



THIS WEEK IN EARNINGS

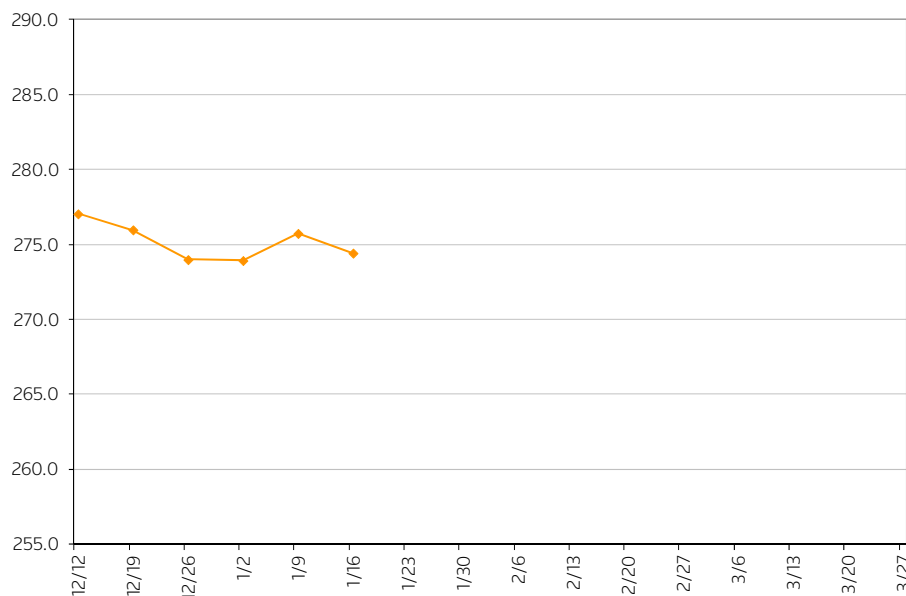
AGGREGATE ESTIMATES AND REVISIONS

- ▶ **Fourth quarter** earnings are expected to grow **3.5%** over Q4 2013.
- ▶ Of the **40** companies in the S&P 500 that have reported **earnings** to date for **Q4 2014**, **78%** have reported earnings above analyst expectations. This is above the long-term average of 63% and is above the average over the past four quarters of 69%.
- ▶ **55%** of companies have reported Q4 2014 **revenue** above analyst expectations. This is below the long-term average of 61% and below the average over the past four quarters of 59%.
- ▶ For **Q4 2014**, there have been **99** negative EPS preannouncements issued by S&P 500 corporations compared to **21** positive EPS preannouncements. By dividing 99 by 21, one arrives at an N/P ratio of **4.7** for the S&P 500 Index.
- ▶ The forward four-quarter (Q414 – Q315) P/E ratio for the S&P 500 is **16.0**.
- ▶ During the week of January 19, **54** companies are expected to report **Q4 2014** earnings.

SECTION A: EARNINGS OUTLOOK

Q4 2014: EARNINGS REVISIONS

Exhibit 1A. S&P 500: Q4 2014 Share-Weighted Earnings (\$B)



Source: Thomson Reuters I/B/E/S

This Week in Earnings provides analysis and commentary on aggregate earnings estimate revisions, growth rates and valuations. [View all Thomson Reuters Proprietary Research subscription channels.](#)

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There has been a decrease in the share-weighted earnings for the S&P 500 since the start of the quarter (to \$271.8B from \$293.6B). Nine of the ten sectors have experienced downward revisions to estimates.

Since October 1, the Energy (-25.9%) and Financials (-12.0%) sectors have recorded the highest percentage decreases in earnings, while the Utilities (1.4%) sector has recorded the highest percentage increase in earnings. Overall, share-weighted earnings for the S&P 500 have decreased by 7.4% since the start of the quarter.

Since October 1, the Financials (-\$8.0B) and Financials (-\$6.7B) sectors have recorded the highest dollar-level decreases in earnings, while the Utilities (\$93M) sector has recorded the highest dollar-level increase in earnings. Overall, expected share-weighted earnings for the S&P 500 have decreased by \$21.7B since the start of the quarter.

