.0	2.18	2.12	-3%	(273.0)	1.0	(11.0)	(283.0)	(3.54)	(3.66)	N/M
Ecolab Inc.	ECL	12/31/2004	310.5	0.3	(28.1)	282.7	1.19	1.09	-8%	277.3	0.9	(17.7)	260.6	1.06	0.99	-7%
Engelhard Corp.	EC	12/31/2004	235.5	-	(6.8)	228.7	1.88	1.82	-3%	236.5	-	(5.8)	230.7	1.86	1.81	-3%
Great Lakes Chemical	GLK	12/31/2004	19.9	0.9	(3.3)	17.5	0.39	0.34	-13%	(40.1)	0.4	(4.2)	(43.9)	(0.80)	(0.88)	N/M
Hercules, Inc.	HPC	12/31/2004	27.0	2.0	(4.0)	25.0	0.25	0.23	-8%	74.0	5.0	(12.0)	67.0	0.69	0.62	-10%
International Flav/Frag	IFF	12/31/2004	196.1	-	(14.0)	182.1	2.05	1.91	-7%	172.6	-	(15.4)	157.2	1.83	1.66	-9%
Monsanto Co. (23)	MON	8/31/2004	271.0	1.0	(13.0)	259.0	1.01	0.97	-4%	2.0	1.0	(5.0)	(2.0)	0.01	-	-100%
PPG Industries	PPG	12/31/2004	683.0	13.0	(13.0)	683.0	3.95	3.95	0%	500.0	-	(18.0)	482.0	2.92	2.81	-4%
Praxair, Inc.	PX	12/31/2004	697.0	-	(27.0)	670.0	2.10	2.02	-4%	585.0	-	(27.0)	558.0	1.77	1.69	-5%
Rohm & Haas	ROH	12/31/2004	496.0	13.0	(26.0)	483.0	2.21	2.15	-3%	288.0	7.0	(26.0)	269.0	1.30	1.21	-7%
Sigma-Aldrich	SIAL	12/31/2004	232.9	-	(12.2)	220.7	3.34	3.16	-5%	190.4	-	(11.1)	179.3	2.68	2.53	-6%
Total			**8,520.0**	**250.2**	**(448.9)**	**8,321.2**			**-2%**	**5,153.9**	**79.3**	**(396.1)**	**4,837.2**			**-6%**
Construction Materials (1)																
Vulcan Materials	VMC	12/31/2004	261.2	4.5	(8.8)	256.9	2.52	2.49	-1%	237.5	2.6	(7.1)	233.0	2.31	2.26	-2%
Total			**261.2**	**4.5**	**(8.8)**	**256.9**			**-2%**	**237.5**	**2.6**	**(7.1)**	**233.0**			**-2%**
Containers & Packaging (5)																
Ball Corp. (24)	BLL	12/31/2004	295.6	-	3.2	298.8	2.60	2.63	1%	229.9	-	(1.2)	228.7	2.01	2.00	0%
Bemis Company	BMS	12/31/2004	180.0	7.3	(7.8)	179.5	1.67	1.66	-1%	147.1	6.6	(8.0)	145.7	1.37	1.35	-1%
Pactiv Corp.	PTV	12/31/2004	155.0	3.0	(13.0)	145.0	1.01	0.95	-6%	195.0	4.0	(14.0)	185.0	1.21	1.15	-5%
Sealed Air Corp.(New) (1)	SEE	12/31/2004	278.2	-	-	278.2	2.80	2.80	0%	240.4	-	-	240.4	2.00	2.00	0%
Temple-Inland	TIN	1/1/2005	162.0	20.0	(27.0)	155.0	2.87	2.76	-4%	97.0	21.0	(31.0)	87.0	1.78	1.60	-10%
Total			**1,070.8**	**30.3**	**(44.6)**	**1,056.5**			**-1%**	**909.4**	**31.6**	**(54.2)**	**886.8**			**-2%**
Metals & Mining (7)																
Alcoa Inc (25)	AA	12/31/2004	1,402.0	-	(35.0)	1,367.0	1.60	1.56	-3%	1,055.0	-	(30.0)	1,025.0	1.22	1.20	-2%
Allegheny Technologies Inc	ATI	12/31/2004	19.8	20.6	(24.4)	16.0	0.22	0.18	-18%	(313.3)	7.9	(11.2)	(316.6)	(3.87)	(3.91)	N/M
Freeport-McMoran Cp & Gld	FCX	12/31/2004	202.3	4.8	(10.0)	197.0	0.85	0.80	-6%	197.3	9.5	(14.2)	192.5	1.07	1.02	-5%
Newmont Mining Corp. (Hldg. Co.)	NEM	12/31/2004	490.5	-	(14.8)	475.7	1.10	1.07	-3%	510.2	-	(15.3)	494.9	1.23	1.19	-3%
Nucor Corp.	NUE	12/31/2004	1,121.5	12.0	(18.3)	1,115.2	7.02	6.98	-1%	62.8	0.4	(7.7)	55.4	0.40	0.35	-13%
Phelps Dodge	PD	12/31/2004	1,046.3	-	(5.2)	1,041.1	10.58	10.54	0%	18.1	-	(11.2)	6.9	0.06	(0.06)	-200%
United States Steel Corp.	X	12/31/2004	1,077.0	21.0	(27.0)	1,071.0	8.37	8.34	0%	(406.0)	51.0	(52.0)	(407.0)	(4.09)	(4.10)	N/M
Total			**5,359.3**	**58.4**	**(134.7)**	**5,283.0**			**-1%**	**1,124.0**	**68.8**	**(141.7)**	**1,051.1**			**-6%**
Paper & Forest Products (5)																
Georgia-Pacific Group	GP	1/1/2005	626.0	-	(3.0)	623.0	2.38	2.37	0%	324.0	-	(8.0)	316.0	1.29	1.26	-2%
International Paper	IP	12/31/2004	478.0	-	(38.0)	440.0	0.98	0.90	-8%	294.0	-	(44.0)	250.0	0.61	0.52	-15%
Louisiana Pacific	LPX	12/31/2004	423.5	9.5	(11.1)	421.9	3.87	3.82	-1%	284.9	5.2	(8.4)	281.7	2.68	2.66	-1%
MeadWestvaco Corporation	MWV	12/31/2004	(349.0)	1.0	(8.0)	(356.0)	(1.73)	(1.76)	N/M	22.0	-	(5.0)	17.0	0.11	0.08	-27%
Weyerhaeuser Corp.	WY	12/26/2004	1,283.0	-	(33.0)	1,250.0	5.43	5.28	-3%	288.0	-	(25.0)	263.0	1.30	1.18	-9%
Total			**2,461.5**	**10.5**	**(93.1)**	**2,378.9**			**-3%**	**1,212.9**	**5.2**	**(90.4)**	**1,127.7**			**-7%**
Materials (32)																
Total			**17,672.8**	**353.9**	**(730.1)**	**17,296.6**			**-2%**	**8,637.8**	**187.5**	**(689.5)**	**8,135.8**			**-6%**
Telecommunication Services																
Diversified Telecommunication Services (9)																
ALLTEL Corp.	AT	12/31/2004	1,026.7	1.8	(26.3)	1,002.2	3.33	3.25	-2%	953.5	-	(24.6)	928.9	3.05	2.97	-3%
AT&T Corp. (New)	T	12/31/2004	(6,469.0)	85.0	(199.0)	(6,583.0)	(8.14)	(8.28)	N/M	1,863.0	75.0	(225.0)	1,713.0	2.36	2.17	-8%
BellSouth (26)	BLS	12/31/2004	3,394.0	99.5	(99.5)	3,394.0	1.85	1.85	0%	3,488.0	91.7	(91.7)	3,488.0	1.88	1.88	0%
Century Telephone	CTL	12/31/2004	337.2	-	(9.8)	327.5	2.41	2.34	-3%	344.7	-	(13.2)	331.5	2.35	2.26	-4%
Citizens Communications	CZN	12/31/2004	72.2	29.4	(38.3)	63.2	0.23	0.20	-13%	128.3	6.0	(16.1)	118.2	0.42	0.39	-7%
Qwest Communications Int	Q	12/31/2004	(1,794.0)	(1.0)	(58.0)	(1,853.0)	(1.00)	(1.03)	N/M	(1,313.0)	6.0	(71.0)	(1,378.0)	(0.76)	(0.80)	N/M
SBC Communications Inc.	SBC	12/31/2004	4,979.0	N/A	N/A	4,979.0	1.50	1.50	0%	5,859.0	N/A	N/A	5,859.0	1.76	1.76	0%
Sprint Corp. FON	FON	12/31/2004	(1,012.0)	82.0	(111.0)	(1,041.0)	(0.71)	(0.73)	N/M	(292.0)	33.0	(106.0)	(365.0)	(0.21)	(0.27)	N/M
Verizon Communications	VZ	12/31/2004	7,261.0	53.0	(124.0)	7,190.0	2.59	2.57	-1%	3,460.0	44.0	(215.0)	3,289.0	1.25	1.19	-5%
Total			**7,795.1**	**349.6**	**(665.8)**	**7,478.9**			**-4%**	**14,491.5**	**255.7**	**(762.6)**	**13,984.6**			**-3%**

APPENDIX A: Pro Forma Income From Continuing Operations of the S&P 500 By Sector and Industry Group ($ in Millions)

