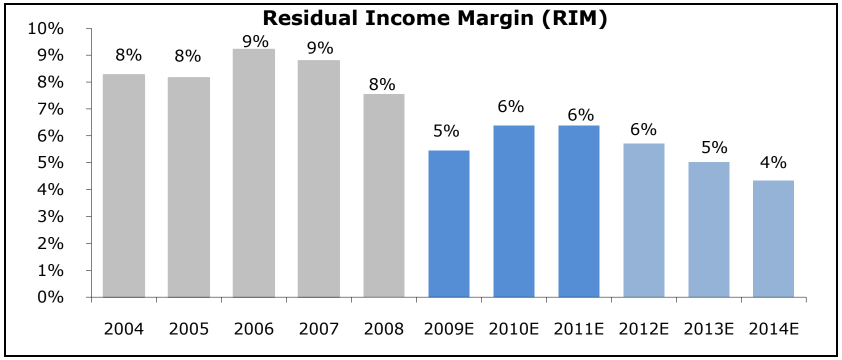
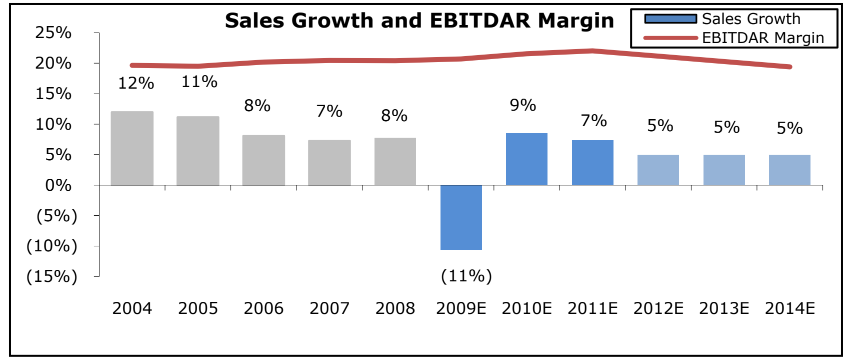
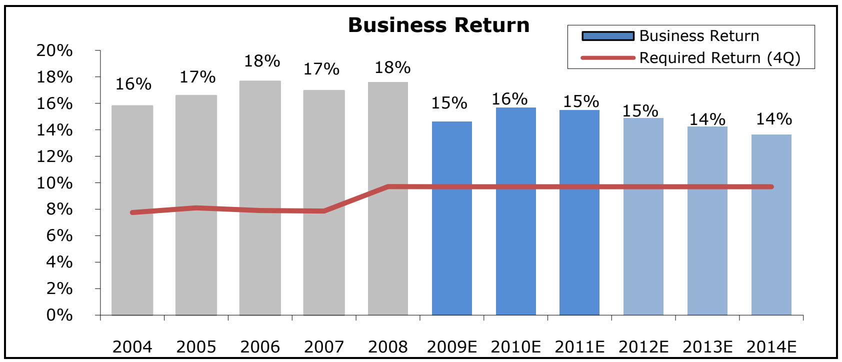
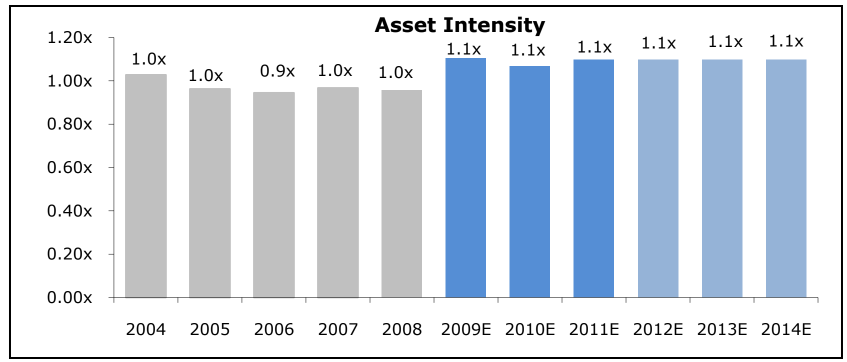
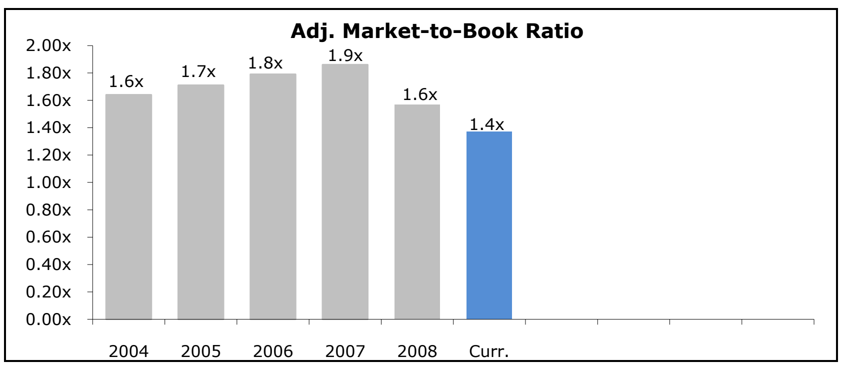
Aggregate S&P 500 ex-Financials
Current Investor Expectations: August 31, 2009