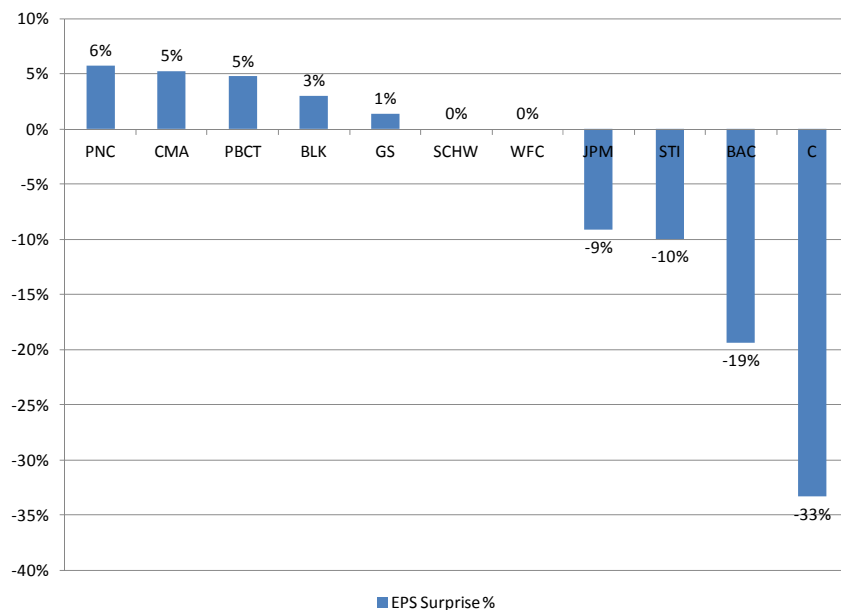
OBSERVATIONS: ENERGY SECTOR PULLS DOWN EARNINGS ESTIMATES WHILE FINANCIALS DISAPPOINT TO BEGIN EARNINGS SEASON

Earnings season kicked off this week, with Alcoa Inc (AA.N) announcing its fourth quarter results, followed by several of the big banks. Earnings expectations are muted for the fourth quarter, with S&P 500 companies expected to grow earnings by 3.5% over the fourth quarter of 2013. Overall revenue expectations are similarly weak, with analysts projecting a 0.9% increase in sales.

These low expectations are largely due to the effect of low oil prices on the Energy sector. As the price of oil fell throughout the fourth quarter, Energy sector earnings estimates fell along with it. At the beginning of the quarter, analysts were projecting a 6.6% increase in Energy sector earnings, currently the estimate is for a 21.8% decline.

If we look at earnings outside of the Energy sector, the picture becomes much brighter. Earnings in the other nine sectors of the S&P 500 are expected to grow 6.7%, which is very close to the 6.6% overall growth estimate for Q3 at the equivalent point in last earnings season.

Exhibit 2A. Earnings Surprises – Financials Companies Reporting This Week



Source: Thomson Reuters I/B/E/S

While oil prices continue to be at the forefront of earnings this quarter, some of the major financial institutions announced their earnings this week, with generally disappointing results. Only six of the eleven companies in the Financials sector beat their EPS estimates this week, and only five of them beat revenue estimates. In aggregate, Financials earnings came up 6.0% short of estimates while revenues came up 2.4% short.

Citigroup Inc. (C.N) had the biggest miss of the week, its 6 cent EPS missing the 9 cent consensus by 33%. This was a 92% decline from its year ago result of 77 cents. Revenue was flat at \$17.8B, missing the estimate by 4%. During the earnings call, Mike Corbat, CEO, discusses some of the challenges that the company faced during the quarter, saying, "we also saw a challenging end to the year, with macro uncertainties and falling oil prices resulting in a more difficult market environment than we had expected, particularly in the last few weeks of December." Looking forward, Mr. Corbat explained his expectations for the coming year, "there's no reason to think that the environment in 2015 will be any less challenging than the one we faced in 2014. While the recovery in the US is gaining momentum, aided by lower energy costs, Europe is a continuing area of concern, with Russia and Greece facing the most immediate pressure."

Bank of America Corp. (BAC.N) also missed its top and bottom line estimates this week. The bank does see some positives from lower oil prices in the form of increased consumer spending, which could benefit the company's credit card business. During the earnings call, CEO Brian Moynihan discussed what the bank has seen consumers do so far in January, "We've seen the spending go up by 3%. And if you look at the fuel side of that, it's about 5% of that total spending, and it is down 28% year-over-year. So the people are getting a benefit. Our consumer customers are getting a benefit, but they are re-spending that benefit and the overall spending levels are growing through it."

