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S&P 500® 2015: Global Sales

YEAR IN REVIEW

- In 2015, the percentage of S&P 500 sales from foreign countries decreased, compared with 2014 when they ticked up after five years of stagnation. The overall rate for 2015 was 44.3%, down from 47.8% in 2014 and up from the rate of 46% seen in each of the prior five years (2009-2013). S&P 500 foreign sales represent products and services produced and sold outside of the U.S.
- European sales continued to increase in 2015, with Europe becoming the dominant region and accounting for 7.79% of all S&P 500 sales, up from the prior year's 7.46%, which was up from 2013's 6.80% rate. After declining four years in a row, sales in the U.K. increased to 1.86% from 0.89% in 2014, 1.12% in 2013, 1.73% in 2012, and 2.39% in 2011.
- Asian sales reversed their course and decreased, representing 6.77% of S&P 500 sales, down from 7.80% in 2014 and 7.71% in 2013. Canadian sales decreased to 1.17% from the prior year's rate of 3.51%, as declines were seen in oil and commodity prices, and demand for related services and equipment fell.
- African declared sales decreased to 3.16% from the 4.09% calculated for 2014 and 3.55% for 2013.
- Energy took the title of leader in exposure to foreign sales, as its domestic sales fell. The sector reported 57.88% of its sales as foreign, up from 2014's 56.23%. Information technology's exposure declined to 57.78% (a tick below energy's) from its rate of 59.39% in 2014. In terms of its sector-level representation of total sales, however, information technology represented 21.93% of all foreign sales, up from 18.34% in 2014, as energy represented 15.46%, down from 21.54% in 2014.

- In 2015, S&P 500 companies continued to send more payments to Washington for income taxes than they did to foreign governments, as the percentage going to the U.S. again jumped, this time to 66.8% of declared amounts from 61.8% in 2014, 54.9% in 2013, and 51.2% in 2012. Meanwhile, 33.2% of taxes were sent to foreign governments in 2015, down from 38.2% in 2014, 45.1% in 2013, and 48.8% in 2012. Actual payments to Washington decreased 0.4% in 2015 to USD 184.4 billion, down from 2014's USD 185.2 billion. Payments abroad again declined at a double-digit rate, down 19.9% to USD 91.4 billion from 2014's 114.2 billion (and down 11.8% to USD 114.2 billion for 2013).
- In 2015, the quantifiable data released with respect to foreign sales by issues slightly improved again after a noticeable deterioration in 2013. Just over one-half of S&P 500 issues (255) reported sufficient information to facilitate producing a complete report on global sales for 2015. Of the issues that did declare foreign sales, 49.2% of them used a term similar to "foreign country," giving little breakdown of the area or country of the sales.
- Given the ongoing debate and discussion of corporate domestic and foreign tax rates and policies, as well as inversions, the level of specific data disclosed by companies continues to be disappointing.

Source: Compiled by S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of each issue's 2015, 2014, 2013, and 2012 fiscal year-end, based on publicly available filings or press releases. Data is provided for illustrative purposes. Please see General Disclaimer at the end of the document for more information.

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OVERVIEW

In 2002, we removed foreign issues from the S&P 500. However, being an American company doesn't mean you're not global. While globalization is apparent in almost all company reports, exact sales and export levels are difficult to obtain. Many companies tend to categorize sales by regions or markets, while others segregate government sales. Additionally, intracompany sales—and hence, profits—are sometimes structured to take advantage of trade, tax, and regulatory policies. Changes in domicile, inspired by tax savings, have also changed the technical classification of what is considered foreign. Therefore, the resulting reported data available to shareholders is significantly less substantial than the data that would be necessary to complete a truly comprehensive analysis. However, using the data that is available, we do offer annual reports on foreign sales, which are designed to be starting points that provide a unique glimpse into global sales composition, but should not be considered statements of exact values.

Reporting of global sales again improved somewhat in 2015, but it remained poor, as only a slight increase in quantifiable data for the year was reported. While measured messages from senior management abound, tabular charts—not required under Generally Accepted Accounting Principles (GAAP)—are reported by only one-half of issuers. Market participants may need to be careful when determining what data and statistics to use. To illustrate this point, based on the current 2015 reports, foreign sales appear to account for 28.4% of total S&P 500 sales (31.0% in 2014 and 26.0% in 2013). However, if we use only the companies that reported foreign sales, the rate increases to 40.5% (44.5% in 2014 and 42.1% in 2013). If we eliminate some of the “stranger” values, such as companies reporting at 100% or reporting a zero rate due to where (and how) the sales were booked (having a zero foreign rate and several foreign plants and outlets leaves reason for doubt), the rate calculates to 44.3%, a decrease from the 47.8% posted in 2014, which was a gain from the 46.3% reported in 2013 (see Exhibit 1). This adjusted rate, 44.3%, is the rate we use for guidance and as a “holding spot” for the actual value of higher-level index and sector attribution. Deeper analyses on a subindustry and issue level suffer from a lack of public information.