Company Name	Ticker	Fiscal Yearend	2004 Reported Net Income/ (Net Loss) from Cont. Oper.	2004 Stock-based Compensation Included in Reported NI from Cont. Oper.	2004 Total Stock-based Compensation	2004 Pro Forma Net Income/ (Net Loss) from Cont. Oper.	2004 Reported EPS from Cont. Oper.	2004 Pro Forma EPS from Cont. Oper.	2004 (Decrease in Net Income) / Increase in Net Loss from Cont. Oper.	2003 Reported Net Income/ (Net Loss) from Cont. Oper.	2003 Stock-based Compensation Included in Reported NI from Cont. Oper.	2003 Total Stock-based Compensation	2003 Pro Forma Net Income/ (Net Loss) from Cont. Oper.	2003 Reported EPS from Cont. Oper.	2003 Pro Forma EPS from Cont. Oper.	2003 (Decrease in Net Income) / Increase in Net Loss from Cont. Oper.
Wireless Telecommunication Services (1)																
Nextel Communications	NXTL	12/31/2004	3,000.0	11.0	(205.0)	2,806.0	2.62	2.45	-6%	1,511.0	35.0	(360.0)	1,186.0	1.34	1.04	-22%
Total			**3,000.0**	**11.0**	**(205.0)**	**2,806.0**			**-6%**	**1,511.0**	**35.0**	**(360.0)**	**1,186.0**			**-22%**
Telecommunication Services (10)																
Total			**10,795.1**	**360.6**	**(870.8)**	**10,284.9**			**-5%**	**16,002.5**	**290.7**	**(1,122.6)**	**15,170.6**			**-5%**
Utilities																
Electric Utilities (20)																
Allegheny Energy	AYE	12/31/2004	129.7	11.3	(16.1)	124.9	0.99	0.96	-3%	(308.9)	6.4	(7.8)	(310.3)	(2.44)	(2.45)	N/M
Ameren Corporation	AEE	12/31/2004	530.0	3.0	(4.0)	529.0	2.84	2.84	0%	506.0	3.0	(4.0)	505.0	3.14	3.13	0%
American Electric Power	AEP	12/31/2004	1,127.0	15.0	(18.0)	1,124.0	2.85	2.84	0%	522.0	2.0	(7.0)	517.0	1.35	1.33	-1%
CenterPoint Energy	CNP	12/31/2004	205.7	-	(4.0)	201.7	0.61	0.60	-2%	408.8	-	(10.0)	398.8	1.24	1.23	-1%
CINergy Corp. (27)	CIN	12/31/2004	400.9	N/A	N/A	400.9	2.18	2.18	0%	434.4	17.0	(17.0)	434.4	2.43	2.43	0%
Consolidated Edison	ED	12/31/2004	549.0	7.0	(12.0)	544.0	2.32	2.30	-1%	634.0	3.0	(8.0)	629.0	2.86	2.84	-1%
DTE Energy Co.	DTE	12/31/2004	443.0	-	(6.0)	437.0	2.55	2.51	-2%	480.0	-	(7.0)	473.0	2.85	2.81	-1%
Edison Int'l	EIX	12/31/2004	226.0	51.0	(57.0)	220.0	0.68	0.66	-3%	655.0	7.0	(9.0)	653.0	1.99	1.98	-1%
Entergy Corp.	ETR	12/31/2004	933.0	5.1	(16.7)	921.5	3.93	3.88	-1%	813.4	2.8	(24.5)	791.7	3.42	3.33	-3%
Exelon Corp.	EXC	12/31/2004	1,841.0	39.0	(60.0)	1,820.0	2.75	2.72	-1%	793.0	19.0	(39.0)	773.0	1.21	1.18	-2%
FirstEnergy Corp.	FE	12/31/2004	873.8	21.2	(35.7)	859.3	2.66	2.62	-2%	424.2	23.6	(35.8)	412.1	1.40	1.36	-3%
FPL Group	FPL	12/31/2004	887.0	17.0	(17.0)	887.0	4.91	4.91	0%	893.0	12.0	(19.0)	886.0	5.02	4.98	-1%
PG&E Corp.	PCG	12/31/2004	3,820.0	-	(14.0)	3,806.0	8.97	8.99	0%	791.0	-	(19.0)	772.0	1.92	1.87	-3%
Pinnacle West Capital	PNW	12/31/2004	235.2	4.7	(5.3)	234.6	2.57	2.56	0%	225.8	3.5	(5.2)	224.1	2.47	2.45	-1%
PPL Corp.	PPL	12/31/2004	700.0	8.0	(10.0)	698.0	3.78	3.77	0%	719.0	5.0	(9.0)	715.0	4.15	4.13	0%
Progress Energy, Inc.	PGN	12/31/2004	753.0	-	(10.0)	743.0	3.10	3.06	-1%	811.0	-	(11.0)	800.0	3.40	3.36	-1%
Southern Co.	SO	12/31/2004	1,532.0	-	(16.0)	1,516.0	2.06	2.04	-1%	1,474.0	-	(18.0)	1,456.0	2.02	1.99	-1%
TECO Energy	TE	12/31/2004	(404.4)	3.2	(7.1)	(408.3)	(2.10)	(2.12)	N/M	61.7	1.0	(3.7)	59.0	0.34	0.33	-3%
TXU Corp. (28)	TXU	12/31/2004	81.0	36.0	(36.0)	81.0	(2.63)	(2.63)	N/M	566.0	16.3	(16.3)	566.0	1.57	1.57	0%
Xcel Energy Inc	XEL	12/31/2004	526.9	-	(2.3)	524.6	1.27	1.26	-1%	525.8	-	(3.9)	521.9	1.27	1.26	-1%
Total			**15,389.9**	**221.5**	**(347.2)**	**15,264.2**			**-1%**	**11,429.3**	**121.6**	**(274.2)**	**11,276.7**			**-1%**
Gas Utilities (4)																
Keyspan Energy	KSE	12/31/2004	614.7	9.1	(12.4)	611.5	3.78	3.76	-1%	426.1	3.7	(9.4)	420.4	2.63	2.60	-1%
NICOR Inc.	GAS	12/31/2004	75.1	-	(1.2)	73.9	1.70	1.67	-2%	109.8	-	(0.7)	109.1	2.48	2.47	0%
NiSource Inc.	NI	12/31/2004	430.2	5.1	(11.5)	423.8	1.62	1.60	-1%	425.7	8.3	(14.7)	419.3	1.63	1.60	-2%
Peoples Energy	PGL	9/30/2004	81.6	-	(0.0)	81.6	2.18	2.18	0%	103.9	-	(0.8)	103.1	2.87	2.85	-1%
Total			**1,201.6**	**14.2**	**(25.1)**	**1,190.7**			**-1%**	**1,065.5**	**12.0**	**(25.6)**	**1,051.9**			**-1%**
Multi-Utilities & Unregulated Power (9)																
AES Corp. (1)	AES	12/31/2004	445.7	22.1	(22.1)	445.7	0.69	0.69	0%	(403.0)	7.0	(7.0)	(403.0)	(0.67)	(0.67)	N/M
Calpine Corp. (1)	CPN	12/31/2003	(348.9)	-	(5.0)	(353.9)	(0.81)	(0.82)	N/M	109.8	9.7	(21.3)	98.1	0.28	0.25	-11%
CMS Energy (29)	CMS	12/31/2004	127.0	N/A	N/A	127.0	0.67	0.67	0%	(42.0)	3.3	(3.3)	(42.0)	(0.30)	(0.30)	N/M
Constellation Energy Group	CEG	12/31/2004	588.8	13.2	(21.3)	580.7	3.40	3.35	-1%	475.7	12.0	(20.7)	467.0	2.85	2.80	-2%
Dominion Resources	D	12/31/2004	1,264.0	10.0	(20.0)	1,254.0	3.82	3.79	-1%	949.0	10.0	(36.0)	923.0	2.98	2.90	-3%
Duke Energy	DUK	12/31/2004	1,232.0	16.0	(27.0)	1,221.0	1.27	1.26	-1%	(1,003.0)	6.0	(30.0)	(1,027.0)	(1.13)	(1.16)	N/M
Dynegy Inc. (New) Class A	DYN	12/31/2004	(10.0)	4.0	(27.0)	(33.0)	(0.09)	(0.15)	N/M	(713.0)	2.0	(53.0)	(764.0)	0.73	0.61	-16%
Public Serv. Enterprise Inc.	PEG	12/31/2004	721.0	1.0	(6.0)	716.0	3.03	3.01	-1%	852.0	-	(8.0)	844.0	3.72	3.68	-1%
Sempra Energy	SRE	12/31/2004	920.0	24.0	(30.0)	914.0	3.93	3.90	-1%	695.0	13.0	(20.0)	688.0	3.24	3.20	-1%
Total			**4,939.6**	**90.3**	**(158.4)**	**4,871.5**			**-1%**	**920.5**	**63.0**	**(199.3)**	**784.1**			**-15%**
Utilities (33)																
Total			**21,531.1**	**326.0**	**(530.6)**	**21,326.5**			**-1%**	**13,415.3**	**196.5**	**(499.0)**	**13,112.7**			**-2%**
S&P 500 TOTAL			**522,660.5**	**14,299.9**	**(41,038.3)**	**495,922.1**			**-5%**	**414,899.0**	**11,350.7**	**(41,622.3)**	**384,627.4**			**-7%**

Source: Company reports; Bear Stearns & Co., Inc. estimates.

The S&P 500 as of December 31, 2004

N/A Not available.
N/M Not meaningful.

(1) AES, AIG, BIIB,CPN, DPH, EDS, EK, EP, FNM, IPG, PVN, SEE, VRTS, and WEN filed an NT-10K to extend the filing deadline for their 2004 10K. Net income from continuing operations results for these companies above are based on First Call estimates of companies earnings. Stock-based compensation expense results for these companies were estimated by annualizing the companies' most recently filed 10Q stock-based compensation disclosures.

(2) According to Carnival Corp.'s 10K, "During fiscal 2004, we completed a corporate reorganization. As a result of that reorganization, 1.6 million unvested options held by employees vested immediately and their termination dates were accelerated to 2004. This vesting occurred either in accordance with the terms of the option plan or to avoid having these employees and Carnival Corporation incur unduly burdensome taxes upon the exercise of such options at a later date. As a result of this accelerated vesting, we included an additional $19 million of stock-based compensation expense determined under the fair value based method in the adjusted 2004 net income."

(3) Deduct $12MM in 2003 and $19MM in 2002 for stock-based compensation expense determined under fair value-based method for all awards relating to discontinued operations, net of related tax effects.

(4) 2004 includes $20.5 million due to acceleration of out of certain out of the money stock options.

(5) Freddie Mac and News Corp. have not yet filed 2004 results. We do not have sufficient information to estimate the company's stock option expense.

(6) Post tax impact of stock options estimated based on 35% tax rate for 2004. Pre-tax stock-based employee compensation costs for the years ended December 31, 2004, 2003 and 2002, were $117.2 million, $131.1 million and $173.5 million, respectively. Post-tax stock-based employee compensation costs for the years ended December 31, 2003 and 2002, were $81.1 million and $105.7 million based on last year's stock option disclosure.
(7) The following is a disclosure from Viacom's 10K discribing its $18 billion impairment change in 2004. "SFAS 142 requires the Company to perform an annual fair value-based impairment test of goodwill. The first step of the test examines whether or not the book value of each of the Company's reporting units exceeds its fair value. If the book value for a reporting unit exceeds its fair value, the second step of the test compares the implied fair value of that reporting unit's goodwill with the book value of that goodwill. The Company's reporting units are generally consistent with the operating segments underlying the reportable segments identified in Note 14. As a result of the impairment test, the Company recorded an impairment charge of $18.0 billion in the fourth quarter recorded in the Company's Consolidated Statement of Operations for the year ended December 31, 2004. The $18.0 billion reflects charges to reduce the carrying value of goodwill at the Radio segment of $10.9 billion and the Outdoor segment of $7.1 billion as well as a reduction of the carrying value of intangibles of $27.8 million related to the FCC licenses at the Radio segment."
(8) On February 9, 2005, Adolph Coors Company merged with Molson Inc. (Molson). In connection with the merger (the Merger), Adolph Coors Company became the parent of the merged company and changed its name to Molson Coors Brewing Company. The new ticker is TAP.
(9) The $56.5 million addback in fiscal year 2004 for stock-based compensation expense included in reported net earnings includes the $55.6 million after-tax non-cash charge related to the conversion to a single class of common stock. The $11.0 million deduction in fiscal year 2004 for stock-based compensation expense determined under the fair value based method includes a $105,000 pro-forma after-tax non-cash charge related to the conversion to a single class of common stock. See "note 2" for further discussion of the conversion.
(10) Post tax impact of stock options estimated based on 35% tax rate for 2004. The total pre-tax compensation cost recognized in earnings for stock-based compensation plans for 2004, 2003, and 2002 was $883 million, $1,004 million, and $2,071 million, respectively, which includes the impact of accelerated amortization for terminated employees. Post-tax stock-based employee compensation costs for the years ended December 31, 2003 and 2002, were $638 million and $1,331 million based on last year's stock option disclosure.
(11) Post tax impact of stock options estimated based on 35% tax rate. The Company recognizes expense for stock-based compensation using the fair value method of accounting. As a result, salaries and employee benefits expense in 2004, 2003 and 2002 included $48 million, $43 million and $41 million, respectively, of stock-based compensation.
(12) Excludes stock option epense related to sale of National Processing.
(13) The EPS impact presented is for Loews common stock excluding Carolina Group.
(14) Post tax impact of stock options estimated based on 35% tax rate. Under the modified prospective method of adoption selected by the Company under the provisions of SFAS 148, employee stock options' compensation expense for the years ended December 31, 2004, 2003 and 2002 totaled $16.7 million, $26.4 million and $23.9 million, respectively.
(15) Prudential Financial EPS results are for the Financial Services Business and exclude results of Closed Block Business.
(16) Post tax impact of stock options estimated based on 35% tax rate.
(17) 2004 stock-based compensation includes $12.0 million of pro forma expense for a one-time grant of immediately vested options as bonus payments at December 31, 2004.
(18) Post tax impact of stock options estimated based on 35% tax rate. Share-based plans expense for the years ended December 31, 2004, 2003 and 2002 was $68 million, $69 million, and $98 million, respectively.
(19) Post tax impact of stock options estimated based on 35% tax rate. During the years ended December 31, 2004 and 2003 and May 31, 2002, Tenet recorded total stock compensation expense of $111 million, $176 million, and $87 million, respectively
(20) Post tax impact of stock options estimated based on 35% tax rate. Share-based plans expense for the years ended December 31, 2004, 2003 and 2002 was $576 million, $456 million, and $447 million, respectively.
(21) Textron has entered into cash settlement forward contracts on its common stock to mitigate the impact of stock price fluctuations on compensation expense.
(22) The stock IPOed on July 21, 2004.
(23) Company changed to a August 31st fiscal year-end in 2003. As such, 2004 based on year ended August 31, 2004. 2003 based on eight months ended August 31, 2003. 2002 based on twelve months ended December 31, 2002.
(24) 2002 and 2003 per share amounts have been retroactively restated for the two-for-one stock split effective August 23, 2004.
(25) In addition to stock option awards described above, beginning in 2004 the company granted stock awards and performance share awards that vest in three years from the date of grant. Compensation expense for stock awards is calculated based on the fair value at the grant date, and compensation expense for performance share awards is based on the fair value on the date the performance criteria is determined. The after-tax expense recognized on these awards in 2004 was $9.
(26) Post tax impact of stock options estimated based on 35% tax rate. Share-based plans expense for the years ended December 31, 2004, 2003 and 2002 was $161 million, $152 million, and $176 million, respectively. These estimates were adjusted to remove impact from stock-based compensation cost related to stock options for discontinued operations of $14 million in 2002, $11 million in 2003, and $8 million in 2004.
(27) Prospective adoption in 2003; impact if fv method been applied to all o/s and unvested awards "was not material"
(28) Post tax impact of stock options estimated based on 35% tax rate for 2002 and 2003. Reported compensation expense related to LTIP awards totaled $25 million in 2003 and $1 million in 2002. Based on the fair values determined under this model, reported expense in 2004 related to LTIP awards totaled $56 million ($36 million after-tax, or $0.19 per share).
(29) Adopted fair value based method in 12/02; "All stock options vest at date of grant", so immediately effective. Stock comp numbers are tax-effected at a 35% assumed rate.