Q4 2014: EARNINGS SCORECARD

Exhibit 3A. S&P 500: Q4 2014 Earnings vs. Expectations

Sector	Above %	Match %	Below %	Surprise Factor %	Reported Total #	Index Total #
Consumer Discretionary	75%	13%	13%	6%	8	84
Consumer Staples	100%	0%	0%	5%	5	40
Energy	100%	0%	0%	4%	1	43
Financials	55%	9%	36%	-6%	11	85
Health Care	-	-	-	-	0	55
Industrials	50%	25%	25%	-1%	4	64
Materials	100%	0%	0%	18%	3	29
Technology	100%	0%	0%	7%	8	64
Telecom Services	-	-	-	-	0	6
Utilities	-	-	-	-	0	30
S&P 500	78%	8%	15%	0%	40	500

Source: Thomson Reuters I/B/E/S

Through **January 16**, **40** companies in the S&P 500 Index have reported earnings for Q4 2014. Of these companies, **78%** reported earnings above analyst expectations, **8%** reported earnings in line with analyst expectations and **15%** reported earnings below analyst expectations. In a typical quarter (since 1994), 63% of companies beat estimates, 16% match and 21% miss estimates. Over the past four quarters, 67% of companies beat the estimates, 10% matched and 23% missed estimates.

In aggregate, companies are reporting earnings that are **in-line with** estimates, which is below the 3% long-term (since 1994) average surprise factor, and below the 4% surprise factor recorded over the past four quarters.

Q4 2014: REVENUE SCORECARD

Exhibit 4A. S&P 500: Q4 2014 Revenue vs. Expectations

Sector	Above %	Match %	Below %	Surprise Factor %	Reported Total #	Index Total #
Consumer Discretionary	50%	0%	50%	1%	8	84
Consumer Staples	40%	0%	60%	0%	5	40
Energy	0%	0%	100%	0%	1	43
Financials	45%	0%	55%	-2%	11	85
Health Care	-	-	-	-	0	55
Industrials	50%	0%	50%	0%	4	64
Materials	100%	0%	0%	4%	3	29
Technology	75%	0%	25%	1%	8	64
Telecom Services	-	-	-	-	0	6
Utilities	-	-	-	-	0	30
S&P 500	55%	0%	45%	-1%	40	500

Source: Thomson Reuters I/B/E/S

Through **January 16**, **40** companies in the S&P 500 Index have reported revenues for Q4 2014. Of these companies, **55%** reported revenues above analyst expectations, **0%** reported revenues in line with analyst expectations, and **45%** reported revenues below analyst expectations. In aggregate, companies are reporting revenues that are **1% below** estimates.

Q4 2014: EARNINGS GROWTH RATES

Exhibit 5A. S&P 500: Q4 2014 Earnings Growth

Sector	Earnings \$B Q414	Earnings \$B Q413	Growth \$B Q414	Growth % Q414
Consumer Discretionary	28.8	26.8	2.0	7.6%
Consumer Staples	26.2	26.0	0.1	0.5%
Energy	22.9	29.2	-6.4	-21.8%
Financials	49.2	50.2	-1.0	-2.0%
Health Care	34.5	29.4	5.2	17.6%
Industrials	29.2	26.5	2.7	10.1%
Materials	7.3	7.3	-0.1	-1.2%
Technology	60.6	55.2	5.4	9.7%
Telecom Services	6.5	5.8	0.7	11.9%
Utilities	6.8	6.2	0.6	9.2%
S&P 500	271.8	262.6	9.2	3.5%

Source: Thomson Reuters I/B/E/S

The estimated earnings growth rate for the S&P 500 for Q4 2014 is 3.5%. The S&P 500 expects to see share-weighted earnings of \$271.8B in Q4 2014, compared to share-weighted earnings of \$262.6B (based on the year-ago earnings of the current 500 constituents) in Q4 2013.

Seven of the ten sectors in the index expect to see an improvement in earnings relative to Q4 2013. The Health Care and Telecommunication Services sectors have the highest earnings growth rates for the quarter, while the Energy sector has the weakest anticipated growth compared to Q4 2013.

The Health Care sector has the highest earnings growth rate (17.6%) of any sector. It is expected to earn \$34.5B in Q4 2014, compared to earnings of \$29.4B in Q4 2013. All ten sub-industries in the sector are anticipated to have positive earnings growth, by Biotechnology (88%) and Health Care Facilities (83%). If these sub-industries are removed, the growth rate declines to 7.1%.

The Telecommunication Services sector has the second highest earnings growth rate (11.9%) of all ten sectors. Analysts expect it to earn \$6.5B in Q4 2014, relative to earnings of \$5.8B in Q4 2013. Both of the sub-industries in the sector are anticipated to see higher earnings than a year ago.

The Energy sector has the lowest growth rate (-21.8%) of any sector. It is expected to earn \$22.9B in Q4 2014, relative to earnings of \$29.2B in Q4 2013. Six of the seven sub-industries in the sector are anticipated to see earnings decreases compared to Q4 2013, led by Coal & Consumable Fuels (-92%).