The overall 2015 results show that foreign sales as a percentage of total S&P 500 sales decreased to 44.35% from 2014's 47.82%, which was the highest level since 2008, when it was 47.94%. On a pro forma basis, and looking only at current issues in the index that declared foreign sales (as compared to the actual time series, which is based on the historical membership), the decreased figure for 2015 is less severe, as 2014's rate of 47.82% would become 46.50% based on current index membership, though the 46.29% posted in 2013 would become 47.04%. The downward trend, on a pro forma basis, becomes clearer nevertheless.

On the tax front, which continues to be a hot political and board room issue, Exhibit 3 shows us that more taxes continue to be paid to Washington on both an aggregate and percentage basis than to foreign sovereigns. In 2005, S&P 500 companies sent 60.6% of their income tax payments to Washington (USD 141.5 billion) and 39.4% abroad (USD 91.8 billion). The Washington percentage declined to 45.3% in 2011 from 60.6% in 2005, but it posted its fourth year of significant increases in 2015, as 66.8% of the payments went to Washington (USD 184.4 billion) and 38.2% went abroad (USD 91.4 billion). On an aggregate basis, the percentage increase is due to the 9.3% decrease in reported foreign sales for 2015, down to USD 2.93 trillion from USD 3.23 trillion in 2014, as full fiscal 2015 sales declined 3.7% to USD 10.3 trillion from USD 10.7 trillion in 2014. While the U.S. tax payment decline of 0.4% (for 2015) should be considered noise on the line after the five years of increases, the foreign

decline of 19.9% shows a continuation and escalation of lower payments abroad (as payments declined 11.8% in 2014, 6.9% in 2013, and 1.8% in 2012). One significant question is that given the 56%-44% split in revenue between U.S. and foreign sales, do the disproportionate tax payments (67%-33%) reflect the use of domains with lower taxes to avoid the higher-taxed U.S. profits?

The energy sector's share of foreign sales posted its fifth annual increase, to 57.9% from 2014's 56.2% and 2013's 54.6%, as oil prices and related services and equipment sales declined. The sector now has the largest proportion of foreign sales. The information technology sector, which previously had the largest proportion of foreign sales, reported a decline to 57.8% from 2014's 59.4%, as it fell to second place (behind energy). The foreign sales rate among financials companies slightly decreased, with 31.1% reported in 2015, down from 31.2% in 2014, as the sector's rate remained relatively flat over the past three years. Health care was notable for its decline, falling to 37.2% from 50.3% in 2014, as only 42% of issues in the sector reported useable data (for more data on sector sales, see Exhibit 5).

In Exhibit 2, regional data show that European sales continued to increase, representing 7.79% of S&P 500 sales in 2015, up from 7.46% in 2014 and 6.80% in 2013, which had declined significantly from the 9.69% reported in 2012, 11.08% in 2011, and 13.48% reported in 2010. U.K. sales represented 1.86%, up from 0.89% in 2014 and 1.12% in 2013. European sales excluding the U.K. decreased to 5.93% from 2014's 6.58%. Asian sales declined to 6.77% in 2015, down from 2014's 7.80%, which was a slight increase from the 7.71% posted in 2013. While overall Asian sales decreased in 2015, Japanese sales increased to 1.15% of S&P 500 sales, up from the 2014 0.50% rate. Africa declined to 3.16% from 2014's rate of 4.09%, which had increased from the 3.55% posted in 2013 and 2012. Sales to Canada decreased significantly to 1.17% from 3.51% in 2014, as oil-related sales were seen as a contributing factor. The largest "region" declared unfortunately continues to be a generalized area, which we classify as "foreign countries," meaning that no further country or regional breakdown was given. For 2015, 49.2% of the issues that reported foreign sales used this category and did not break down their regional sales, up from the 2014 rate of 46.43%. The "foreign sales" category represented 21.8% of all S&P 500 sales, up from the 15.6% representation in 2014. The lack of specifics in reporting remains a roadblock to analysis.

As I have noted in several prior reports, it would be helpful if there were current legislative or policy proposals to require detailed reporting, but there are not. Compounding the issue, companies often prefer not to report the actual values. From an investor perspective, it would be beneficial to be able to create a matrix based on production and sales that accounts for parts made in China, assembled in Europe and sold in the U.K., with profits translated into U.S. dollars. Investors could then fill in the currency rates and see the income impact.

The bottom line, however, is that we use what we have, and for now, we are using 44.35% as a holding position for foreign sales as a percentage of total S&P 500 sales, down from last year's 47.82%. Our working number for Asia is 6.77%, and the working number for Europe is 7.79%, with 1.86% coming from the U.K.

GLOBAL SALES

[Note: Sales are calculated on each issue's fiscal basis, since quarterly reporting is materially less than annual, and therefore does not match official quarterly values. Foreign sales represent products and services produced and sold outside of the U.S.]