APPENDIX B: Pro Forma Income From Continuing Operations of the Nasdaq 100 By Sector and Industry Group ($ in Millions)

Sector (# of Companies)	Industry Group Name (# of Companies)	2004 Reported Net Income/ (Net Loss) from Cont. Oper.	2004 Stock-based Compensation Included in Reported NI from Cont. Oper.	2004 Total Stock-based Compensation	2004 Pro Forma Net Income/ (Net Loss) from Cont. Oper.	2004 Change in Net Income/ (Net Loss) from Cont. Oper.	2003 Reported Net Income/ (Net Loss) from Cont. Oper.	2003 Stock-based Compensation Included in Reported NI from Cont. Oper.	2003 Total Stock-based Compensation	2003 Pro Forma Net Income/ (Net Loss) from Cont. Oper.	2003 Change in Net Income/ (Net Loss) from Cont. Oper.	2002 Reported Net Income/ (Net Loss) from Cont. Oper.	2002 Stock-based Compensation Included in Reported NI from Cont. Oper.	2002 Total Stock-based Compensation	2002 Pro Forma Net Income/ (Net Loss) from Cont. Oper.	2002 Change in Net Income/ (Net Loss) from Cont. Oper.
Consumer Discretionary (20)	Hotels Restaurants & Leisure (2)	185	-	(50)	135	-27%	218	-	(39)	179	-18%	180	-	(38)	142	-21%
	Household Durables (1)	206	-	(5)	200	-3%	179	-	(3)	176	-2%	143	-	(2)	141	-1%
	Internet & Catalog Retail (3)	1,552	207	(439)	1,321	-15%	609	168	(448)	330	-46%	102	83	(499)	(314)	N/M
	Media (8)	(947)	133	(395)	(1,209)	N/M	(1,687)	33	(284)	(1,938)	N/M	(4,984)	15	(479)	(5,448)	N/M
	Multiline Retail (2)	1,284	-	(13)	1,270	-1%	(469)	-	24	(444)	N/M	(2,648)	-	(25)	(2,673)	N/M
	Specialty Retail (4)	1,476	38	(130)	1,383	-6%	1,082	25	(107)	1,001	-8%	860	24	(89)	795	-8%
	Sector Total	3,755	378	(1,032)	3,100	-17%	(67)	227	(857)	(697)	N/M	(6,347)	122	(1,133)	(7,358)	N/M
Consumer Staples (2)	Food & Staples Retailing (2)	1,012	23	(82)	953	-6%	820	8	(88)	739	-10%	780	-	(90)	690	-12%
	Sector Total	1,012	23	(82)	953	-6%	820	8	(88)	739	-10%	780	-	(90)	690	-12%
Health Care (14)	Biotechnology (8)	3,044	26	(763)	2,307	-24%	1,224	13	(682)	555	-55%	(2,546)	19	(725)	(3,252)	N/M
	Health Care Equipment & Supplies (2)	543	-	(17)	525	-3%	465	-	(17)	448	-4%	392	-	(15)	377	-4%
	Health Care Providers & Services (3)	701	8	(31)	677	-3%	599	4	(35)	569	-5%	489	5	(36)	457	-6%
	Pharmaceuticals (1)	332	-	(45)	287	-14%	691	1	(55)	637	-8%	410	0	(59)	352	-14%
	Sector Total	4,620	34	(857)	3,797	-18%	2,979	18	(788)	2,209	-26%	(1,255)	24	(835)	(2,066)	N/M
Industrials (8)	Air Freight & Logistics (2)	293	13	(40)	266	-9%	229	10	(34)	206	-10%	202	-	(20)	183	-10%
	Commercial Services & Supplies (3)	730	74	(115)	689	-6%	609	-	(33)	576	-5%	457	-	(27)	430	-6%
	Electrical Equipment (1)	181	-	(10)	171	-6%	177	-	(23)	154	-13%	117	-	(25)	91	-22%
	Machinery (1)	907	3	(4)	906	0%	527	2	(5)	524	-1%	372	-	(6)	367	-1%
	Trading Companies & Distributors (1)	131	-	(1)	130	-1%	84	-	(2)	82	-2%	75	-	(3)	72	-4%
	Sector Total	2,242	90	(170)	2,163	-4%	1,626	12	(96)	1,542	-5%	1,223	-	(80)	1,143	-7%
Information Technology (51)	Communications Equipment (8)	8,894	36	(2,136)	6,794	-24%	1,600	64	(2,532)	(868)	N/M	(9,719)	137	(2,926)	(12,509)	N/M
	Computers & Peripherals (6)	3,483	52	(1,956)	1,579	-55%	(367)	40	(1,829)	(2,156)	N/M	1,710	42	(1,955)	(203)	N/M
	Electronic Equipment & Instruments (4)	50	23	(161)	(88)	N/M	39	12	(169)	(118)	N/M	(2,589)	10	(175)	(2,754)	N/M
	Internet Software & Services (2)	1,026	23	(376)	673	-34%	(22)	20	(407)	(408)	N/M	(4,854)	24	(630)	(5,460)	N/M
	IT Services (3)	798	-	(42)	756	-5%	660	0	(42)	618	-6%	568	-	(42)	526	-7%
	Semiconductor & Semiconductor Equipment (14)	11,307	108	(3,053)	8,361	-26%	5,582	645	(3,244)	2,982	-47%	1,342	460	(3,404)	(1,603)	N/M
	Software (14)	13,916	3,862	(5,280)	12,498	-10%	11,953	2,534	(4,612)	9,875	-17%	8,186	2,587	(5,465)	5,308	-35%
	Sector Total	39,474	4,102	(13,004)	30,572	-23%	19,445	3,316	(12,837)	9,924	-49%	(5,357)	3,260	(14,597)	(16,695)	N/M
Materials (2)	Chemicals (1)	233	-	(12)	221	-5%	190	-	(11)	179	-6%	187	-	(10)	177	-5%
	Containers & Packaging (1)	(46)	6	(15)	(55)	N/M	(198)	2	(13)	(209)	N/M	59	-	(8)	51	-14%
	Sector Total	187	6	(27)	166	-11%	(8)	2	(24)	(30)	N/M	246	-	(18)	228	-7%
Telecommunication Services (3)	Diversified Telecommunication Services (2)	(4,486)	64	(70)	(4,492)	N/M	21,748	54	(324)	21,478	-1%	(9,799)	110	(413)	(10,102)	N/M
	Wireless Telecommunication Services (1)	3,000	11	(205)	2,806	-6%	1,511	35	(360)	1,186	-22%	1,360	8	(350)	1,018	-25%
	Sector Total	(1,486)	75	(275)	(1,686)	N/M	23,259	89	(684)	22,664	-3%	(8,439)	118	(763)	(9,084)	N/M
NASDAQ 100 Total		**49,804**	**4,708**	**(15,447)**	**39,064**	**-22%**	**48,054**	**3,671**	**(15,374)**	**36,351**	**-24%**	**(19,150)**	**3,523**	**(17,515)**	**(33,141)**	**N/M**

APPENDIX B - Summary

APPENDIX B: Pro Forma Income From Continuing Operations of the NASDAQ 100 By Sector and Industry Group ($ in Millions)

Company Name	Ticker	Fiscal Yearend	2004 Reported Net Income/ (Net Loss) from Cont. Oper.	2004 Stock-based Compensation Included in Reported NI from Cont. Oper.	2004 Total Stock-based Compensation	2004 Pro Forma Net Income/ (Net Loss) from Cont. Oper.	2004 Reported EPS from Cont. Oper.	2004 Pro Forma EPS from Cont. Oper.	2004 (Decrease in Net Income) / Increase in Net Loss from Cont. Oper.	2003 Reported Net Income/ (Net Loss) from Cont. Oper.	2003 Stock-based Compensation Included in Reported NI from Cont. Oper.	2003 Total Stock-based Compensation	2003 Pro Forma Net Income/ (Net Loss) from Cont. Oper.	2003 Reported EPS from Cont. Oper.	2003 Pro Forma EPS from Cont. Oper.	2003 (Decrease in Net Income) / Increase in Net Loss from Cont. Oper.
Consumer Discretionary																
Hotels Restaurants & Leisure (2)																
Starbucks Corporation	SBUX	10/3/2004	390.6	-	(45.1)	345.5	0.95	0.84	-12%	266.8	-	(37.4)	229.4	0.66	0.57	-14%
Wynn Resorts, Limited	WYNN	12/31/2004	(205.6)	-	(4.7)	(210.3)	(2.37)	(2.42)	N/M	(48.9)	-	(2.0)	(50.9)	(0.62)	(0.64)	N/M
Total			**185.0**	**-**	**(49.8)**	**135.2**			**-27%**	**218.0**	**-**	**(39.4)**	**178.5**			**-18%**
Household Durables (1)																
Garmin Ltd.	GRMN	12/25/2004	205.7	-	(5.5)	200.2	1.89	1.84	-3%	178.6	-	(3.0)	175.6	1.64	1.61	-2%
Total			**205.7**	**-**	**(5.5)**	**200.2**			**-3%**	**178.6**	**-**	**(3.0)**	**175.6**			**-2%**
Internet & Catalog Retail (3)																
Amazon.com, Inc.	AMZN	12/31/2004	588.5	57.7	(81.2)	565.0	1.39	1.33	-4%	35.3	87.8	(94.5)	28.5	0.08	0.07	-13%
eBay Inc.	EBAY	12/31/2004	778.2	1.7	(190.9)	589.0	0.57	0.43	-25%	447.2	5.5	(201.8)	250.9	0.34	0.19	-44%
IAC/InterActiveCorp	IACI	12/31/2004	185.8	147.8	(166.9)	166.6	0.23	0.21	-9%	126.7	75.2	(151.4)	50.5	0.17	0.05	-71%
Total			**1,552.4**	**207.2**	**(439.0)**	**1,320.6**			**-15%**	**609.1**	**168.5**	**(447.7)**	**329.9**			**-46%**
Media (8)																
Comcast Corp. (2)	CMCSA	12/31/2004	970.0	27.0	(206.0)	791.0	0.43	0.35	-19%	(218.0)	10.0	(160.0)	(368.0)	(0.10)	(0.16)	N/M
EchoStar Communications Corporation	DISH	12/31/2004	214.8	1.1	(20.5)	195.4	0.46	0.42	-9%	224.5	3.4	(26.1)	201.8	0.46	0.41	-11%
Lamar Advertising Company	LAMR	12/31/2004	13.2	-	(8.8)	4.3	0.12	0.04	-67%	(39.8)	-	(3.5)	(43.2)	(0.39)	(0.43)	N/M
Liberty Media International, Inc.	LBTYA	12/31/2004	(31.8)	51.5	(29.9)	(10.1)	(0.20)	(0.06)	N/M	20.9	-	(0.8)	20.1	0.14	0.13	-7%
NTL Incorporated (3)	NTLI	12/31/2004	(900.6)	17.2	(17.2)	(900.6)	(10.33)	(10.33)	N/M	(988.2)	8.2	(8.2)	(988.2)	(15.64)	(15.64)	N/M
Pixar	PIXR	1/1/2005	141.7	-	(19.5)	122.3	2.38	2.09	-12%	124.8	-	(16.9)	107.9	2.17	1.93	-11%
Sirius Satellite Radio Inc.	SIRI	12/31/2004	(712.2)	35.8	(62.5)	(738.9)	(0.57)	(0.60)	N/M	(226.2)	11.5	(43.2)	(258.0)	(0.27)	(0.31)	N/M
XM Satellite Radio Holdings Inc.	XMSR	12/31/2004	(642.4)	-	(30.5)	(672.8)	(3.30)	(3.45)	N/M	(584.5)	-	(25.8)	(610.3)	(4.83)	(5.04)	N/M
Total			**(947.2)**	**132.6**	**(394.8)**	**(1,209.5)**			**N/M**	**(1,686.5)**	**33.1**	**(284.5)**	**(1,937.9)**			**N/M**
Multiline Retail (2)																
Dollar Tree Stores, Inc. (4)	DLTR	1/31/2004	177.6	-	(13.2)	164.4	1.54	1.43	-7%	149.4	-	(13.7)	135.7	1.30	1.18	-9%
KMart Holding Corporation (5)	KMRT	1/26/2005	1,106.0	-	-	1,106.0	11.00	11.00	0%	(618.0)	-	38.0	(580.0)	N/A	N/A	N/A
Total			**1,283.6**	**-**	**(13.2)**	**1,270.4**			**-1%**	**(468.6)**	**-**	**24.3**	**(444.3)**			**N/M**
Specialty Retail (4)																
Bed Bath & Beyond Inc.	BBBY	2/28/2004	399.5	-	(29.4)	370.1	1.31	1.23	-6%	302.2	-	(25.4)	276.7	1.00	0.92	-8%
PETsMART, Inc.	PETM	2/1/2004	139.5	-	(11.1)	128.4	0.95	0.87	-8%	88.9	-	(8.0)	80.8	0.63	0.58	-8%
Ross Stores, Inc.	ROST	1/31/2004	228.1	8.5	(18.7)	217.9	1.47	1.41	-4%	201.2	7.5	(15.5)	193.1	1.26	1.22	-3%
Staples, Inc.	SPLS	1/29/2005	708.4	29.5	(71.0)	666.9	1.40	1.32	-6%	490.2	17.7	(57.7)	450.2	0.99	0.91	-8%
Total			**1,475.5**	**37.9**	**(130.2)**	**1,383.3**			**-6%**	**1,082.4**	**25.2**	**(106.7)**	**1,000.9**			**-8%**
Consumer Discretionary (20)																
Total			**3,755.0**	**377.8**	**(1,032.5)**	**3,100.3**			**-17%**	**(67.0)**	**226.7**	**(857.1)**	**(697.4)**			**N/M**
Consumer Staples																
Food & Staples Retailing (2)																
Costco Wholesale Corporation	COST	8/29/2004	882.4	23.0	(58.4)	847.0	1.85	1.78	-4%	721.0	7.5	(70.3)	658.3	1.53	1.40	-8%
Whole Foods Market, Inc. (6)	WFMI	9/26/2004	129.5	-	(23.9)	105.6	1.98	1.65	-17%	98.9	-	(17.7)	81.2	1.58	1.33	-16%
Total			**1,011.9**	**23.0**	**(82.3)**	**952.6**			**-6%**	**819.9**	**7.5**	**(87.9)**	**739.5**			**-10%**
Consumer Staples (2)																
Total			**1,011.9**	**23.0**	**(82.3)**	**952.6**			**-6%**	**819.9**	**7.5**	**(87.9)**	**739.5**			**-10%**
Health Care																
Biotechnology (8)																
Amgen Inc.	AMGN	12/31/2004	2,363.0	-	(292.0)	2,071.0	1.81	1.58	-13%	2,259.0	-	(198.0)	2,061.0	1.69	1.55	-8%
BIOGEN IDEC Inc. (1)	BIIB	12/31/2004	258.1	16.5	(33.3)	241.3	1.45	1.36	-7%	(875.1)	-	(51.9)	(926.9)	1.69	1.55	-8%
Chiron Corporation	CHIR	12/31/2004	54.1	4.7	(86.8)	(28.0)	0.28	(0.15)	-154%	220.3	5.6	(100.8)	125.1	1.15	0.65	-43%
Genzyme General	GENZ	12/31/2004	86.5	0.0	(94.1)	(7.5)	0.37	(0.03)	-108%	(67.6)	0.4	(80.0)	(147.3)	0.42	0.08	-81%
Gilead Sciences, Inc.	GILD	12/31/2004	449.4	0.5	(80.8)	369.0	0.99	0.81	-18%	(72.0)	1.2	(61.4)	(132.2)	(0.18)	(0.33)	N/M
Invitrogen Corporation	IVGN	12/31/2004	88.8	3.3	(40.5)	51.7	1.63	0.95	-42%	60.1	1.0	(33.8)	27.4	1.17	0.53	-55%
MedImmune, Inc.	MEDI	12/31/2004	(3.8)	0.7	(63.1)	(66.2)	(0.02)	(0.27)	N/M	183.2	2.5	(87.5)	98.2	0.72	0.39	-46%
Millennium Pharmaceuticals, Inc.	MLNM	12/31/2004	(252.3)	0.2	(72.3)	(324.4)	(0.83)	(1.06)	N/M	(483.7)	2.5	(68.8)	(550.0)	(1.63)	(1.85)	N/M
Total			**3,043.8**	**25.9**	**(762.9)**	**2,306.8**			**-24%**	**1,224.3**	**13.2**	**(682.3)**	**555.3**			**-55%**
Health Care Equipment & Supplies (2)																
Biomet, Inc.	BMET	5/31/2004	332.7	-	(5.8)	326.9	1.27	1.24	-2%	294.8	-	(5.5)	289.3	1.10	1.08	-2%
DENTSPLY International Inc.	XRAY	12/31/2004	210.3	-	(11.7)	198.6	2.56	2.42	-5%	169.9	-	(11.1)	158.8	2.11	1.97	-7%
Total			**543.0**	**-**	**(17.5)**	**525.5**			**-3%**	**464.6**	**-**	**(16.6)**	**448.0**			**-4%**