Q4 2014: REVENUE GROWTH RATES

Exhibit 6A. S&P 500: Q4 2014 Revenue Growth

Sector	Revenue \$B Q414	Revenue \$B Q413	Growth \$B Q414	Growth % Q414
Consumer Discretionary	439.1	422.7	16.4	3.9%
Consumer Staples	432.0	419.5	12.5	3.0%
Energy	327.8	389.7	-62.0	-15.9%
Financials	275.6	275.6	0.0	0.0%
Health Care	352.5	323.0	29.5	9.1%
Industrials	311.8	304.4	7.3	2.4%
Materials	97.0	97.8	-0.9	-0.9%
Technology	313.8	294.7	19.0	6.5%
Telecom Services	76.2	73.0	3.1	4.3%
Utilities	78.6	79.2	-0.6	-0.7%
S&P 500	2,704.3	2,679.7	24.5	0.9%

Source: Thomson Reuters I/B/E/S

The estimated revenue growth rate for the S&P 500 for Q4 2014 is 0.9%. The S&P 500 is expected to earn revenues of \$2,704.3B in Q4 2014 compared to \$2,679.7B in Q4 2013.

Seven of the ten sectors anticipate revenue growth for the quarter. The Health Care sector is expected to have the highest revenue growth rate for the quarter, while the Energy sector is expected to have the lowest revenue growth rate.

The Health Care sector expects the highest revenue growth rate (9.1%) for the quarter. It is expected to generate sales of \$352.5B in Q4 2014, compared to sales of \$323.0B in Q4 2013. Nine of the ten sub-industries in the sector are expected to see sales growth, led by the Biotechnology (37%) and Health Care Distributors & Services (16%) sub-industries.

The Energy sector has the lowest revenue growth rate at -15.9%. The sector is expected to post sales of \$327.8B in Q4 2014, relative to sales of \$389.7B in Q4 2013. Three of the seven sub-industries in the sector expect to see revenue decreases for the quarter, led by the Integrated Oil & Gas (-23%) and Oil & Gas Refining & Marketing (-22%) sub-industries.

Q4 2014: EARNINGS GUIDANCE

Exhibit 7A. S&P 500: Q4 2014 Preannouncements

Type	Q4 2014		Q4 2013		Q3 2014	
	Total (#)	Total (%)	Total (#)	Total (%)	Total (#)	Total (%)
Positive	21	16%	14	11%	30	22%
In-Line	12	9%	11	8%	15	11%
Negative	99	75%	108	81%	93	67%
Total	132		133		138	
N/P Ratio	4.71		7.71		3.10	

Source: Thomson Reuters I/B/E/S

In the S&P 500, there have been 99 negative EPS preannouncements issued by corporations for Q4 2014 compared to 21 positive EPS preannouncements. By dividing 99 by 21, one arrives at an N/P ratio of 4.7 for the S&P 500 Index. This 4.7 ratio is lower than the N/P ratio at the same point in time in Q4 2013 (7.7), and is above the long-term aggregate (since 1995) N/P ratio for the S&P 500 (2.6).

Q4 2014 – Q3 2015: FORWARD FOUR-QUARTER P/E RATIO

Exhibit 8A. S&P 500: Forward Four-Quarter (Q4 2014 – Q3 2015) P/E Ratio

	Price	EPS	P/E Ratio
CY 2014	1,993	116.85	17.1
Forward 4 Quarter	1,993	124.91	16.0
CY 2015	1,993	124.65	16.0

Source: Thomson Reuters I/B/E/S

The forward four-quarter (Q4 2014 – Q3 2015) P/E ratio for the S&P 500 is **16.0**.

Q4 2014 – Q3 2015: EARNINGS GROWTH

The estimated earnings growth rates for the S&P 500 for Q4 2014 through Q3 2015 are 4%, 3%, 4%, and 6%, respectively. For sector-level growth rates for Q4 2014 through Q3 2015, see Exhibits 2C-5C in this report.

EARNINGS CALENDAR

The next several weeks will see the first companies report earnings for Q4 2014. There are **54** S&P 500 companies scheduled to report **Q4 2014** earnings during the week of January 19.

Exhibit 9A. Number of Companies Reporting Q4 2014 Earnings

Q4 2014	Reported To Date	Report This Week	Report Next Week	Report Remaining
Dow 30	4	8	12	6
S&P 500	40	54	140	266

Source: Thomson Reuters StreetEvents.

SECTION B: EARNINGS CALENDAR

MONDAY: JANUARY 19

Exhibit 1B. Monday Earnings Calendar

Date	Ticker	Company	Qtr	Est		Yr Ago	% Dif	Time
19-Jan-15	PCAR.OQ	PACCAR INC	Q4-Dec.15	1.10		0.94	16.6	N/AV

Source: Thomson Reuters StreetEvents.