While market participants can point to substantial growth in the post-recessionary stock market, even as the pace of growth has slowed (and included a brief double-digit market correction), with gains in stock prices, earnings, dividends, and cash levels (all at or near record levels), sales gains have remained disappointing. On an actual aggregate basis, based on quarterly membership, calendar-year 2015 sales for the S&P 500 decreased 3.91% to USD 9.93 trillion from the USD 10.34 trillion posted in 2014, which had increased 3.88% in 2014 (from USD 9.95 trillion) and 1.37% in 2013 (from the 2012 USD 9.82 trillion level). Corporations have addressed the slower sales via cost reductions, pushing margins to record levels (which have now declined along with earnings), as well as M&A (with an increase among large-cap issues reported) to increase their market share in a slower growing economy. Relative to U.S. domestic sales, foreign sales slowed in 2015, as non-U.S. economic growth has slowed and currencies have negatively affected foreign sales.

The overall slower rate of the recovery in sales over the past few years reflects the uncertainty of markets, as corporations viewed spending as soft, and therefore made few forward commitments to production increases that could assist in job creation. Alternatively, companies have continued and expanded cost cutting, including layoffs. Consumers have maintained a watchful eye on their expenditures (also due to their perceived economic instability), which has compounded the nervousness of corporate planners, as they have reallocated their expenditures. Earnings have slowed, though cash flow remains better, as lower interest costs, cost-cutting measures, and buybacks have aided earnings-per-share growth. The net result is that both operating and as-reported margins remain high, but under pressure, while sales growth remains elusive.

Our methodology to determine the rate of foreign sales has two steps. First, we calculated the reported foreign sales as a percentage of total sales, regardless of whether the company reported foreign sales (meaning we put in a zero for foreign sales when no value is given). Using this calculation, foreign sales decreased to 28.39% in 2015 from 31.13% in 2014 (2013 was 26.00% and 2012 reported 28.71%). It is imperative to note that these values include issues that have not fully reported their foreign data, and therefore may underestimate the actual values. We then calculated the values using only the subset of issues that reported full information. These issues paint a different picture, but they still show a decrease in foreign sales to 44.35% in 2015 from 47.82% in 2014, which was up from the 46.29% reported in 2013 and the 46.59% posted in 2012 (up until 2014, the rate had stayed at the 46% level since 2008, when it stood at 47.94%). This decrease would appear to move the rate out of the recent 46%-47% range and closer to the 43.55% reported in 2006.

Exhibit 1: Foreign Sales as a Percentage of Total Sales

2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)
44.35	47.82	46.29	46.59	46.14	46.29	46.57	47.94	45.84	43.55	43.26
PRO FORMA BASED ON CURRENT MEMBERSHIP (%)										
44.35	46.50	47.04	-	-	-	-	-	-	-	-

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of June 2016. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 2: Foreign Sales by Region

REGION	2015 FOREIGN SALES (%)	2014 FOREIGN SALES (%)	2013 FOREIGN SALES (%)	2012 FOREIGN SALES (%)	2011 FOREIGN SALES (%)
Africa	3.16	4.09	3.55	3.55	3.67
Asia	6.77	7.80	7.71	7.46	7.16
Australia	0.08	0.09	0.11	0.14	0.21
Europe	7.79	7.46	6.80	9.69	11.08
Europe (Ex-U.K.)	5.93	6.58	5.69	7.97	8.69
North America (Ex-U.S.)	1.82	3.94	2.72	4.59	4.37
South America	2.91	2.23	2.60	2.65	2.62
Foreign Countries	21.82	22.20	22.80	18.51	17.04
Total	44.35	47.82	46.29	46.59	46.14

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of June 2016. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

INCOME TAXES

While revenue gains were low in 2015, operating and as-reported (GAAP) earnings declined 11.1% and 15.4%, respectively. Tax payments—for companies that revealed their domestic and foreign income tax payments—were volatile historically, but different trends have developed over the past few years. In 2008, U.S. companies paid more in income tax payments to foreign entities than to the U.S.

government (USD 135.1 billion versus USD 107.2 billion). As shown in Exhibit 3, in 2009, foreign sales declined more than their domestic counterparts, as U.S. issues bucked the trend, sending slightly more to Washington than to foreign countries (USD 92.7 billion versus USD 91.9 billion). In 2010, the turnaround was again significant, with companies sending USD 101.7 billion to Washington and USD 117.3 billion abroad—a 27.7% jump in foreign payments compared to a 9.7% increase in domestic ones. In 2011, the trend in payments continued, with S&P 500 issues sending USD 141.6 billion to foreign entities for income taxes and USD 117.3 billion to Washington. The resulting mix was 54.7% paid abroad and 45.3% paid domestically. For 2012, as the U.S. recovery outpaced most of the world markets, taxes paid to Washington rose by 24.2% to USD 145.8 billion, a USD 28.4 billion increase, while income taxes paid abroad slightly decreased to USD 139.1 billion, a USD 2.5 billion decline. The result was that S&P 500 issues sent more to Washington (51.2%) in 2012 than they sent abroad (48.8%) for the first time since 2009 (50.2%). In 2013, the trend continued, as USD 129.5 billion was sent abroad, 45.1%, and USD 157.7 billion went to Washington, 54.9%. The change for 2014 was significant, as the portion of income tax dollars sent to Washington increased to 61.8% from the prior year's 54.9%. This came to an aggregate USD 185.2 billion (from USD 157.7 billion), with foreign payments declining to 38.2% from the prior year's 45.1% (a decline to USD 114.2 billion from the USD 129.5 billion sent in 2013). For 2015, the continued economic slowdown outside the U.S. and the relatively slow uptick within the U.S. combined with currency changes, tax strategies, and lower earnings to continue the increase in payments to the U.S. Accordingly, USD 91.5 billion was sent abroad for 2015, representing a 19.9% decrease in payments (off 35.4% from 2011's USD 141.6 billion payment), as U.S. payments decreased a minor 0.4% to USD 184.4 billion from 2014's 185.2 billion (and up 57.1% from the 2011 level of USD 117.3 billion).