APPENDIX B: Pro Forma Income From Continuing Operations of the NASDAQ 100 By Sector and Industry Group ($ in Millions)

Company Name	Ticker	Fiscal Yearend	2004 Reported Net Income/ (Net Loss) from Cont. Oper.	2004 Stock-based Compensation Included in Reported NI from Cont. Oper.	2004 Total Stock-based Compensation	2004 Pro Forma Net Income/ (Net Loss) from Cont. Oper.	2004 Reported EPS from Cont. Oper.	2004 Pro Forma EPS from Cont. Oper.	2004 (Decrease in Net Income) / Increase in Net Loss from Cont. Oper.	2003 Reported Net Income/ (Net Loss) from Cont. Oper.	2003 Stock-based Compensation Included in Reported NI from Cont. Oper.	2003 Total Stock-based Compensation	2003 Pro Forma Net Income/ (Net Loss) from Cont. Oper.	2003 Reported EPS from Cont. Oper.	2003 Pro Forma EPS from Cont. Oper.	2003 (Decrease in Net Income) / Increase in Net Loss from Cont. Oper.
Health Care Providers & Services (3)																
Express Scripts, Inc.	ESRX	12/31/2004	278.2	6.5	(15.1)	269.6	3.59	3.46	-4%	250.6	4.4	(16.3)	238.8	3.17	3.01	-5%
Lincare Holdings Inc.	LNCR	12/31/2004	273.4	1.3	(14.2)	260.5	2.60	2.43	-7%	232.1	-	(17.1)	215.0	2.19	2.00	-9%
Patterson Dental Company	PDCO	4/24/2004	149.5	-	(2.1)	147.4	2.17	2.15	-1%	116.3	-	(1.5)	114.8	1.70	1.68	-1%
Total			**701.1**	**7.8**	**(31.4)**	**677.5**			**-3%**	**599.1**	**4.4**	**(34.9)**	**568.6**			**-5%**
Pharmaceuticals (1)																
Teva Pharmaceutical Industries Limited	TEVA	12/31/2004	331.8	-	(44.9)	286.9	0.50	0.43	-14%	691.0	0.5	(54.7)	636.8	1.16	1.08	-7%
Total			**331.8**	**-**	**(44.9)**	**286.9**			**-14%**	**691.0**	**0.5**	**(54.7)**	**636.8**			**-8%**
Health Care (14)																
Total			**4,619.6**	**33.7**	**(856.7)**	**3,796.6**			**-18%**	**2,979.0**	**18.1**	**(788.4)**	**2,208.8**			**-26%**
Industrials																
Air Freight & Logistics (2)																
C.H. Robinson Worldwide, Inc.	CHRW	12/31/2004	137.3	12.9	(12.9)	137.3	1.59	1.59	0%	107.4	10.0	(10.0)	107.4	1.25	1.25	0%
Expeditors International of Washington, Inc.	EXPD	12/31/2004	156.1	-	(27.1)	129.0	1.41	1.17	-17%	122.0	-	(23.6)	98.4	1.12	0.91	-19%
Total			**293.4**	**12.9**	**(40.1)**	**266.2**			**-9%**	**229.3**	**10.0**	**(33.6)**	**205.8**			**-10%**
Commercial Services & Supplies (3)																
Apollo Group, Inc.	APOL	8/31/2004	277.8	74.4	(91.4)	260.7	0.77	0.67	-13%	247.0	-	(14.1)	232.9	1.30	1.22	-6%
Career Education Corporation	CECO	12/31/2004	179.6	-	(16.1)	163.5	1.71	1.56	-9%	112.8	-	(12.4)	100.4	1.12	1.00	-11%
Cintas Corporation	CTAS	5/31/2004	272.2	-	(7.1)	265.1	1.58	1.54	-3%	249.3	-	(6.1)	243.2	1.45	1.41	-3%
Total			**729.6**	**74.4**	**(114.6)**	**689.4**			**-6%**	**609.1**	**-**	**(32.6)**	**576.4**			**-5%**
Electrical Equipment (1)																
American Power Conversion Corporation	APCC	12/31/2004	181.5	-	(10.1)	171.3	0.90	0.85	-6%	176.9	-	(23.2)	153.8	0.88	0.76	-14%
Total			**181.5**	**-**	**(10.1)**	**171.3**			**-6%**	**176.9**	**-**	**(23.2)**	**153.8**			**-13%**
Machinery (1)																
PACCAR Inc.	PCAR	12/31/2004	906.8	2.8	(4.0)	905.6	5.16	5.15	0%	526.5	1.7	(4.7)	523.5	2.99	2.97	-1%
Total			**906.8**	**2.8**	**(4.0)**	**905.6**			**0%**	**526.5**	**1.7**	**(4.7)**	**523.5**			**-1%**
Trading Companies & Distributors (1)																
Fastenal Company	FAST	12/31/2004	131.0	-	(0.9)	130.1	1.72	1.71	-1%	84.1	-	(1.8)	82.4	1.11	1.09	-2%
Total			**131.0**	**-**	**(0.9)**	**130.1**			**-1%**	**84.1**	**-**	**(1.8)**	**82.4**			**-2%**
Industrials (8)																
Total			**2,242.2**	**90.1**	**(169.7)**	**2,162.6**			**-4%**	**1,625.9**	**11.7**	**(95.8)**	**1,541.8**			**-5%**
Information Technology																
Communications Equipment (8)																
Cisco Systems, Inc.	CSCO	7/31/2004	4,968.0	-	(1,215.0)	3,753.0	0.70	0.53	-24%	3,578.0	-	(1,259.0)	2,319.0	0.50	0.32	-36%
Comverse Technology, Inc.	CMVT	1/31/2004	(5.4)	-	(152.5)	(157.9)	(0.03)	(0.88)	N/M	(129.5)	-	(149.8)	(279.3)	(0.69)	(1.49)	N/M
JDS Uniphase Corporation	JDSU	6/30/2004	(112.6)	1.8	(300.0)	(410.8)	(0.08)	(0.29)	N/M	(933.8)	50.9	(685.2)	(1,568.1)	(0.66)	(1.10)	N/M
Juniper Networks, Inc.	JNPR	12/31/2004	135.7	27.3	(93.7)	69.3	0.25	0.13	-48%	39.2	1.3	(60.3)	(19.9)	0.09	(0.05)	-156%
LM Ericsson Telephone Company (7)	ERICY	12/31/2004	2,161.4	-	(12.0)	2,149.4	0.14	0.14	-1%	(1,592.1)	-	(35.0)	(1,627.2)	(0.10)	(0.10)	N/M
QUALCOMM Incorporated	QCOM	9/26/2004	1,725.0	-	(281.0)	1,444.0	1.03	0.86	-17%	1,029.0	1.0	(260.0)	770.0	0.63	0.47	-25%
Research in Motion Limited	RIMM	2/28/2004	51.8	-	(20.0)	31.8	0.62	0.39	-37%	(148.9)	-	(20.3)	(169.2)	(1.92)	(2.18)	N/M
Tellabs, Inc.	TLAB	12/31/2004	(29.8)	6.5	(62.0)	(85.3)	(0.07)	(0.20)	N/M	(241.6)	11.2	(62.6)	(293.0)	(0.58)	(0.71)	N/M
Total			**8,894.2**	**35.6**	**(2,136.2)**	**6,793.5**			**-24%**	**1,600.3**	**64.4**	**(2,532.2)**	**(867.5)**			**-154%**
Computers & Peripherals (6)																
Apple Computer, Inc.	AAPL	9/25/2004	276.0	33.0	(141.0)	168.0	0.71	0.44	-38%	68.0	15.0	(181.0)	(98.0)	0.19	(0.27)	-242%
Dell Inc.	DELL	1/28/2005	3,043.0	-	(812.0)	2,231.0	1.18	0.88	-25%	2,645.0	-	(829.0)	1,816.0	1.01	0.68	-33%
Network Appliance, Inc.	NTAP	4/30/2004	152.1	2.0	(94.2)	60.0	0.42	0.16	-62%	76.5	1.2	(173.7)	(96.1)	0.22	(0.28)	-227%
QLogic Corporation	QLGC	3/28/2004	133.7	0.7	(35.5)	99.0	1.39	1.03	-26%	103.5	1.2	(37.6)	67.1	1.09	0.70	-36%
SanDisk Corporation	SNDK	1/2/2005	266.6	-	(39.6)	227.1	1.44	1.23	-15%	168.9	-	(29.8)	139.1	1.02	0.84	-18%
Sun Microsystems, Inc.	SUNW	6/30/2004	(388.0)	16.0	(834.0)	(1,206.0)	(0.12)	(0.37)	N/M	(3,429.0)	23.0	(578.0)	(3,984.0)	(1.07)	(1.25)	N/M
Total			**3,483.4**	**51.8**	**(1,956.2)**	**1,579.0**			**-55%**	**(367.2)**	**40.4**	**(1,829.1)**	**(2,155.9)**			**N/M**
Electronic Equipment & Instruments (4)																
CDW Corporation	CDWC	12/31/2004	241.4	0.2	(26.8)	214.8	2.79	2.47	-11%	175.2	0.3	(24.7)	150.8	2.03	1.75	-14%
Flextronics International Ltd.	FLEX	3/31/2004	(352.4)	-	(52.9)	(405.2)	(0.67)	(0.77)	N/M	(83.5)	-	(71.8)	(155.3)	(0.16)	(0.30)	N/M
Molex Incorporated	MOLXE	6/30/2004	176.0	10.2	(21.0)	165.1	0.92	0.86	-7%	84.9	9.9	(17.4)	77.4	0.44	0.40	-9%
Sanmina-SCI Corporation	SANM	10/2/2004	(15.0)	12.3	(59.9)	(62.5)	(0.03)	(0.12)	N/M	(137.2)	1.7	(55.4)	(190.8)	(0.27)	(0.37)	N/M
Total			**50.0**	**22.7**	**(160.6)**	**(87.8)**			**-275%**	**39.5**	**12.0**	**(169.3)**	**(117.9)**			**-398%**
Internet Software & Services (2)																
VeriSign, Inc.	VRSN	12/31/2004	186.2	3.1	(140.0)	49.4	0.72	0.19	-74%	(259.9)	7.4	(223.3)	(475.8)	(1.08)	(1.98)	N/M
Yahoo! Inc.	YHOO	12/31/2004	839.6	19.4	(235.7)	623.2	0.58	0.43	-26%	237.9	13.0	(183.5)	67.4	0.18	0.05	-72%
Total			**1,025.8**	**22.5**	**(375.7)**	**672.6**			**-34%**	**(22.0)**	**20.4**	**(406.8)**	**(408.4)**			**N/M**