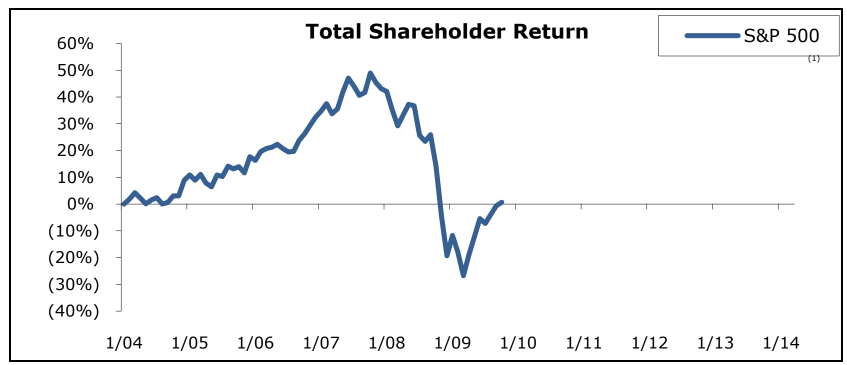












Historical
Estimates
Investor Expectations

(1) Note: Graph reflects S&P500 including financials

S&P500 Index = 1,020.62

Source: Fortuna Advisors Analytics, using CapitalIQ data.

08/31/2009

The GROW chart captures the tradeoff between growth and efficiency and the implications for valuation in one easy to read page. Growth is portrayed via sales growth and efficiency is based on RIM, or Residual Income Margin. Drivers such as Business Returns versus Required Returns, EBITDAR margins and Asset Intensity are shown as well.

GROW = **G**enerate **R**eal **O**perating **W**ealth

Efficiency

Residual Income Margin (RIM) is the after-tax cash earnings a business generates less the cost of capital employed, shown as a percent of sales. From 2004-8, the S&P 500 ex-financials has earned a RIM of 8-9%. Consensus estimates indicate the index will only earn a RIM of 5% in 2009 before improving to 6% in 2010. Based on the aggregate market capitalization and current required returns, RIM is expected to decline to 4% by 2014. For investors that believe long term RIM will exceed 4%, valuation is potentially attractive.

Business Return (BR) is the after-tax cash earnings a business generates in proportion to its adjusted operating assets. The S&P 500 ex-financials has consistently earned BR above the Required Return (RR), or its cost of capital, at 16-18%. The market anticipates a BR fall to 15% in 2009, a rebound to 16% in 2010, and a steady decline to 14% by 2014. Despite the recent bull market, the market capitalizations still imply a substantial decline.

Adjusted Market-to-Book Ratio (MBR) is enterprise value over adjusted operating assets. Another way to think about the MBR is as an alternative version of the price-to-book ratio. Through 2007, the MBR increased along with the S&P. As the economy weakened in 2008 and 2009, the MBR declined to a recent low of 1.4x. The MBR tends to track the BR/RR ratio, with differences depending on the view of sustainability and growth.

Growth

Sales Growth shows a consensus decline of 11% in 2009 and a rebound to 9% in 2010. Fortuna Advisors has held a long-term growth of 5% in an effort to solve for the embedded RIM implied by the current market value. **EBITDAR Margin** is EBITDA adjusted for annual rent expense and R&D costs. Consensus estimates suggest improvement to 22% over the next several years while the market value reflects a long-term decline to 19% by 2014. For investors that believe long term growth will exceed 5%, valuation is potentially attractive.

Asset Intensity (AI) , or adjusted operating assets over sales, describes how much capital a business must invest per dollar of revenue. Over the past four years, the S&P 500 invested approximately $0.96 for every dollar of sales. Capital spending estimates suggest that Asset Intensity will be higher in the coming years and we've held this assumption of $1.10 of adjusted assets/sales through 2014.

Total Shareholder Return (TSR) is the return of the share price including capital gains and dividends paid. The S&P 500 peaked in October 2007, returning 49% to investors over the period that began in 2004, before declining. The index hit a low in March 2009, declining 27% YTD and over 50% since the market peak in October 2007. Currently the market has delivered a positive return of 0.7% since 2004.

Source: Fortuna Advisors Analytics, using CapitalIQ data.