One key question that has arisen from this study is that if current sales represent a 56%-44% split in revenue between U.S. and foreign sales, are the tax payments of 67%-33% reflective of corporate tax policy in an effect to shift higher-taxed U.S. profits abroad? The initial answer could be that U.S. tax rates are much higher, so the taxes due on almost comparable incomes are greater in the U.S. However, since companies do not report full net attributed incomes, this belief is unsubstantiated.

Related, but not part of this report, is the current debate on companies redomiciling themselves to save on taxes. While the issue is a hot topic in both board rooms and Washington, for the past three years, it has generally been seen as a problem to be solved as part of more comprehensive income tax changes. Agency rules adopted in 2015 did curb some M&A deals, but the tax rate variance remains an attractive target for U.S. companies. The expected window for any overhaul has now shifted to 2017, after the U.S. Nov. 8, 2016, elections. The outcome of any changes will be dependent on not only the presidential election results, but also the makeup of the U.S. Congress and the actual balance within the political parties. At this point, even as both parties appear to have a desire for tax policy change, the gap between the parties (and even within the parties) appears too significant, with few expecting a resolution to the issue soon.

Exhibit 3: S&P 500 2015 Income Taxes Paid

CATEGORY	2015	2014	2013	2012	2011	2010	2009
Foreign (USD Millions)	91,440	114,227	129,533	139,132	141,639	117,341	91,876
U.S. (USD Millions)	184,393	185,169	157,670	145,765	117,337	101,662	92,667
Foreign % Change	-19.95	-11.82	-6.90	-1.77	20.71	27.72	-32.01
U.S. % Change	-0.4	17.4	8.2	24.2	15.4	9.7	-13.6
Foreign Change (USD Millions)	-22,787	-15,306	-9,599	-2,507	24,299	25,464	-43,252
U.S. Change (USD Millions)	-776	27,499	11,905	28,428	15,675	8,995	-14,538
Foreign % of Total	33.2	38.2	45.1	48.8	54.7	53.6	49.8
U.S. % of Total	66.8	61.8	54.9	51.2	45.3	46.4	50.2

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of June 2016. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

SELECTED SECTOR SALES

Due to incomplete reporting, the aggregate data does not permit simple foreign representation or sector analysis. For the purposes of this report, we have therefore reduced the S&P 500 pool to issues that have reported full foreign sales, for which foreign sales represent between 15% and 85% of total sales. At this stage of reporting, we still believe (unfortunately) that this is the best approximation of the true aggregate values, although we eagerly look forward to a time when the full group can be analyzed without restraints.

Quantifiable data for the 2015 report is slightly better than what was available in 2014, which was slightly better than that used for the 2013 analysis. As shown in Exhibit 4, for 2015, we were able to utilize 255 issues with complete and comparable data, up from the 246 we utilized last year and 239 the year before that. Given the public debate on foreign taxes, the hope was that more issues would divulge data this year, which has been the hope the last three years—hopes that have largely failed to materialize. The relative stability of included issues over the past several years speaks to the lack of progress in disclosure and detailed reporting, but should permit better comparison.

Exhibit 4: S&P 500 Selected Issues

CATEGORY	2015	2014	2013	2012	2011	2010
Foreign Sales Between 15% and 85%	255	246	239	264	252	255
Issues With No Foreign Sales or Incomplete Issues	190	186	194	170	177	173
Issues Under 15%	42	46	46	48	53	56
Issues Over 85%	12	22	22	18	18	16
Issues at 100% (Included in Over 85% Level)	7	9	10	8	-	-

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of June 2016. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Using the subset of issues that reported sufficient data, 44.35% of sales were produced and sold outside of the U.S., a decrease from the 47.82% reported in 2014 and the 46.29% reported in 2013. Energy became the leading sector, as its overall sales declined along with oil and its related services and equipment (S&P 2015 sales declined 35% to USD 0.90 trillion from USD 1.40 trillion), with the belief that U.S.-based sales declined more. The energy issues that reported posted 57.88% in foreign sales, up from 56.23% in 2014 and 54.64% in 2013. Information technology issues trailed right behind, with 57.78% in foreign sales, down from 59.39% in 2014 (it was 56.6% in 2013, which was the highest since 2009), representing 21.93% of all declared foreign sales, up from 18.34% in 2014; energy's representation declined to 15.46% from the 21.54% reported in 2014. Health care declined to 37.2% from the 50.3% reported in 2014, as only 42% of the issues reported useable data.