APPENDIX B: *Pro Forma Income From Continuing Operations of the NASDAQ 100 By Sector and Industry Group ($ in Millions)*

			2004							2003						
Company Name	**Ticker**	**Fiscal Yearend**	**Reported Net Income/ (Net Loss) from Cont. Oper.**	**Stock-based Compensation Included in Reported NI from Cont. Oper.**	**Total Stock-based Compensation**	**Pro Forma Net Income/ (Net Loss) from Cont. Oper.**	**Reported EPS from Cont. Oper.**	**Pro Forma EPS from Cont. Oper.**	**(Decrease in Net Income) / Increase in Net Loss from Cont. Oper.**	**Reported Net Income/ (Net Loss) from Cont. Oper.**	**Stock-based Compensation Included in Reported NI from Cont. Oper.**	**Total Stock-based Compensation**	**Pro Forma Net Income/ (Net Loss) from Cont. Oper.**	**Reported EPS from Cont. Oper.**	**Pro Forma EPS from Cont. Oper.**	**(Decrease in Net Income) / Increase in Net Loss from Cont. Oper.**
IT Services (3)																
Cognizant Technology Solutions Corporation	CTSH	12/31/2004	100.2	-	(15.2)	85.1	0.70	0.60	-14%	57.4	0.5	(15.5)	42.4	0.42	0.31	-26%
Fiserv, Inc.	FISV	12/31/2004	394.9	-	(18.0)	376.9	2.00	1.91	-4%	308.8	-	(17.0)	291.8	1.58	1.49	-6%
Paychex, Inc.	PAYX	5/31/2004	303.0	-	(9.1)	293.9	0.80	0.77	-4%	293.5	-	(10.0)	283.5	0.78	0.75	-4%
Total			**798.1**	**-**	**(42.2)**	**755.8**			**-5%**	**659.6**	**0.5**	**(42.5)**	**617.7**			**-6%**
Semiconductor & Semiconductor Equipment (14)																
Altera Corporation	ALTR	12/31/2004	275.1	1.6	(94.9)	181.8	0.72	0.48	-33%	155.1	7.6	(94.0)	68.7	0.40	0.18	-55%
Applied Materials, Inc.	AMAT	10/31/2004	1,351.3	-	(345.9)	1,005.4	0.78	0.58	-26%	(149.1)	-	(389.1)	(538.2)	(0.09)	(0.32)	N/M
ATI Technologies Inc.	ATYT	8/31/2004	188.0	9.6	(22.0)	175.6	0.73	0.69	-5%	12.2	25.5	(16.7)	21.0	0.05	0.09	80%
Broadcom Corporation	BRCM	12/31/2004	218.7	74.7	(676.9)	(383.4)	0.63	(1.20)	-290%	(959.9)	577.5	(1,025.9)	(1,408.3)	(3.29)	(4.82)	N/M
Intel Corporation	INTC	12/25/2004	7,516.0	-	(1,271.0)	6,245.0	1.16	0.97	-16%	5,641.0	-	(991.0)	4,650.0	0.85	0.71	-16%
Intersil Corporation	ISIL	12/31/2004	40.4	11.5	(46.8)	5.1	0.28	0.04	-86%	58.5	23.7	(82.9)	(0.7)	0.41	(0.01)	-102%
KLA-Tencor Corporation	KLAC	6/30/2004	243.7	-	(82.4)	161.3	1.21	0.80	-34%	137.2	-	(90.9)	46.3	0.70	0.24	-66%
Lam Research Corporation	LRCX	6/27/2004	83.0	2.3	(27.1)	58.2	0.59	0.42	-29%	(7.7)	0.6	(43.2)	(50.3)	(0.06)	(0.40)	N/M
Linear Technology Corporation	LLTC	6/27/2004	328.2	-	(75.2)	253.0	1.02	0.79	-23%	236.6	-	(75.9)	160.7	0.74	0.50	-32%
Marvell Technology Group, Ltd.	MRVL	1/31/2004	45.5	4.9	(87.1)	(36.7)	0.33	(0.29)	-188%	(72.2)	7.5	(78.7)	(143.3)	(0.61)	(1.20)	N/M
Maxim Integrated Products, Inc.	MXIM	6/26/2004	419.8	-	(134.7)	285.0	1.20	0.82	-32%	309.6	-	(139.7)	169.9	0.91	0.50	-45%
Microchip Technology Incorporated	MCHP	3/31/2004	137.3	-	(36.8)	100.4	0.65	0.47	-28%	99.7	-	(36.2)	63.5	0.47	0.30	-36%
Novellus Systems, Inc.	NVLS	12/31/2004	156.7	2.9	(49.1)	110.5	1.06	0.75	-29%	(5.0)	2.2	(66.1)	(68.9)	(0.03)	(0.45)	N/M
Xilinx, Inc.	XLNX	4/3/2004	303.0	-	(103.1)	199.9	0.85	0.56	-34%	125.7	-	(114.3)	11.4	0.36	0.03	-92%
Total			**11,306.6**	**107.5**	**(3,053.1)**	**8,361.0**			**-26%**	**5,581.6**	**644.6**	**(3,244.5)**	**2,981.6**			**-47%**
Software (14)																
Adobe Systems Incorporated	ADBE	12/3/2004	450.4	0.2	(105.9)	344.7	1.82	1.39	-24%	266.3	1.8	(188.4)	79.8	1.10	0.33	-70%
Autodesk, Inc.	ADSK	1/31/2004	120.3	1.2	(45.4)	76.2	1.04	0.67	-36%	31.9	1.9	(48.9)	(15.1)	0.28	(0.13)	-146%
BEA Systems, Inc.	BEAS	1/31/2004	118.7	7.6	(132.1)	(5.9)	0.28	(0.01)	-104%	83.9	4.5	(154.2)	(65.9)	0.20	(0.16)	-180%
Check Point Software Technologies Ltd. (8)	CHKP	12/31/2004	281.5	-	(37.3)	244.2	1.08	0.94	-13%	243.9	-	(37.3)	206.6	0.96	0.82	-15%
Citrix Systems, Inc.	CTXS	12/31/2004	131.5	-	(48.0)	83.5	0.75	0.48	-36%	126.9	-	(87.6)	39.3	0.74	0.23	-69%
Electronic Arts Inc.	ERTS	3/31/2004	577.3	0.1	(97.0)	480.4	1.87	1.58	-16%	317.1	-	(83.9)	233.2	1.08	0.81	-25%
Intuit Inc.	INTU	7/31/2004	317.0	0.5	(70.5)	247.1	1.58	1.23	-22%	263.2	0.8	(84.4)	179.6	1.25	0.85	-32%
Mercury Interactive Corporation	MERQ	12/31/2004	84.6	0.8	(106.9)	(21.5)	0.83	(0.24)	-129%	41.5	5.9	(141.7)	(94.3)	0.41	(1.08)	-363%
Microsoft Corporation	MSFT	6/30/2004	8,168.0	3,842.0	(3,842.0)	8,168.0	0.75	0.75	0%	7,531.0	2,512.0	(2,512.0)	7,531.0	0.69	0.69	0%
Oracle Corporation	ORCL	5/31/2004	2,681.0	-	(203.0)	2,478.0	0.50	0.46	-8%	2,307.0	-	(330.0)	1,977.0	0.43	0.36	-16%
Siebel Systems, Inc.	SEBL	12/31/2004	110.7	-	(161.8)	(51.2)	0.20	(0.10)	-150%	(5.2)	-	(449.1)	(454.3)	(0.01)	(0.92)	N/M
Symantec Corporation	SYMC	4/2/2004	370.6	-	(98.1)	272.5	1.07	0.81	-24%	248.4	0.3	(89.0)	159.7	0.77	0.53	-31%
Synopsys, Inc.	SNPS	10/31/2004	74.3	3.4	(78.8)	(1.1)	0.46	(0.01)	-102%	149.7	5.0	(99.5)	55.2	0.95	0.35	-63%
Veritas Software (1)	VRTS	12/31/2003	430.2	6.3	(253.4)	183.1	0.98	0.42	-57%	347.5	1.8	(306.2)	43.0	0.80	0.10	-88%
Total			**13,916.1**	**3,862.2**	**(5,280.2)**	**12,498.1**			**-10%**	**11,953.2**	**2,533.9**	**(4,612.3)**	**9,874.9**			**-17%**
Information Technology (51)																
Total			**39,474.2**	**4,102.3**	**(13,004.2)**	**30,572.3**			**-23%**	**19,445.0**	**3,316.1**	**(12,836.7)**	**9,924.4**			**-49%**
Materials																
Chemicals (1)																
Sigma-Aldrich	SIAL	12/31/2004	232.9	-	(12.2)	220.7	3.34	3.16	-5%	190.4	-	(11.1)	179.3	2.68	2.53	-6%
Total			**232.9**	**-**	**(12.2)**	**220.7**			**-5%**	**190.4**	**-**	**(11.1)**	**179.3**			**-6%**
Containers & Packaging (1)																
Smurfit-Stone Container Corporation	SSCC	12/31/2004	(46.0)	6.0	(15.0)	(55.0)	(0.23)	(0.26)	N/M	(198.0)	2.0	(13.0)	(209.0)	(0.85)	(0.89)	N/M
Total			**(46.0)**	**6.0**	**(15.0)**	**(55.0)**			**N/M**	**(198.0)**	**2.0**	**(13.0)**	**(209.0)**			**N/M**
Materials (2)																
Total			**186.9**	**6.0**	**(27.2)**	**165.7**			**-11%**	**(7.6)**	**2.0**	**(24.1)**	**(29.7)**			**N/M**
Telecommunication Services																
Diversified Telecommunication Services (2)																
Level 3 Communications, Inc. (9)	LVLT	12/31/2004	(458.0)	27.6	(27.6)	(458.0)	(0.67)	(0.67)	N/M	(721.0)	51.6	(51.6)	(721.0)	(1.28)	(1.28)	N/M
MCI, Inc.	MCIP	12/31/2004	(4,028.0)	36.0	(42.0)	(4,034.0)	(12.56)	(12.57)	N/M	22,469.0	2.0	(272.0)	22,199.0	N/A	N/A	N/A
Total			**(4,486.0)**	**63.6**	**(69.6)**	**(4,492.0)**			**N/M**	**21,748.0**	**53.6**	**(323.6)**	**21,478.0**			**-1%**
Wireless Telecommunication Services (1)																
Nextel Communications, Inc.	NXTL	12/31/2004	3,000.0	11.0	(205.0)	2,806.0	2.62	2.45	-6%	1,511.0	35.0	(360.0)	1,186.0	1.34	1.04	-22%
Total			**3,000.0**	**11.0**	**(205.0)**	**2,806.0**			**-6%**	**1,511.0**	**35.0**	**(360.0)**	**1,186.0**			**-22%**
Telecommunication Services (3)																
Total			**(1,486.0)**	**74.6**	**(274.6)**	**(1,686.0)**			**N/M**	**23,259.0**	**88.6**	**(683.6)**	**22,664.0**			**-3%**
NASDAQ 100 TOTAL			**49,803.9**	**4,707.5**	**(15,447.2)**	**39,064.1**			**-22%**	**48,054.3**	**3,670.8**	**(15,373.7)**	**36,351.4**			**-24%**

Source: Company reports; Bear Stearns & Co., Inc. estimates.

