



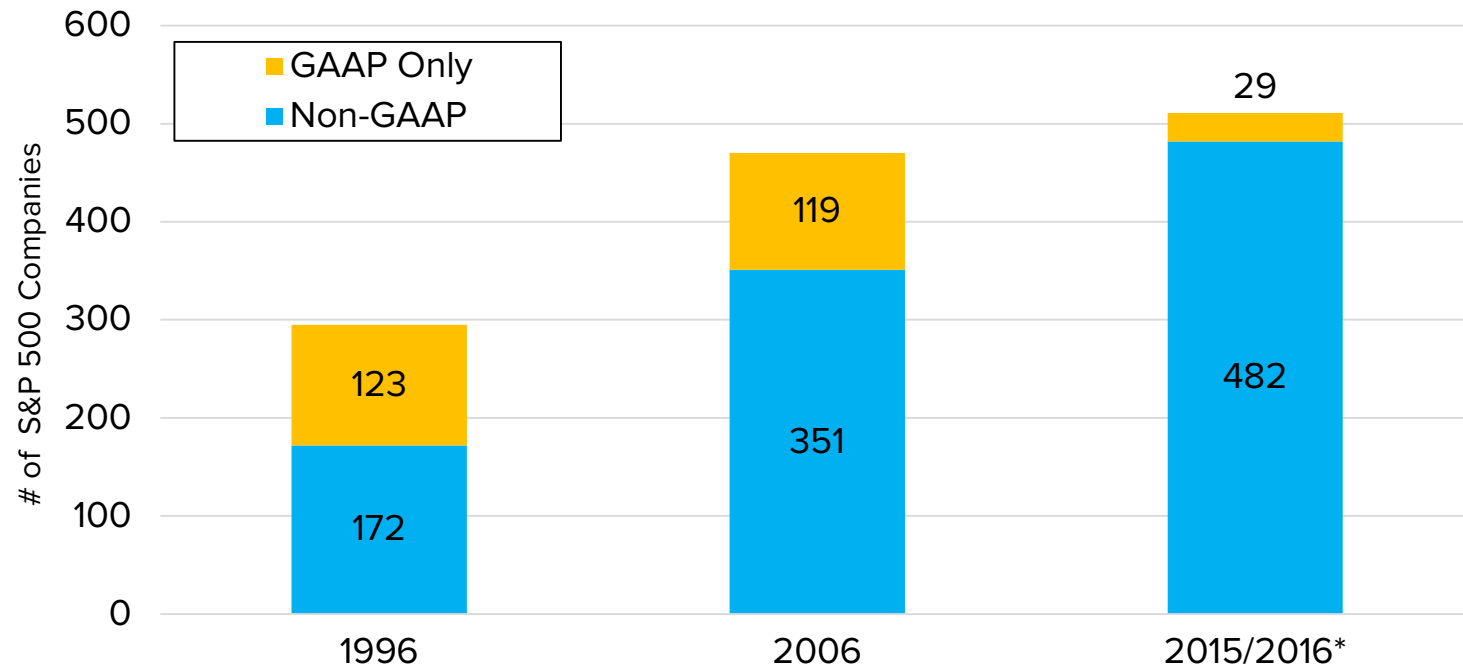
WARNING: EARNINGS SMALLER THAN THEY APPEAR

SHOULD WE BE WORRIED ABOUT THE RISE OF PRO FORMA?

July 2016

NON-GAAP ACCOUNTING TAKES HOLD

of Current S&P 500 Companies By Accounting Practice: GAAP Only versus Non-GAAP



Share of current S&P 500 companies with GAAP Only #s:

- 1996: 42%
- 2006: 25%
- 2015: 6%

* Includes companies removed from the index during 2015.

Source: Audit Analytics (2016)

THE PRO FORMA EFFECT ON EPS

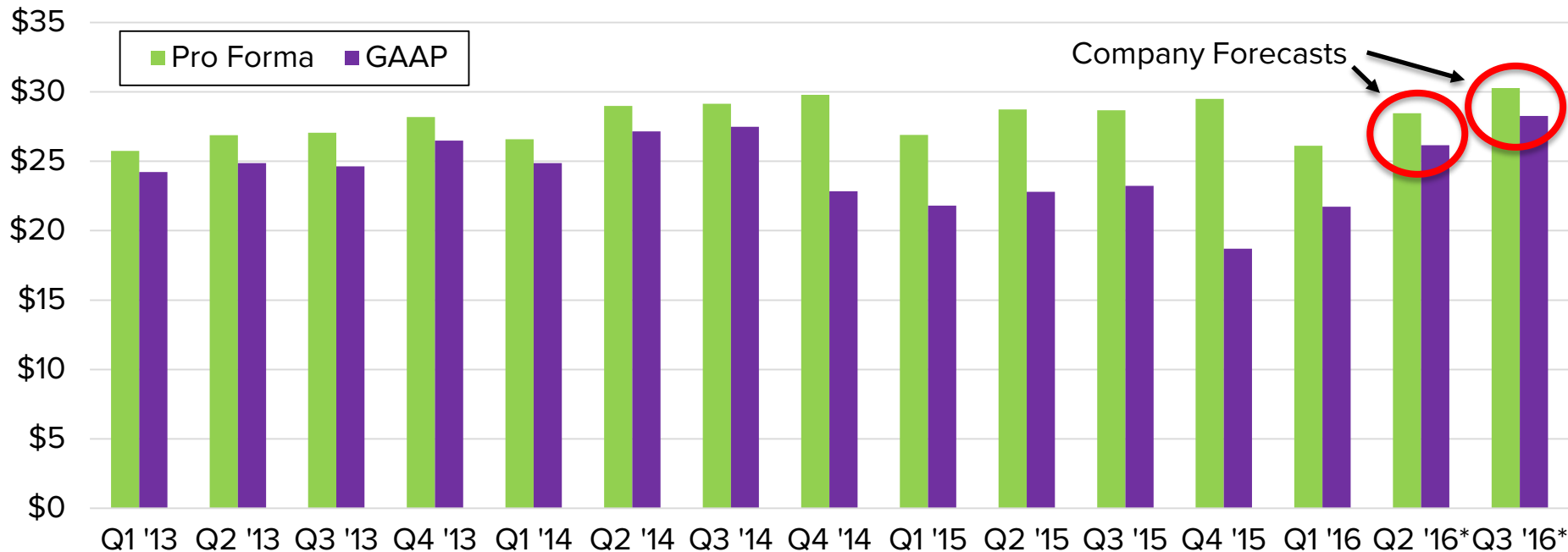
S&P 500 Earnings Per Share, Annual, Pro Forma Versus GAAP (1999 to 2015)



Source: FactSet (2016), S&P 500 Earnings and Estimate Report (2016)

THE PRO FORMA EFFECT ON EPS

S&P 500 Earnings Per Share, Quarterly, Pro Forma Versus GAAP (2013 to 2016)



* Estimated Values

Source: FactSet (2016), S&P 500 Earnings and Estimate Report (2016)