Exhibit 5: Foreign Sales as a Percentage of Total Sector Sales

SECTOR	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)
Consumer Discretionary	37.43	41.36	40.96	42.45	42.28	37.43	41.36
Consumer Staples	34.95	39.14	39.79	38.90	46.99	34.95	39.14
Energy	57.88	56.23	54.64	52.57	39.29	57.88	56.23
Financials	31.13	31.21	32.31	29.98	34.67	31.13	31.21
Health Care	37.42	50.25	51.28	50.23	52.42	37.42	50.25
Industrials	44.86	46.17	45.91	47.41	47.96	44.86	46.17
Information Technology	57.78	59.39	56.60	58.32	56.52	57.78	59.39
Materials	53.47	54.54	54.45	50.70	53.71	53.47	54.54
Telecommunication Services	19.14	N/M	N/M	N/M	N/M	19.14	N/M
Utilities	48.19	N/M	N/M	N/M	N/M	48.19	N/M
Total Non-U.S. (15%-85%)	44.35	47.82	46.29	46.59	46.14	44.35	47.82

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of June 2016. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 6: Sector Sales as a Percentage of Total Foreign Sales

SECTOR	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)
Consumer Discretionary	12.78	13.10	17.36	13.33	12.10	14.1	12.68
Consumer Staples	14.08	13.05	19.17	14.74	11.03	7.8	11.04
Energy	15.46	21.54	12.39	20.61	20.57	7.8	13.43
Financials	4.69	4.43	8.07	4.96	4.64	7.5	9.37
Health Care	8.91	7.37	7.52	7.89	8.47	12.5	8.48
Industrials	16.04	15.63	14.57	15.09	16.98	17.3	17.02
Information Technology	21.93	18.34	14.82	16.17	18.98	22.4	20.43
Materials	5.46	5.90	5.36	6.54	7.14	9.8	6.92
Telecommunication Services	0.06	0.00	0.00	0.00	0.00	0.4	0.01
Utilities	0.60	0.62	0.74	0.68	0.08	0.4	0.62
Total Non-U.S. (15%-85%)	100.00	100.00	100.00	100.00	100.00	100.0	100.00

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of June 2016. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

ISSUE-LEVEL DATA

Exhibit 7: Top 25 Regional Sales by Segment

COMPANY	TICKER	SECTOR	REGION	TOTAL SALES 2015 (USD MILLIONS)	FOREIGN SALES (USD MILLIONS)	% OF SALES	SEGMENT (USD MILLIONS)	SEGMENT % OF FOREIGN SALES	SEGMENT % OF SALES
APPLE INC	AAPL	Information Technology	Asia	233,715	139,851	59.84	58,715	41.98	25.12
APPLE INC	AAPL	Information Technology	Europe	233,715	139,851	59.84	50,337	35.99	21.54
INTEL CORP	INTC	Information Technology	Asia	55,355	44,234	79.91	33,884	76.60	61.21
APPLE INC	AAPL	Information Technology	Japan	233,715	139,851	59.84	30,799	22.02	13.18
GENERAL ELECTRIC CO	GE	Industrials	Africa	115,158	64,100	55.66	28,000	43.68	24.31
EXXON MOBIL CORP	XOM	Energy	Europe	236,810	167,304	70.65	26,949	16.11	11.38
BOEING CO	BA	Industrials	Asia	96,114	56,827	59.12	25,989	45.73	27.04
EXXON MOBIL CORP	XOM	Energy	Great Britain	236,810	167,304	70.65	23,651	14.14	9.99
QUALCOMM INC	QCOM	Information Technology	Asia	25,281	25,035	99.03	20,738	82.84	82.03
GENERAL ELECTRIC CO	GE	Industrials	Asia	115,158	64,100	55.66	19,300	30.11	16.76
BOEING CO	BA	Industrials	Middle East	96,114	56,827	59.12	18,590	32.71	19.34
COSTCO WHOLESALE CORP	COST	Consumer Staples	Canada	116,199	31,848	27.41	17,341	54.45	14.92
GENERAL ELECTRIC CO	GE	Industrials	Europe	115,158	64,100	55.66	16,800	26.21	14.59
LYONDELLBASELL INDUSTRIES NV	LYB	Materials	United States	32,735	31,879	97.39	16,101	50.51	49.19
JOHNSON & JOHNSON	JNJ	Health Care	Europe	70,074	34,387	49.07	15,995	46.51	22.83
FORD MOTOR CO	F	Consumer Discretionary	Canada	149,558	56,416	37.72	15,928	28.23	10.65
AMAZON.COM INC	AMZN	Consumer Discretionary	Japan	107,006	36,469	34.08	15,620	42.83	14.60
DOW CHEMICAL	DOW	Materials	Africa	48,778	31,957	65.52	15,291	47.85	31.35
ACCENTURE PLC	ACN	Information Technology	North America	32,914	32,914	100.00	15,101	45.88	45.88
JOHNSON & JOHNSON	JNJ	Health Care	Africa	70,074	34,387	49.07	12,347	35.91	17.62
CISCO SYSTEMS INC	CSCO	Information Technology	Africa	49,161	19,506	39.68	12,322	63.17	25.06
BOEING CO	BA	Industrials	Europe	96,114	56,827	59.12	12,248	21.55	12.74
PHILLIPS 66	PSX	Energy	Great Britain	85,195	29,397	34.51	12,120	41.23	14.23
AMAZON.COM INC	AMZN	Consumer Discretionary	Germany	107,006	36,469	34.08	11,816	32.40	11.04
ARCHER-DANIELS-MIDLAND CO	ADM	Consumer Staples	Europe	67,702	35,874	52.99	11,681	32.56	17.25