TUESDAY: JANUARY 20

Exhibit 2B. Tuesday Earnings Calendar

Date	Ticker	Company	Qtr	Est		Yr Ago	% Dif	Time
20-Jan-15	APH.N	AMPHENOL CORP	Q4-Dec.15	0.59		0.53	12.4	8:30 AM
20-Jan-15	ATI.N	ALLEGHENY TECHNOLOGIES	Q4-Dec.15	0.00		-0.08	NA	8:30 AM
20-Jan-15	BHI.N	BAKER HUGHES INCORPORATED	Q4-Dec.15	1.08		0.62	73.5	8:30 AM
20-Jan-15	COH.N	COACH INC	Q2-Dec.15	0.66		1.06	-37.7	8:30 AM
20-Jan-15	DAL.N	DELTA AIR LINES INC	Q4-Dec.15	0.76		0.65	17.6	8:30 AM
20-Jan-15	FCX.N	FREEMPORTMCMORAN INC	Q4-Dec.15	0.37		0.84	-56.4	8:30 AM
20-Jan-15	GD.N	GENERAL DYNAMICS CORP	Q4-Dec.15	2.12		1.76	20.6	8:30 AM
20-Jan-15	HAL.N	HALLIBURTON CO	Q4-Dec.15	1.10		0.93	18.2	8:30 AM
20-Jan-15	JNJ.N	JOHNSON & JOHNSON	Q4-Dec.15	1.26		1.24	1.3	8:30 AM
20-Jan-15	MS.N	MORGAN STANLEY	Q4-Dec.15	0.48		0.50	-3.4	8:30 AM
20-Jan-15	MSI.N	MOTOROLA SOLUTIONS INC	Q4-Dec.15	1.12		1.33	-16.0	8:30 AM
20-Jan-15	MTB.N	M & T BANK CORP	Q4-Dec.15	1.94		1.74	11.6	8:30 AM
20-Jan-15	RF.N	REGIONS FINANCIAL CORPORATION	Q4-Dec.15	0.21		0.21	-1.8	8:30 AM
20-Jan-15	CA.OQ	CA INC	Q3-Dec.15	0.60		0.84	-28.1	4:00 PM
20-Jan-15	IBM.N	INTERNATIONAL BUSINESS MACHINES	Q4-Dec.15	5.43		6.16	-11.8	4:00 PM
20-Jan-15	NFLX.OQ	NETFLIX INC.	Q4-Dec.15	0.46		0.79	-41.5	4:00 PM

Source: Thomson Reuters StreetEvents.

WEDNESDAY: JANUARY 21

Exhibit 3B. Wednesday Earnings Calendar

Date	Ticker	Company	Qtr	Est		Yr Ago	% Dif	Time
21-Jan-15	FITB.OQ	FIFTH THIRD BANCORP	Q4-Dec.15	0.42		0.43	-2.0	8:30 AM
21-Jan-15	NTRS.OQ	NORTHERN TRUST CORP	Q4-Dec.15	0.81		0.75	7.7	8:30 AM
21-Jan-15	UNH.N	UNITEDHEALTH GROUP INC	Q4-Dec.15	1.50		1.41	6.3	8:30 AM
21-Jan-15	USB.N	US BANCORP	Q4-Dec.15	0.77		0.76	1.3	8:30 AM
21-Jan-15	AXP.N	AMERICAN EXPRESS COMPANY	Q4-Dec.15	1.38		1.25	10.5	4:00 PM
21-Jan-15	CCI.N	CROWN CASTLE INTERNATIONAL CORP	Q4-Dec.15	1.05		0.89	18.3	4:00 PM
21-Jan-15	DFS.N	DISCOVER FINANCIAL SERVICES	Q4-Dec.15	1.29		1.23	5.1	4:00 PM
21-Jan-15	EBAY.OQ	EBAY INC	Q4-Dec.15	0.89		0.81	9.8	4:00 PM
21-Jan-15	FFIV.OQ	F5 NETWORKS INC	Q1-Dec.15	1.49		1.22	21.9	4:00 PM
21-Jan-15	NAVI.OQ	NAVIENT CORP	Q4-Dec.15	0.54			NA	4:00 PM
21-Jan-15	SNDK.OQ	SANDISK CORPORATION	Q4-Dec.15	1.28		1.71	-25.2	4:00 PM
21-Jan-15	URI.N	UNITED RENTALS INC	Q4-Dec.15	2.07		1.59	30.3	4:00 PM
21-Jan-15	XLNX.OQ	XILINX INC	Q3-Dec.15	0.61		0.61	-0.1	4:00 PM

Source: Thomson Reuters StreetEvents.