The S&P 500 as of December 31, 2004

N/A Not available.
N/M Not meaningful.

(1) BIIB and VRTS filed an NT-10K to extend the filing deadline for their 2004 10K. Net income from continuing operations results for these companies above are based on First Call estimates of companies earnings. Stock-based compensation expense results for these companies were estimated by annualizing the companies' most recently filed 10Q stock-based compensation disclosures.
(2) Deduct $12MM in 2003 and $19MM in 2002 for stock-based compensation expense determined under fair value-based method for all awards relating to discontinued operations, net of related tax effects.
(3) Post tax impact of stock options estimated based on 35% tax rate. In the year ended December 31, 2004 NTL Inc. recognized $26.4 million of stock-based compensation and in the year ended December 31, 2003 we recognized $12.6 million of stock-based compensation.
(4) 2003 result represent 13 months due to change in yearend.
(5) All outstanding stock options of the Predecessor Company were cancelled in accordance with the Plan of Reorganization. Pro forma stock-based employee compensation income of $38 million for the 13-weeks ended April 30, 2003 is due to the reversal of expense for options that were not vested upon cancellation of the outstanding stock awards of the Predecessor Company.
(6) Company announced that it will vest all unvested stock options upon the effective date of FAS No. 123R and limit option dilution to not greater than 10% in future periods.
(7) Ericsson results were presented in Swedish Krona (SEK). For comparative purposes, we have converted results to USD using the December 31, 2005 conversion rate of 6.6558.
(8) Check Point Software Technologies Ltd is an Israel-based company. The company files a 40-F rather than a 10K. The company's filing deadline for 2004 has not yet occurred.
(9) Post tax impact of stock options estimated based on 40% tax rate for 2004. The total pre-tax compensation cost recognized in earnings for stock-based compensation plans for 2004, 2003, and 2002 was a total of $46 million, $86 million and $181 million of non-cash compensation, respectively. Post-tax stock-based employee compensation costs for the years ended December 31, 2003 and 2002, were $51.6 million and $108.6 million based on last year's stock option disclosure.

APPENDIX C: Stock-Based Compensation Tax Benefit as a % of Cashflow from Operations, 2002-2004 *($ in millions)*

Symbol	Company Name	Fiscal Yearend	Stock-Based Compensation Tax Benefit 2004	Stock-Based Compensation Tax Benefit 2003	Stock-Based Compensation Tax Benefit 2002	Reported CFO 2004	Reported CFO 2003	Reported CFO 2002	Stock-Based Compensation Tax Benefit 2002-2004	CFO 2002-2004	Tax Benefit as % of CFO 2002-2004
ABT	Abbott Labs	12/31/2004	22.9	30.0	46.8	4,306.0	3,385.2	3,653.5	99.6	11,344.8	1%
ADBE	Adobe Systems	12/3/2004	97.8	37.4	21.8	683.7	433.1	329.3	157.1	1,446.2	11%
ACS	Affiliated Computer	6/30/2004	26.3	16.1	22.0	476.2	545.3	372.0	64.3	1,393.5	5%
APD	Air Products & Chemicals	9/30/2004	25.4	22.2	21.9	1,085.9	1,036.0	1,063.9	69.5	3,185.8	2%
AT	ALLTEL Corp.	12/31/2004	3.9	6.7	2.7	2,466.8	2,474.7	2,392.2	13.3	7,333.7	0%
ALTR	Altera Corp.	12/31/2004	27.1	8.4	11.5	314.0	327.5	247.7	47.0	889.1	5%
AMZN	Amazon.com, Inc.	12/31/2004	107.3	2.2	0.0	566.6	392.0	174.3	109.5	1,132.9	10%
AEE	Ameren Corporation	12/31/2004	5.0	-	-	1,129.0	1,022.0	827.0	5.0	2,978.0	0%
APCC	American Power Conversion	12/31/2004	4.9	6.7	0.5	141.2	119.6	312.9	12.2	573.8	2%
ABC	AmerisourceBergen Corp.	9/30/2004	4.0	14.4	43.5	825.1	354.8	535.9	61.9	1,715.8	4%
AMGN	Amgen	12/31/2004	203.0	269.0	252.0	3,697.0	3,567.0	2,249.0	724.0	9,513.0	8%
ADI	Analog Devices	10/30/2004	20.3	6.1	0.9	778.0	433.0	226.1	27.3	1,437.1	2%
BUD	Anheuser-Busch	12/31/2004	41.6	41.3	77.1	2,940.3	2,970.9	2,765.2	160.0	8,676.4	2%
APOL	Apollo Group	8/31/2004	39.6	46.4	30.0	513.4	343.0	260.5	116.0	1,116.9	10%
AAPL	Apple Computer	9/25/2004	99.0	7.0	28.0	934.0	289.0	89.0	134.0	1,312.0	10%
ABI	Applera Corp-Applied Biosystems Group	6/30/2004	3.4	1.6	15.2	194.4	195.9	212.9	20.1	603.2	3%
AMAT	Applied Materials	10/31/2004	100.6	124.2	75.3	1,627.3	801.8	492.1	300.1	2,921.2	10%
ASH	Ashland Inc.	9/30/2004	16.0	-	2.0	209.0	242.0	168.0	18.0	619.0	3%
ADSK	Autodesk, Inc.	1/31/2004	-	-	12.2	220.1	85.6	210.5	12.2	516.2	2%
AN	AutoNation, Inc.	12/31/2004	20.7	24.1	9.6	441.8	365.8	627.5	54.4	1,435.1	4%
AZO	AutoZone Inc.	8/28/2004	24.3	37.4	42.2	638.4	698.3	739.1	103.9	2,075.7	5%
AVP	Avon Products	12/31/2004	40.3	29.5	10.5	882.6	745.3	565.4	80.3	2,193.3	4%
BCR	Bard (C.R.) Inc.	12/31/2004	22.7	5.4	4.0	277.2	262.8	272.3	32.1	812.3	4%
BOL	Bausch & Lomb	12/25/2004	16.1	-	-	280.5	248.2	236.6	16.1	765.3	2%
BBT	BB&T Corporation	12/31/2004	15.6	13.0	16.4	3,037.6	3,818.8	816.5	45.0	7,672.8	1%
BSC	Bear Stearns Cos.	11/30/2004	163.9	247.5	128.1	1,784.234	2,537.775	3,009.237	539.5	7,331.2	7%
BBBY	Bed Bath & Beyond	2/28/2004	64.8	31.2	32.0	947.7	754.5	669.6	128.0	2,371.7	5%
BLS	BellSouth	12/31/2004	39.0	22.0	40.0	6,801.0	7,883.0	7,712.0	101.0	22,396.0	0%
BBY	Best Buy Co., Inc.	2/28/2004	41.0	33.0	86.0	1,414.0	746.0	1,543.0	160.0	3,703.0	4%
BLI	Big Lots, Inc.	1/29/2005	0.4	1.4	3.2	184.9	223.3	157.1	5.0	565.3	1%
BMET	Biomet, Inc.	5/31/2004	6.0	5.6	1.3	386.1	310.3	184.2	12.8	880.6	1%
HRB	Block H&R	4/30/2004	24.0	37.3	57.8	926.8	690.8	741.4	119.1	2,359.1	5%
BSX	Boston Scientific	12/31/2004	185.0	154.0	28.0	1,804.0	787.0	736.0	367.0	3,327.0	11%
BRCM	Broadcom Corporation	12/31/2004	81.8	-	-	501.8	30.6	(69.2)	81.8	463.3	18%
BF.B	Brown-Forman Corp.	4/30/2004	3.0	-	-	306.0	243.0	249.0	3.0	798.0	0%
CHRW	C.H. Robinson Worldwide, Inc.	12/31/2004	3.2	2.3	0.6	155.9	109.5	114.1	6.2	379.6	2%
CAH	Cardinal Health, Inc.	6/30/2004	66.4	65.5	73.6	2,624.7	1,398.0	983.9	205.5	5,006.6	4%
CECO	Career Education Corporation	12/31/2004	43.1	41.9	14.3	376.2	233.3	106.2	99.3	715.7	14%
CMX	Caremark Rx	12/31/2004	117.7	22.3	62.8	1,592.6	513.5	358.0	202.9	2,464.1	8%
CDWC	CDW Corporation	12/31/2004	19.6	36.5	69.5	184.2	125.4	231.4	125.6	541.0	23%
CD	Cendant Corporation	12/31/2004	116.0	106.0	25.0	5,417.0	6,928.0	953.0	247.0	13,298.0	2%
CHIR	Chiron Corp.	12/31/2004	14.9	33.1	8.7	170.7	413.9	268.2	56.6	852.8	7%
CI	CIGNA Corp.	12/31/2004	23.0	24.0	35.0	1,436.0	2,308.0	1,368.0	82.0	5,112.0	2%
CTAS	Cintas Corporation	5/31/2004	1.0	1.1	0.9	509.7	330.7	377.4	3.0	1,217.8	0%
CSCO	Cisco Systems	7/31/2004	537.0	132.0	61.0	7,121.0	5,240.0	6,587.0	730.0	18,948.0	4%
CTXS	Citrix Systems	12/31/2004	20.9	10.3	25.7	265.3	255.4	187.1	56.9	707.8	8%
CLX	Clorox Co.	6/30/2004	32.0	16.0	12.0	904.0	807.0	878.0	60.0	2,589.0	2%
COH	Coach, Inc.	7/3/2004	106.5	41.5	13.8	448.6	221.6	107.9	161.8	778.1	21%
KO	Coca Cola Co.	12/31/2004	13.0	11.0	11.0	5,968.0	5,456.0	4,742.0	35.0	16,166.0	0%
CTSH	Cognizant Technology Solutions Corporation	12/31/2004	36.8	22.3	12.1	127.3	79.9	56.7	71.2	263.9	27%
CPWR	Compuware Corp.	3/31/2004	0.7	0.2	8.4	258.1	370.4	386.9	9.2	1,015.4	1%
CMVT	Comverse Technology	1/31/2004	1.4	0.3	3.0	128.6	96.8	142.2	4.6	367.7	1%
CVG	Convergys Corp.	12/31/2004	1.7	1.6	3.7	195.4	362.8	429.3	7.0	987.5	1%
RKY	Coors (Adolph)	12/26/2004	8.4	0.4	3.4	499.9	528.8	245.0	12.2	1,273.7	1%
COST	Costco Co.	8/29/2004	22.7	12.3	27.2	2,098.8	1,507.2	1,018.2	62.2	4,624.2	1%
CFC	Countrywide Financial Corp.	12/31/2004	93.1	88.0	22.0	3,299.8	(1,571.0)	(3,672.1)	203.1	(1,943.3)	N/M
CMI	Cummins Inc.	12/31/2004	27.0	5.0	-	614.0	158.0	193.0	32.0	965.0	3%
CVS	CVS Corp.	1/1/2005	18.4	3.3	3.0	914.2	968.9	1,204.8	24.7	3,087.9	1%
DRI	Darden Restaurants	5/30/2004	15.7	16.4	25.0	525.4	508.6	508.1	57.0	1,542.1	4%
DELL	Dell Inc.	1/28/2005	249.0	181.0	260.0	5,310.0	3,670.0	3,538.0	690.0	12,518.0	6%
XRAY	DENTSPLY International Inc.	12/31/2004	18.1	5.8	3.3	306.3	258.0	173.0	27.2	737.2	4%
DVN	Devon Energy Corp.	12/31/2004	54.0	31.0	6.0	4,816.0	3,768.0	1,754.0	91.0	10,338.0	1%
DG	Dollar General	1/30/2004	14.6	2.4	5.8	377.9	432.4	314.7	22.8	1,124.9	2%
DLTR	Dollar Tree Stores, Inc.	1/31/2004	5.6	10.8	2.3	234.3	182.8	178.7	18.7	595.9	3%
DOV	Dover Corp.	12/31/2004	5.0	3.5	2.6	597.4	577.4	395.8	11.1	1,570.7	1%
DOW	Dow Chemical	12/31/2004	100.0	52.0	31.0	2,730.0	3,843.0	2,108.0	183.0	8,681.0	2%
EBAY	eBay Inc.	12/31/2004	262.0	130.6	91.2	1,285.3	874.1	479.9	483.9	2,639.3	18%
ERTS	Electronic Arts	3/31/2004	68.6	74.6	22.5	669.3	714.5	288.1	165.8	1,671.8	10%
EMC	EMC Corp.	12/31/2004	24.9	39.1	34.3	2,102.3	1,521.2	1,445.7	98.3	5,069.3	2%
EOG	EOG Resources	12/31/2004	29.4	11.9	5.2	1,444.3	1,320.3	668.6	46.5	3,433.2	1%
EFX	Equifax Inc.	12/31/2004	5.9	4.3	6.6	309.0	293.7	249.6	16.8	852.3	2%
EXPD	Expeditors International of Washington, Inc.	12/31/2004	19.5	3.9	6.0	192.7	114.3	116.5	29.3	423.5	7%
ESRX	Express Scripts	12/31/2004	10.9	26.9	16.9	469.2	457.9	426.0	54.7	1,353.1	4%
FDO	Family Dollar Stores	8/28/2004	4.5	6.8	10.1	375.9	295.0	402.6	21.4	1,073.5	2%
FAST	Fastenal Company	12/31/2004	4.2	2.0	3.4	57.4	90.6	17.8	9.6	165.9	6%
FD	Federated Dept. Stores	1/31/2004	29.0	4.0	10.0	1,590.0	1,168.0	1,351.0	43.0	4,109.0	1%
FII	Federated Investors Inc.	12/31/2004	39.5	3.5	0.1	297.0	248.8	215.8	43.0	761.7	6%
FDX	FedEx Corporation	5/31/2004	43.0	20.0	18.0	3,020.0	1,871.0	2,228.0	81.0	7,119.0	1%
FITB	Fifth Third Bancorp	12/31/2004	11.0	18.0	19.0	3,505.0	8,115.0	2,210.0	48.0	13,830.0	0%
FHN	First Horizon National	12/31/2004	15.5	27.8	11.4	(318.1)	2,603.7	(942.8)	54.7	1,342.8	4%
FSH	Fisher Scientific	12/31/2004	36.0	5.6	8.9	392.8	218.0	159.3	50.5	770.1	7%
FLR	Fluor Corp. (New)	12/31/2004	14.0	3.7	2.5	(81.5)	(300.5)	206.9	20.1	(175.2)	N/M
FRX	Forest Laboratories	3/31/2004	50.3	52.9	28.2	628.1	728.4	426.5	131.4	1,783.0	7%
FO	Fortune Brands, Inc.	12/31/2004	35.0	27.6	29.2	791.9	790.7	787.0	91.8	2,369.6	4%
GCI	Gannett Co.	12/26/2004	14.6	44.6	23.9	1,585.8	1,479.1	1,031.7	83.1	4,096.6	2%
GPS	Gap (The)	1/29/2005	7.0	44.0	58.0	2,171.0	1,238.0	1,335.0	109.0	4,744.0	2%
GRMN	Garmin Ltd.	12/25/2004	2.0	1.5	-	208.9	175.2	175.4	3.4	559.5	1%
GTW	Gateway Inc.	12/31/2004	0.7	0.1	0.1	(434.2)	72.7	(24.7)	0.9	(386.2)	N/M
GD	General Dynamics	12/31/2004	44.0	12.0	25.0	1,777.0	1,697.0	1,123.0	81.0	4,597.0	2%
GIS	General Mills	5/30/2004	63.0	21.0	46.0	1,461.0	1,631.0	916.0	130.0	4,008.0	3%
GENZ	Genzyme Corp.	12/31/2004	50.0	57.5	8.4	577.5	387.9	222.8	115.9	1,188.2	10%
GILD	Gilead Sciences	12/31/2004	22.0	132.4	0.4	511.4	234.6	74.4	154.7	820.4	19%
GR	Goodrich Corporation	12/31/2004	3.5	0.4	0.5	415.6	553.1	524.2	4.4	1,492.9	0%
GWW	Grainger (W.W.) Inc.	12/31/2004	12.1	2.1	5.9	406.5	394.1	312.4	20.1	1,113.0	2%
GDT	Guidant Corp.	12/31/2004	139.5	42.8	5.0	1,135.6	406.8	1,044.2	187.3	2,586.6	7%
HDI	Harley-Davidson	12/31/2004	51.5	13.8	14.5	969.7	935.6	779.5	79.7	2,684.8	3%
HET	Harrah's Entertainment	12/31/2004	26.8	15.5	24.0	791.0	666.8	646.2	66.3	2,104.0	3%
HIG	Hartford Financial Svc.Gp.	12/31/2004	27.0	13.0	25.0	2,634.0	3,896.0	2,649.0	65.0	9,179.0	1%
HMA	Health Management Assoc.	9/30/2004	18.1	5.3	18.4	458.0	333.9	354.1	41.8	1,146.0	4%