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of June 2016. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 8: Top 25 Sales in “Foreign Countries” Region, by Segment

COMPANY	TICKER	SECTOR	REGION	TOTAL SALES 2015 (USD MILLIONS)	FOREIGN SALES (USD MILLIONS)	% OF SALES	SEGMENT (USD MILLIONS)	SEGMENT % OF FOREIGN SALES	SEGMENT % OF SALES
WAL-MART STORES INC	WMT	Consumer Staples	Foreign Countries	479,962	124,571	25.95	124,571	100.00	25.95
CHEVRON CORP	CVX	Energy	Foreign Countries	122,566	85,878	70.07	85,878	100.00	70.07
HP INC	HPQ	Information Technology	Foreign Countries	103,355	65,676	63.54	65,676	100.00	63.54
EXXON MOBIL CORP	XOM	Energy	Foreign Countries	236,810	167,304	70.65	61,185	36.57	25.84
INTL BUSINESS MACHINES CORP	IBM	Information Technology	Foreign Countries	81,741	51,227	62.67	51,227	100.00	62.67
MICROSOFT CORP	MSFT	Information Technology	Foreign Countries	93,580	50,639	54.11	50,639	100.00	54.11
PROCTER & GAMBLE CO	PG	Consumer Staples	Foreign Countries	76,279	48,000	62.93	48,000	100.00	62.93
GENERAL MOTORS CO	GM	Consumer Discretionary	Foreign Countries	152,356	47,991	31.50	47,991	100.00	31.50
ALPHABET INC	GOOGL	Information Technology	Foreign Countries	74,989	40,179	53.58	40,179	100.00	53.58
MCKESSON CORP	MCK	Health Care	Foreign Countries	190,884	32,629	17.09	32,629	100.00	17.09
FORD MOTOR CO	F	Consumer Discretionary	Foreign Countries	149,558	56,416	37.72	29,037	51.47	19.42
CATERPILLAR INC	CAT	Industrials	Foreign Countries	47,011	27,793	59.12	27,793	100.00	59.12
HEWLETT PACKARD ENTERPRISE	HPE	Information Technology	Foreign Countries	52,107	32,044	61.50	26,665	83.21	51.17
COCA-COLA CO	KO	Consumer Staples	Foreign Countries	44,294	23,934	54.03	23,934	100.00	54.03
PRUDENTIAL FINANCIAL INC	PRU	Financials	Foreign Countries	57,252	20,968	36.62	20,968	100.00	36.62
ARCHER-DANIELS-MIDLAND CO	ADM	Consumer Staples	Foreign Countries	67,702	35,874	52.99	20,757	57.86	30.66
PFIZER INC	PFE	Health Care	Foreign Countries	48,851	27,148	55.57	17,434	64.22	35.69
DOW CHEMICAL	DOW	Materials	Foreign Countries	48,778	31,957	65.52	16,666	52.15	34.17
PEPSICO INC	PEP	Consumer Staples	Foreign Countries	63,056	27,790	44.07	15,374	55.32	24.38
COSTCO WHOLESALE CORP	COST	Consumer Staples	Foreign Countries	116,199	31,848	27.41	14,507	45.55	12.48
UNITED PARCEL SERVICE INC	UPS	Industrials	Foreign Countries	58,363	13,054	22.37	13,054	100.00	22.37
PHILLIPS 66	PSX	Energy	Foreign Countries	85,195	29,397	34.51	10,693	36.37	12.55
INTEL CORP	INTC	Information Technology	Foreign Countries	55,355	44,234	79.91	10,350	23.40	18.70
AMERICAN INTERNATIONAL GROUP	AIG	Financials	Foreign Countries	57,817	15,961	27.61	10,019	62.77	17.33
YUM BRANDS INC	YUM	Consumer Discretionary	Foreign Countries	13,105	10,005	76.34	10,005	100.00	76.34

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of June 2016. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 9: Top Foreign Sales by Region