THURSDAY: JANUARY 22

Exhibit 4B. Thursday Earnings Calendar

Date	Ticker	Company	Qtr	Est		Yr Ago	% Dif	Time
22-Jan-15	LUV.N	SOUTHWEST AIRLINES CO	Q4-Dec.15	0.55		0.33	66.5	6:30 AM
22-Jan-15	BBT.N	BB&T CORPORATION	Q4-Dec.15	0.73		0.72	1.4	8:30 AM
22-Jan-15	COV.N	COVIDIEN PUBLIC LIMITED COMPANY	Q1-Dec.15	1.05		1.00	5.1	8:30 AM
22-Jan-15	HBAN.OQ	HUNTINGTON BANCSHARES INC	Q4-Dec.15	0.19		0.18	4.2	8:30 AM
22-Jan-15	JCI.N	JOHNSON CTLS INC	Q1-Dec.15	0.77		0.69	11.7	8:30 AM
22-Jan-15	KEY.N	KEYCORP	Q4-Dec.15	0.26		0.25	3.6	8:30 AM
22-Jan-15	PCP.N	PRECISION CASTPARTS CORP	Q3-Dec.15	3.41		2.95	15.4	8:30 AM
22-Jan-15	TRV.N	TRAVELERS COS INC	Q4-Dec.15	2.52		2.68	-6.0	8:30 AM
22-Jan-15	UNP.N	UNION PACIFIC CORP	Q4-Dec.15	1.51		1.28	18.5	8:30 AM
22-Jan-15	ALTR.OQ	ALTERA CORPORATION	Q4-Dec.15	0.35		0.31	13.0	4:00 PM
22-Jan-15	COF.N	CAPITAL ONE FINANCIAL CORP.	Q4-Dec.15	1.74		1.45	19.9	4:00 PM
22-Jan-15	ETFC.OQ	E*TRADE FINANCIAL CORP	Q4-Dec.15	0.23		0.20	14.5	4:00 PM
22-Jan-15	ISRG.OQ	INTUITIVE SURGICAL INC	Q4-Dec.15	4.37		4.28	2.1	4:00 PM
22-Jan-15	KLAC.OQ	KLA-TENCOR CORPORATION	Q2-Dec.15	0.52		0.85	-38.6	4:00 PM
22-Jan-15	SBUX.OQ	STARBUCKS CORP	Q1-Dec.15	0.80		0.69	16.3	4:00 PM
22-Jan-15	VZ.N	VERIZON COMMUNICATIONS INC	Q4-Dec.15	0.75		0.66	13.0	N/AV

Source: Thomson Reuters StreetEvents.

FRIDAY: JANUARY 23

Exhibit 5B. Friday Earnings Calendar

Date	Ticker	Company	Qtr	Est		Yr Ago	% Dif	Time
23-Jan-15	BK.N	THE BANK OF NEW YORK MELLON CORP	Q4-Dec.15	0.59		0.54	8.6	8:30 AM
23-Jan-15	COL.N	ROCKWELL COLLINS	Q1-Dec.15	1.11		0.97	14.2	8:30 AM
23-Jan-15	GE.N	GENERAL ELECTRIC CO	Q4-Dec.15	0.55		0.53	3.0	8:30 AM
23-Jan-15	HON.N	HONEYWELL INTERNATIONAL	Q4-Dec.15	1.42		1.24	14.3	8:30 AM
23-Jan-15	KMB.N	KIMBERLY CLARK CORP	Q4-Dec.15	1.37		1.44	-5.0	8:30 AM
23-Jan-15	KSU.N	KANSAS CITY SOUTHN	Q4-Dec.15	1.23		1.03	19.6	8:30 AM
23-Jan-15	MCD.N	MCDONALDS CORP	Q4-Dec.15	1.23		1.40	-12.4	8:30 AM
23-Jan-15	STT.N	STATE STREET CORP	Q4-Dec.15	1.26		1.15	9.2	8:30 AM

Source: Thomson Reuters StreetEvents.