APPENDIX C: Stock-Based Compensation Tax Benefit as a % of Cashflow from Operations, 2002-2004 *($ in millions)*

Symbol	Company Name	Fiscal Yearend	Stock-Based Compensation Tax Benefit 2004	Stock-Based Compensation Tax Benefit 2003	Stock-Based Compensation Tax Benefit 2002	Reported CFO 2004	Reported CFO 2003	Reported CFO 2002	Stock-Based Compensation Tax Benefit 2002-2004	CFO 2002-2004	Tax Benefit as % of CFO 2002-2004
HPQ	Hewlett-Packard	10/31/2004	35.0	24.0	21.0	5,088.0	6,057.0	5,444.0	80.0	16,589.0	0%
HD	Home Depot	2/1/2004	24.0	68.0	138.0	6,545.0	4,802.0	5,963.0	230.0	17,310.0	1%
HON	Honeywell Int'l Inc.	12/31/2004	19.0	19.0	28.0	2,253.0	2,199.0	2,380.0	66.0	6,832.0	1%
HUM	Humana Inc.	12/31/2004	7.6	15.9	2.2	347.8	413.1	321.4	25.6	1,082.4	2%
IACI	IAC/InterActiveCorp	12/31/2004	12.4	107.9	7.6	1,273.2	1,304.7	778.5	127.8	3,356.4	4%
RX	IMS Health Inc.	12/31/2004	11.0	4.0	0.8	400.3	374.5	316.5	15.8	1,091.3	1%
INTC	Intel Corp.	12/25/2004	344.0	216.0	270.0	13,119.0	11,515.0	9,129.0	830.0	33,763.0	2%
IBM	International Bus. Machines	12/31/2004	277.0	202.0	136.0	15,323.0	14,407.0	13,066.0	615.0	42,796.0	1%
IGT	International Game Technology	9/30/2004	15.0	28.3	33.7	623.6	408.6	589.1	77.1	1,621.3	5%
INTU	Intuit, Inc.	7/31/2004	27.1	47.8	53.2	574.6	570.2	351.6	128.1	1,496.4	9%
IVGN	Invitrogen Corporation	12/31/2004	17.0	11.7	1.2	252.7	168.1	123.6	29.9	544.3	5%
JBL	Jabil Circuit	8/31/2004	3.1	0.7	42.8	451.2	263.5	554.1	46.6	1,268.8	4%
JNS	Janus Capital Group	12/31/2004	3.2	4.6	-	(10.4)	260.2	280.7	7.8	530.5	1%
JDSU	JDS Uniphase Corp	6/30/2004	-	-	23.0	(135.2)	(220.0)	85.7	23.0	(269.5)	N/M
JNY	Jones Apparel Group	12/31/2004	5.0	2.9	16.9	461.9	455.0	716.5	24.8	1,633.4	2%
JNPR	Juniper Networks, Inc.	12/31/2004	66.0	10.8	-	439.4	178.6	2.4	76.8	620.4	12%
KMG	Kerr-McGee	12/31/2004	18.0	-	1.0	2,050.0	1,518.0	1,448.0	19.0	5,016.0	0%
KMB	Kimberly-Clark	12/31/2004	30.9	7.4	9.9	2,726.2	2,552.2	2,341.5	48.2	7,619.9	1%
KG	King Pharmaceuticals	12/31/2004	-	-	2.2	260.9	435.7	427.2	2.2	1,123.8	0%
KLAC	KLA-Tencor Corp.	6/30/2004	56.8	22.4	59.7	349.7	246.3	284.0	139.0	880.0	16%
KRI	Knight-Ridder Inc.	12/26/2004	11.2	12.7	10.7	457.5	446.1	426.4	34.6	1,329.9	3%
KSS	Kohl's Corp.	1/29/2005	40.7	42.0	45.8	947.7	754.5	669.6	128.6	2,371.7	5%
KR	Kroger Co.	1/31/2004	21.0	50.0	52.0	2,215.0	3,183.0	2,347.0	123.0	7,745.0	2%
LH	Laboratory Corp. of America Holding	3/3/2005	11.1	5.5	16.0	538.1	566.2	446.4	32.6	1,550.7	2%
LRCX	Lam Research Corporation	6/27/2004	1.4	-	-	157.1	69.2	21.8	1.4	248.2	1%
LEG	Leggett & Platt	12/31/2004	9.0	0.7	3.8	342.5	395.3	455.9	13.5	1,193.7	1%
LEH	Lehman Bros.	11/30/2004	468.0	543.0	347.0	(10,910.0)	2,547.0	24,459.0	1,358.0	16,096.0	8%
LXK	Lexmark Int'l Inc	12/31/2004	43.6	37.2	31.3	775.4	747.6	815.6	112.1	2,338.6	5%
LNCR	Lincare Holdings Inc.	12/31/2004	15.7	9.1	5.1	419.3	371.0	287.6	29.9	1,077.9	3%
LLTC	Linear Technology Corp.	6/27/2004	35.7	37.3	38.1	457.8	284.2	257.1	111.2	999.2	11%
LPX	Louisiana Pacific	12/31/2004	13.7	2.7	-	601.5	509.4	88.5	16.4	1,199.4	1%
LOW	Lowe's Cos.	1/30/2004	27.0	29.0	35.0	3,041.0	2,677.0	1,596.0	91.0	7,314.0	1%
HCR	Manor Care Inc.	12/31/2004	2.8	10.2	0.3	329.8	300.5	283.3	13.3	913.5	1%
MI	Marshall & Ilsley Corp.	12/31/2004	16.1	11.9	-	1,007.4	1,033.6	9,373.8	28.0	11,414.8	0%
MRVL	Marvell Technology Group, Ltd.	1/31/2004	1.2	-	-	149.8	40.8	50.0	1.2	240.6	1%
MAT	Mattel, Inc.	12/31/2004	(0.4)	8.0	4.2	570.4	604.8	1,199.3	11.8	2,374.5	0%
MXIM	Maxim Integrated Prod	6/26/2004	152.5	113.5	140.0	695.5	581.8	403.8	406.0	1,681.0	24%
KRB	MBNA Corp.	12/31/2004	59.0	77.9	149.9	4,633.4	3,863.0	4,782.0	286.8	13,278.4	2%
MKC	McCormick & Co.	11/30/2004	20.6	6.4	3.3	349.5	201.8	208.6	30.3	759.9	4%
MCD	McDonald's Corp.	12/31/2004	87.3	20.5	61.3	3,903.6	3,268.8	2,890.1	169.1	10,062.5	2%
MEDI	MedImmune Inc.	12/31/2004	5.2	16.1	14.7	144.7	357.5	263.5	36.0	765.7	5%
MDT	Medtronic Inc.	4/30/2004	55.4	48.6	41.9	2,845.8	2,078.2	1,590.2	145.9	6,514.2	2%
MERQ	Mercury Interactive	12/31/2004	18.0	6.4	-	212.8	180.5	132.2	24.3	525.5	5%
MDP	Meredith Corp.	6/30/2004	11.0	13.7	6.5	171.0	172.4	136.8	31.2	480.2	7%
MCHP	Microchip Technology Incorporated	3/31/2004	37.6	18.0	18.8	343.1	260.2	178.8	74.3	782.1	10%
MSFT	Microsoft Corp.	6/30/2004	1,100.0	1,365.0	1,596.0	14,626.0	15,797.0	14,509.0	4,061.0	44,932.0	9%
MIL	Millipore Corp.	12/31/2004	6.5	1.7	2.8	167.4	132.1	104.1	10.9	403.6	3%
MON	Monsanto Co.	8/31/2004	37.0	2.0	11.0	1,261.0	(214.0)	1,108.0	50.0	2,155.0	2%
MNST	Monster Worldwide	12/31/2004	7.3	1.7	1.6	92.5	17.2	(14.6)	10.6	95.1	11%
MCO	Moody's Corp	12/31/2004	55.9	33.3	27.5	519.7	468.4	334.8	116.7	1,322.9	9%
MWD	Morgan Stanley	11/30/2004	331.0	333.0	282.0	(24,506.0)	2,356.0	(5,013.0)	946.0	(27,163.0)	N/M
NBR	Nabors Industries Ltd.	12/31/2004	16.8	10.4	0.8	563.2	395.8	372.4	28.0	1,331.5	2%
NSM	National Semiconductor	5/30/2004	22.2	-	-	477.7	221.6	122.0	22.2	821.3	3%
NTAP	Network Appliance	4/30/2004	49.5	18.5	5.0	310.9	195.3	143.9	72.9	650.0	11%
NXTL	Nextel Communications	12/31/2004	82.0	-	-	4,288.0	3,312.0	2,523.0	82.0	10,123.0	1%
NKE	NIKE Inc.	5/31/2004	47.2	12.5	13.9	1,514.4	922.0	1,082.2	73.6	3,518.6	2%
NI	NiSource Inc.	12/31/2004	5.3	-	-	1,020.6	614.4	1,171.0	5.3	2,806.0	0%
NE	Noble Corporation	12/31/2004	11.8	0.8	4.7	332.2	365.3	445.4	17.3	1,142.9	2%
NVLS	Novellus Systems	12/31/2004	-	-	19.4	179.2	43.1	214.9	19.4	437.3	4%
NVDA	NVIDIA Corp.	1/25/2004	8.5	9.2	88.9	49.7	265.0	160.8	106.6	475.5	22%
OMC	Omnicom Group	12/31/2004	26.2	15.7	14.3	1,287.6	1,054.2	1,000.6	56.2	3,342.4	2%
ORCL	Oracle Corp.	5/31/2004	110.0	110.0	44.0	3,177.0	3,023.0	3,135.0	264.0	9,335.0	3%
PTV	Pactiv Corp.	12/31/2004	6.0	3.0	1.0	367.0	336.0	384.0	10.0	1,087.0	1%
PMTC	Parametric Technology	9/30/2004	-	-	0.4	101.3	6.5	(22.6)	0.4	85.2	0%
PAYX	Paychex Inc.	5/31/2004	10.2	5.5	24.1	390.1	373.7	303.8	39.8	1,067.6	4%
PBG	Pepsi Bottling Group	12/25/2004	51.0	8.0	42.0	1,251.0	1,084.0	1,014.0	101.0	3,349.0	3%
PEP	PepsiCo Inc.	12/25/2004	183.0	340.0	136.0	5,054.0	4,328.0	4,627.0	659.0	14,009.0	5%
PKI	PerkinElmer	1/2/2005	-	2.1	0.9	200.8	167.5	107.7	3.0	475.9	1%
PETM	PETsMART, Inc.	2/1/2004	17.7	14.1	0.2	246.4	222.8	190.0	32.0	659.2	5%
PFE	Pfizer, Inc.	12/31/2004	261.0	238.0	N/A	16,340.0	11,713.0	9,864.0	499.0	37,917.0	1%
PCG	PG&E Corp.	12/31/2004	41.0	-	-	1,971.0	1,970.0	1,134.0	41.0	5,075.0	1%
PBI	Pitney-Bowes	12/31/2004	7.5	3.8	1.5	944.6	851.3	502.6	12.7	2,298.5	1%
PIXR	Pixar	1/1/2005	56.7	39.4	38.6	271.4	124.8	(5.1)	134.6	391.0	34%
PNC	PNC Bank Corp.	12/31/2004	15.0	6.0	9.0	437.0	1,706.0	4,728.0	30.0	6,871.0	0%
PX	Praxair, Inc.	12/31/2004	28.0	24.0	23.0	1,243.0	1,137.0	1,001.0	75.0	3,381.0	2%
PGR	Progressive Corp.	12/31/2004	44.3	44.0	19.3	2,662.5	2,436.9	1,912.0	107.6	7,011.4	2%
PHM	Pulte Homes, Inc.	12/31/2004	35.7	28.7	20.7	(698.3)	(331.3)	158.8	85.1	(870.8)	N/M
QLGC	QLogic Corp.	3/28/2004	10.6	6.0	7.5	157.2	155.3	149.2	24.2	461.7	5%
QCOM	QUALCOMM Inc.	9/26/2004	285.0	267.0	11.0	2,481.0	1,824.0	1,263.0	563.0	5,568.0	10%
DGX	Quest Diagnostics	12/31/2004	71.3	30.5	44.5	798.8	662.8	596.4	146.3	2,057.9	7%
RSH	RadioShack Corp	12/31/2004	11.3	19.6	0.8	352.5	651.9	521.6	31.7	1,526.0	2%
RBK	Reebok International	12/31/2004	11.5	9.4	4.0	175.7	135.4	224.1	24.9	535.2	5%
RHI	Robert Half International	12/31/2004	23.2	1.3	11.1	161.8	123.9	165.6	35.7	451.3	8%
ROK	Rockwell Automation, Inc.	9/30/2004	40.2	20.9	6.0	596.9	419.9	461.9	67.1	1,478.7	5%
COL	Rockwell Collins	9/30/2004	15.0	7.0	4.0	401.0	374.0	453.0	26.0	1,228.0	2%
ROH	Rohm & Haas	12/31/2004	3.0	4.0	3.0	882.0	953.0	951.0	10.0	2,786.0	0%
ROST	Ross Stores, Inc.	1/31/2004	15.1	16.6	12.1	315.3	349.0	255.0	43.7	919.3	5%
R	Ryder System	12/31/2004	21.1	4.9	3.3	883.0	802.9	632.8	29.2	2,318.7	1%
TSG	Sabre Holding Corp.	12/31/2004	1.2	0.7	9.7	363.2	261.5	299.4	11.6	924.1	1%
SNDK	SanDisk Corporation	1/2/2005	17.9	45.1	-	223.9	270.4	105.7	63.0	600.0	10%
SLE	Sara Lee Corp.	7/3/2004	4.0	10.0	13.0	2,042.0	1,824.0	1,735.0	27.0	5,601.0	0%
SLB	Schlumberger Ltd.	12/31/2004	4.1	7.6	7.4	1,845.9	2,015.4	1,880.6	19.1	5,741.8	0%
SFA	Scientific-Atlanta	7/2/2004	20.4	1.8	2.0	323.4	361.5	358.2	24.2	1,043.1	2%
S	Sears, Roebuck & Co.	1/1/2005	45.0	25.0	24.0	54.0	2,524.0	(505.0)	94.0	2,073.0	5%
SRE	Sempra Energy	12/31/2004	16.0	13.0	-	1,008.0	1,193.0	1,382.0	29.0	3,583.0	1%
SHW	Sherwin-Williams	12/31/2004	20.9	6.9	5.8	544.7	558.9	558.9	33.7	1,662.5	2%
SEBL	Siebel Systems Inc	12/31/2004	16.6	-	-	281.8	188.0	433.2	16.6	903.0	2%
SLM	SLM Corporation	12/31/2004	58.6	57.6	83.4	(317.2)	674.4	762.6	199.6	1,119.9	18%
SSCC	Smurfit-Stone Container Corporation	12/31/2004	8.0	7.0	1.0	265.0	155.0	502.0	16.0	922.0	2%
SNA	Snap-On Inc.	2/1/2005	1.3	0.4	1.6	146.8	177.0	224.1	3.3	547.9	1%