COMPANY	TICKER	SECTOR	REGION	SALES 2015 (USD MILLIONS)	FOREIGN SALES (USD MILLIONS)	% OF SALES	SEGMENT (USD MILLIONS)	% OF FOREIGN SALES	% OF SALES
GENERAL ELECTRIC CO	GE	Industrials	Africa	115,158.00	64,100.00	55.66	28,000	43.68	24.31
DOW CHEMICAL	DOW	Materials	Africa	48,778.00	31,957.00	65.52	15,291	47.85	31.35
JOHNSON & JOHNSON	JNJ	Health Care	Africa	70,074.00	34,387.00	49.07	12,347	35.91	17.62
CISCO SYSTEMS INC	CSCO	Information Technology	Africa	49,161.00	19,506.00	39.68	12,322	63.17	25.06
MERCK & CO	MRK	Health Care	Africa	39,498.00	21,979.00	55.65	10,677	48.58	27.03
APPLE INC	AAPL	Information Technology	Asia	233,715.00	139,851.00	59.84	58,715	41.98	25.12
INTEL CORP	INTC	Information Technology	Asia	55,355.00	44,234.00	79.91	33,884	76.60	61.21
BOEING CO	BA	Industrials	Asia	96,114.00	56,827.00	59.12	25,989	45.73	27.04
QUALCOMM INC	QCOM	Information Technology	Asia	25,281.00	25,035.00	99.03	20,738	82.84	82.03
GENERAL ELECTRIC CO	GE	Industrials	Asia	115,158.00	64,100.00	55.66	19,300	30.11	16.76
ALCOA INC	AA	Materials	Australia	22,534.00	10,109.00	44.86	2,196	21.72	9.75
NEWMONT MINING CORP	NEM	Materials	Australia	7,729.00	5,719.00	73.99	1,932	33.78	25.00
L-3 COMMUNICATIONS HLDGS INC	LLL	Industrials	Australia	10,466.00	2,558.00	24.44	1,218	47.62	11.64
CAMPBELL SOUP CO	CPB	Consumer Staples	Australia	8,082.00	1,682.00	20.81	646	38.41	7.99
ARTHUR J GALLAGHER & CO	AJG	Financials	Australia	5,392.40	1,351.00	25.05	257	19.00	4.76
AES CORP	AES	Utilities	Brazil	14,866.00	11,269.00	75.80	4,569	40.54	30.73
ALCOA INC	AA	Materials	Brazil	22,534.00	10,109.00	44.86	3,780	37.39	16.77
AT&T INC	T	Telecommunication Services	Brazil	146,801.00	6,567.00	4.47	2,381	36.26	1.62
MOSAIC CO	MOS	Materials	Brazil	8,895.30	5,609.60	63.06	2,138	38.11	24.03
MONSANTO CO	MON	Materials	Brazil	15,001.00	6,389.00	42.59	1,725	27.00	11.50
COSTCO WHOLESALE CORP	COST	Consumer Staples	Canada	116,199.00	31,848.00	27.41	17,341	54.45	14.92
FORD MOTOR CO	F	Consumer Discretionary	Canada	149,558.00	56,416.00	37.72	15,928	28.23	10.65
HOME DEPOT INC	HD	Consumer Discretionary	Canada	88,519.00	8,000.00	9.04	8,000	100.00	9.04
VALERO ENERGY CORP	VLO	Energy	Canada	81,824.00	27,485.00	33.59	6,841	24.89	8.36
CONOCOPHILLIPS	COP	Energy	Canada	29,564.00	13,280.00	44.92	6,730	50.68	22.76
MCKESSON CORP	MCK	Health Care	Domestic	190,884.00	32,629.00	17.09	158,255	485.01	82.91
CVS HEALTH CORP	CVS	Consumer Staples	Domestic	153,290.00	-		153,290	-	100.00
AT&T INC	T	Telecommunication Services	Domestic	146,801.00	6,567.00	4.47	140,234	2135.43	95.53
VERIZON COMMUNICATIONS INC	VZ	Telecommunication Services	Domestic	131,620.00	0.00	0.00	131,620	-	100.00
KROGER CO	KR	Consumer Staples	Domestic	109,830.00	-	-	109,830	-	100.00

Source: S&P Dow Jones Indices LLC from data provided by S&P Global Market Intelligence. Data as of June 2016. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 9: Top Foreign Sales by Region (cont.)