SECTION C: EARNINGS DATA TABLES

Exhibit 1C. S&P 500: Q4 2014 Earnings Scorecard

Sector	Above	Match	Below	Surprise	Reported	Index
Consumer Discretionary	75%	13%	13%	6%	8	84
Consumer Staples	100%	0%	0%	5%	5	40
Energy	100%	0%	0%	4%	1	43
Financials	55%	9%	36%	-6%	11	85
Health Care	-	-	-	-	0	55
Industrials	50%	25%	25%	-1%	4	64
Materials	100%	0%	0%	18%	3	29
Technology	100%	0%	0%	7%	8	64
Telecom	-	-	-	-	0	6
Utilities	-	-	-	-	0	30
S&P 500	78%	8%	15%	0%	40	500

Source: Thomson Reuters I/B/E/S

Exhibit 2C. S&P 500: Q4 2014 Earnings Growth

Sector	Today	1 Jan	1 Oct	1 Jul	1 Apr
Consumer Discretionary	7.6%	8.0%	13.9%	15.8%	17.5%
Consumer Staples	0.5%	0.0%	4.5%	7.7%	7.3%
Energy	-21.8%	-19.8%	6.6%	10.4%	9.7%
Financials	-2.0%	1.4%	10.4%	10.5%	12.1%
Health Care	17.6%	17.6%	19.4%	18.1%	14.8%
Industrials	10.1%	9.9%	12.4%	12.0%	11.5%
Materials	-1.2%	-2.0%	10.0%	7.7%	7.2%
Technology	9.7%	8.9%	10.5%	10.8%	9.2%
Telecom	11.9%	13.8%	23.8%	22.0%	19.1%
Utilities	9.2%	11.2%	7.7%	8.0%	7.3%
S&P 500	3.5%	4.2%	11.2%	12.0%	11.4%

Source: Thomson Reuters I/B/E/S

Exhibit 3C. S&P 500: Q1 2015 Earnings Growth

Sector	Today	1 Jan	1 Oct	1 Jul	1 Apr
Consumer Discretionary	13.9%	14.6%	17.3%	18.2%	22.0%
Consumer Staples	4.6%	5.3%	8.8%	10.3%	10.5%
Energy	-45.0%	-32.2%	2.3%	5.7%	9.7%
Financials	12.9%	13.9%	15.5%	14.7%	13.0%
Health Care	11.1%	11.1%	12.4%	12.2%	13.9%
Industrials	11.2%	11.5%	13.4%	12.3%	16.6%
Materials	12.1%	17.0%	24.2%	22.1%	23.0%
Technology	9.6%	10.2%	12.0%	10.7%	15.0%
Telecom	1.4%	1.2%	7.6%	8.4%	8.6%
Utilities	-6.5%	-5.9%	-5.2%	-2.4%	3.5%
S&P 500	3.1%	5.3%	11.5%	11.7%	14.0%

Source: Thomson Reuters I/B/E/S

Exhibit 4C. S&P 500: Q2 2015 Earnings Growth

Sector	Today	1 Jan	1 Oct	1 Jul
Consumer Discretionary	16.1%	16.6%	17.9%	19.9%
Consumer Staples	3.4%	4.0%	7.5%	9.2%
Energy	-44.2%	-31.6%	2.9%	10.5%
Financials	17.2%	18.0%	20.2%	13.6%
Health Care	6.2%	6.3%	7.8%	14.1%
Industrials	7.2%	7.5%	9.5%	11.5%
Materials	12.4%	14.6%	20.1%	25.9%
Technology	10.8%	11.3%	13.2%	13.5%
Telecom	4.5%	4.3%	8.3%	6.1%
Utilities	7.1%	6.7%	6.3%	3.9%
S&P 500	3.9%	5.9%	11.9%	13.3%

Source: Thomson Reuters I/B/E/S

Exhibit 5C. S&P 500: Q3 2015 Earnings Growth

Sector	Today	1 Jan	1 Oct
Consumer Discretionary	17.6%	17.6%	20.3%
Consumer Staples	5.3%	6.0%	10.0%
Energy	-37.5%	-26.4%	12.7%
Financials	17.7%	17.8%	23.0%
Health Care	10.1%	10.3%	14.8%
Industrials	8.4%	8.7%	12.1%
Materials	4.3%	6.4%	17.1%
Technology	11.9%	12.1%	15.8%
Telecom	5.5%	5.6%	7.3%
Utilities	6.3%	5.2%	4.0%
S&P 500	6.0%	7.4%	15.4%

Source: Thomson Reuters I/B/E/S

Exhibit 6C. S&P 500: Q4 2015 Earnings Growth

Sector	Today	1 Jan
Consumer Discretionary	18.4%	18.2%
Consumer Staples	9.1%	9.2%
Energy	-13.1%	-1.8%
Financials	24.8%	21.2%
Health Care	14.1%	14.2%
Industrials	10.5%	11.2%
Materials	18.1%	19.7%
Technology	10.4%	11.1%
Telecom	12.8%	13.8%
Utilities	7.9%	6.6%
S&P 500	12.2%	12.9%