APPENDIX C: Stock-Based Compensation Tax Benefit as a % of Cashflow from Operations, 2002-2004 ($ in millions)

Symbol	Company Name	Fiscal Yearend	Stock-Based Compensation Tax Benefit 2004	Stock-Based Compensation Tax Benefit 2003	Stock-Based Compensation Tax Benefit 2002	Reported CFO 2004	Reported CFO 2003	Reported CFO 2002	Stock-Based Compensation Tax Benefit 2002-2004	CFO 2002-2004	Tax Benefit as % of CFO 2002-2004
SLR	Solectron	8/27/2004	-	-	3.6	(8.9)	281.2	2,053.4	3.6	2,325.7	0%
SO	Southern Co.	12/31/2004	31.0	30.0	23.0	2,692.0	3,066.0	2,831.0	84.0	8,589.0	1%
LUV	Southwest Airlines	12/31/2004	35.0	41.0	38.0	1,157.0	1,336.0	520.0	114.0	3,013.0	4%
STJ	St Jude Medical	12/31/2004	114.0	42.5	25.2	604.3	474.3	417.2	181.7	1,495.8	12%
SPLS	Staples Inc.	1/29/2005	69.3	30.6	21.7	1,179.2	1,019.7	914.4	121.6	3,113.3	4%
SBUX	Starbucks Corp.	10/3/2004	63.4	36.6	44.2	820.2	587.1	496.5	144.2	1,903.9	8%
STT	State Street Corp.	12/31/2004	20.0	13.0	23.0	416.0	1,489.0	970.0	56.0	2,875.0	2%
SYK	Stryker Corp.	12/31/2004	39.8	35.7	22.5	593.3	648.5	503.9	98.0	1,745.7	6%
SUNW	Sun Microsystems	6/30/2004	4.0	9.0	98.0	2,226.0	1,037.0	880.0	111.0	4,143.0	3%
SDS	SunGard Data Systems	12/31/2004	7.1	11.5	7.2	785.4	644.9	782.0	25.8	2,212.3	1%
SYMC	Symantec Corp.	4/2/2004	66.7	39.6	46.2	902.6	599.2	511.2	152.5	2,013.0	8%
SBL	Symbol Technologies	12/31/2004	25.7	0.4	0.1	224.5	233.8	177.5	26.2	635.8	4%
SNPS	Synopsys, Inc.	10/31/2004	30.5	65.0	19.5	264.0	391.5	(181.0)	115.0	474.5	24%
SNV	Synovus Financial	12/31/2004	12.7	12.3	10.4	800.2	725.0	741.2	35.5	2,266.4	2%
TGT	Target Corp.	1/31/2004	28.0	26.0	63.0	3,160.0	1,590.0	2,012.0	117.0	6,762.0	2%
TE	TECO Energy	12/31/2004	0.1	1.7	3.9	139.6	311.3	655.7	5.7	1,106.6	1%
TEK	Tektronix Inc.	5/29/2004	7.0	0.5	0.8	133.1	78.1	98.7	8.2	309.9	3%
TLAB	Tellabs, Inc.	12/31/2004	-	1.6	2.0	214.7	149.9	177.8	3.6	542.4	1%
THC	Tenet Healthcare Corp.	12/31/2004	-	-	31.0	(82.0)	838.0	1,126.0	31.0	1,882.0	2%
TEVA	Teva Pharmaceutical Industries Limited	12/31/2004	35.2	10.6	0.1	1,248.8	626.6	353.7	45.9	2,229.1	2%
TXN	Texas Instruments	12/31/2004	58.0	64.0	49.0	3,146.0	2,151.0	1,992.0	171.0	7,289.0	2%
TMO	Thermo Electron	12/31/2004	16.0	12.0	6.7	250.0	200.3	114.5	34.7	564.9	6%
TIF	Tiffany & Co.	1/31/2004	19.5	11.0	5.3	283.8	221.4	241.5	35.9	746.8	5%
TWX	Time Warner Inc.	12/31/2004	244.0	23.0	102.0	6,618.0	6,601.0	6,757.0	369.0	19,976.0	2%
TJX	TJX Companies Inc.	1/29/2005	13.6	11.8	30.6	770.5	908.6	912.4	56.0	2,591.5	2%
RIG	Transocean Inc.	12/31/2004	5.9	0.3	0.3	604.1	525.8	936.6	6.5	2,066.5	0%
TRB	Tribune Co.	12/26/2004	32.8	52.7	52.4	1,073.2	1,158.7	896.8	138.0	3,128.6	4%
TYC	Tyco International	9/30/2004	158.0	37.0	54.0	5,384.0	5,309.0	5,423.0	249.0	16,116.0	2%
UIS	Unisys Corp.	12/31/2004	4.4	4.9	3.5	469.8	529.2	324.5	12.8	1,323.5	1%
UVN	Univision Communications	12/31/2004	5.0	10.0	23.6	425.0	329.8	155.2	38.6	910.0	4%
UST	UST Inc.	12/31/2004	17.1	8.5	5.4	562.5	(704.9)	802.1	31.1	659.7	5%
VRSN	VeriSign, Inc.	12/31/2004	4.7	5.0	-	365.3	358.4	240.1	9.8	963.9	1%
WAG	Walgreen Co.	8/31/2004	50.3	24.4	56.8	1,652.7	1,491.5	1,473.8	131.5	4,618.0	3%
WAT	Waters Corporation	12/31/2004	32.0	17.6	7.0	259.4	157.0	219.6	56.6	636.1	9%
WPI	Watson Pharmaceuticals	12/31/2004	6.4	7.0	1.2	308.3	262.5	307.9	14.6	878.7	2%
WFMI	Whole Foods Market, Inc.	9/26/2004	35.6	25.9	23.9	330.3	281.0	231.3	85.4	842.6	10%
WWY	Wrigley (Wm) Jr.	12/31/2004	8.0	3.2	1.4	724.5	645.5	374.4	12.6	1,744.4	1%
XLNX	Xilinx, Inc	4/3/2004	109.2	17.1	52.4	432.5	345.0	280.9	178.7	1,058.4	17%
YHOO	Yahoo Inc.	12/31/2004	409.0	124.9	60.4	1,089.8	428.1	302.4	594.2	1,820.4	33%
YUM	Yum! Brands, Inc	12/25/2004	102.0	26.0	49.0	1,131.0	1,053.0	1,088.0	177.0	3,272.0	5%
Totals			**12,021.0**	**9,170.4**	**8,158.6**	**285,603.5**	**298,204.6**	**280,698.7**	**29,350.1**	**864,506.7**	**3%**
Aggregate Tax Benefit as a % of CFO			**4%**	**3%**	**3%**						

Source: Company reports; Factset Research; Bear Stearns & Co., Inc. estimates.

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Pat McConnell

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