Source: Thomson Reuters I/B/E/S

Exhibit 7C. S&P 500: CY 2014 Earnings Growth

Sector	Today	1 Jan	1 Oct	1 Jul	1 Apr
Consumer Discretionary	5.9%	6.0%	6.7%	8.6%	10.4%
Consumer Staples	4.3%	4.1%	4.8%	5.9%	6.5%
Energy	1.6%	2.2%	7.3%	9.4%	8.1%
Financials	1.4%	2.2%	3.1%	6.6%	9.3%
Health Care	15.9%	16.0%	15.2%	11.9%	8.3%
Industrials	10.2%	10.0%	9.5%	8.8%	7.7%
Materials	7.3%	7.0%	8.6%	8.6%	9.2%
Technology	11.3%	11.1%	10.4%	10.8%	8.9%
Telecom	13.3%	14.0%	15.1%	15.9%	15.9%
Utilities	8.2%	8.1%	7.5%	7.0%	5.4%
S&P 500	7.3%	7.5%	8.2%	9.0%	8.7%

Source: Thomson Reuters I/B/E/S

Exhibit 8C. S&P 500: CY 2015 Earnings Growth

Sector	Today	1 Jan	1 Oct	1 Jul	1 Apr
Consumer Discretionary	16.6%	16.9%	18.0%	18.0%	18.5%
Consumer Staples	6.0%	6.6%	9.0%	8.9%	9.1%
Energy	-34.9%	-23.3%	6.9%	6.5%	7.1%
Financials	17.8%	17.8%	16.7%	12.5%	11.3%
Health Care	10.3%	10.5%	11.6%	11.9%	12.8%
Industrials	9.5%	9.7%	11.5%	11.8%	11.8%
Materials	12.7%	14.7%	19.1%	20.2%	17.4%
Technology	10.9%	11.3%	12.5%	11.3%	11.9%
Telecom	5.3%	4.9%	6.5%	6.5%	6.9%
Utilities	2.3%	2.5%	2.8%	3.5%	2.9%
S&P 500	6.6%	8.1%	12.4%	11.5%	11.5%

Source: Thomson Reuters I/B/E/S

Exhibit 9C. S&P 500: Bottoms-Up EPS Actuals and Estimates

Year	Q1	Q2	Q3	Q4	CY
2004	15.87	16.74	16.59	17.83	67.10
2005	17.95	19.11	18.86	20.19	76.28
2006	20.73	22.31	22.60	22.44	88.18
2007	22.71	24.40	21.31	16.14	85.12
2008	18.96	19.78	17.49	5.62	65.47
2009	12.83	16.03	16.36	16.80	60.80
2010	19.71	21.48	21.75	22.55	85.28
2011	23.50	24.14	25.65	24.55	97.82
2012	25.60	25.84	26.00	26.32	103.80
2013	26.74	27.40	27.63	28.62	109.68
2014	28.18	30.07	30.04	29.49	116.85
2015	28.93	30.81	31.90	33.28	124.65
2016					140.08

Source: Thomson Reuters I/B/E/S

Exhibit 10C. S&P 500: Actual Earnings Growth Rates

Sector	3Q14	2Q14	1Q14	4Q13	3Q13
Consumer Disc.	-1.8%	7.5%	8.8%	8.4%	22.6%
Consumer Staples	5.7%	7.8%	3.3%	4.1%	5.5%
Energy	10.3%	17.0%	-0.1%	-8.8%	-7.5%
Financials	16.3%	-6.6%	-0.6%	24.7%	1.5%
Health Care	16.3%	18.5%	12.0%	9.7%	8.5%
Industrials	13.1%	11.4%	3.9%	14.2%	8.0%
Materials	20.7%	12.2%	0.0%	22.2%	4.6%
Technology	10.3%	15.3%	10.0%	10.3%	9.6%
Telecom	6.4%	6.8%	14.0%	25.0%	8.5%
Utilities	2.1%	-0.1%	22.6%	-5.9%	1.2%
S&P 500	10.3%	8.6%	5.6%	9.9%	6.0%

Source: Thomson Reuters I/B/E/S

Exhibit 11C. S&P 500: Actual vs. Estimate (Above/Match/Below)

	3Q14	2Q14	1Q14	4Q13	3Q13
Above	74%	68%	68%	64%	67%
Match	7%	10%	9%	12%	10%
Below	19%	22%	23%	24%	22%

Source: Thomson Reuters I/B/E/S

Exhibit 12C. S&P 500: Actual vs. Estimate (Aggregate Difference)

	3Q14	2Q14	1Q14	4Q13	3Q13
Surprise Factor	4.5%	2.7%	5.0%	3.2%	2.2%

Source: Thomson Reuters I/B/E/S

NOTES / DEFINITIONS

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