COMPANY	TICKER	SECTOR	REGION	SALES 2015 (USD MILLIONS)	FOREIGN SALES (USD MILLIONS)	% OF SALES	SEGMENT (USD MILLIONS)	% OF FOREIGN SALES	% OF SALES
APPLE INC	AAPL	Information Technology	Europe	233,715	139,851	59.84	50,337	35.99	21.54
EXXON MOBIL CORP	XOM	Energy	Europe	236,810	167,304	70.65	26,949	16.11	11.38
GENERAL ELECTRIC CO	GE	Industrials	Europe	115,158	64,100	55.66	16,800	26.21	14.59
JOHNSON & JOHNSON	JNJ	Health Care	Europe	70,074	34,387	49.07	15,995	46.51	22.83
BOEING CO	BA	Industrials	Europe	96,114	56,827	59.12	12,248	21.55	12.74
WAL-MART STORES INC	WMT	Consumer Staples	Foreign Countries	479,962	124,571	25.95	124,571	100.00	25.95
CHEVRON CORP	CVX	Energy	Foreign Countries	122,566	85,878	70.07	85,878	100.00	70.07
HP INC	HPQ	Information Technology	Foreign Countries	103,355	65,676	63.54	65,676	100.00	63.54
EXXON MOBIL CORP	XOM	Energy	Foreign Countries	236,810	167,304	70.65	61,185	36.57	25.84
INTL BUSINESS MACHINES CORP	IBM	Information Technology	Foreign Countries	81,741	51,227	62.67	51,227	100.00	62.67
AMAZON.COM INC	AMZN	Consumer Discretionary	Germany	107,006	36,469	34.08	11,816	32.40	11.04
PHILLIPS 66	PSX	Energy	Germany	85,195	29,397	34.51	6,584	22.40	7.73
JOHNSON CONTROLS INC	JCI	Consumer Discretionary	Germany	37,179	20,338	54.70	5,308	26.10	14.28
ABBVIE INC	ABBV	Health Care	Germany	22,859	9,298	40.68	3,893	41.87	17.03
ARCHER-DANIELS- MIDLAND CO	ADM	Consumer Staples	Germany	67,702	35,874	52.99	3,436	9.58	5.08
EXXON MOBIL CORP	XOM	Energy	Great Britain	236,810	167,304	70.65	23,651	14.14	9.99
PHILLIPS 66	PSX	Energy	Great Britain	85,195	29,397	34.51	12,120	41.23	14.23
FORD MOTOR CO	F	Consumer Discretionary	Great Britain	149,558	56,416	37.72	11,451	20.30	7.66
WALGREENS BOOTS ALLIANCE INC	WBA	Consumer Staples	Great Britain	103,444	22,470	21.72	9,235	41.10	8.93
AMAZON.COM INC	AMZN	Consumer Discretionary	Great Britain	107,006	36,469	34.08	9,033	24.77	8.44
APPLE INC	AAPL	Information Technology	Japan	233,715	139,851	59.84	30,799	22.02	13.18
AMAZON.COM INC	AMZN	Consumer Discretionary	Japan	107,006	36,469	34.08	15,620	42.83	14.60
METLIFE INC	MET	Financials	Japan	69,905	14,993	21.45	6,264	41.78	8.96
LILLY (ELI) & CO	LLY	Health Care	Japan	19,959	9,861	49.41	2,033	20.62	10.19
TEXAS INSTRUMENTS INC	TXN	Information Technology	Japan	13,000	11,388	87.60	1,315	11.55	10.12
PEPSICO INC	PEP	Consumer Staples	Mexico	63,056	27,790	44.07	3,687	13.27	5.85
AT&T INC	T	Telecommunica- tion Services	Mexico	146,801	6,567	4.47	2,046	31.16	1.39
KANSAS CITY SOUTHERN	KSU	Industrials	Mexico	2,419	1,170	48.39	1,170	100.00	48.39
SEMPRA ENERGY	SRE	Utilities	Mexico	10,231	2,112	20.64	568	26.89	5.55
AMERICAN TOWER CORP	AMT	Financials	Mexico	4,772	1,523	31.92	340	22.36	7.14

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Exhibit 9: Top Foreign Sales by Region (cont.)

COMPANY	TICKER	SECTOR	REGION	SALES 2015 (USD MILLIONS)	FOREIGN SALES (USD MILLIONS)	% OF SALES	SEGMENT (USD MILLIONS)	% OF FOREIGN SALES	% OF SALES
BOEING CO	BA	Industrials	Middle East	96,114	56,827	59.12	18,590	32.71	19.34
OCCIDENTAL PETROLEUM CORP	OXY	Energy	Middle East	12,480	5,001	40.07	3,557	71.13	28.50
INTEL CORP	INTC	Information Technology	Middle East	55,355	44,234	79.91	0	0.00	0.00
ACCENTURE PLC	ACN	Information Technology	North America	32,914	32,914	100.00	15,101	45.88	45.88
CHUBB LTD	CB	Financials	North America	19,067	17,213	90.28	10,328	60.00	54.17
TYCO INTERNATIONAL PLC	TYC	Industrials	North America	9,902	9,902	100.00	1,214	12.26	12.26
MYLAN NV	MYL	Health Care	North America	9,429	9,296	98.59	318	3.42	3.37
JACOBS ENGINEERING GROUP INC	JEC	Industrials	Pacific	12,115	4,960	40.94	1,820	36.69	15.02
HOST HOTELS & RESORTS INC	HST	Financials	Pacific	5,461	221	4.05	45	20.36	0.82
MERCK & CO	MRK	Health Care	South America	39,498	21,979	55.65	7,482	34.04	18.94
SCHLUMBERGER LTDLSB		Energy	South America	35,475	25,196	71.02	6,014	23.87	16.95
AMERICAN AIRLINES GROUP INC	AAL	Industrials	South America	40,990	12,229	29.83	5,539	45.29	13.51
MONDELEZ INTERNATIONAL INC	MDLZ	Consumer Staples	South America	29,636	22,662	76.47	4,988	22.01	16.83
AES CORP	AES	Utilities	South America	14,866	11,269	75.80	4,144	36.77	27.88
LYONDELLBASELL INDUSTRIES NV	LYB	Materials	United States	32,735	31,879	97.39	16,101	50.51	49.19
EATON CORP PLC	ETN	Industrials	United States	20,855	16,476	79.00	11,396	69.17	54.64
DELPHI AUTOMOTIVE PLC	DLPH	Consumer Discretionary	United States	15,165	10,724	70.72	5,536	51.62	36.51
MYLAN NV	MYL	Health Care	United States	9,429	9,296	98.59	4,849	52.16	51.42
TYCO INTERNATIONAL PLC	TYC	Industrials	United States	9,902	9,902	100.00	4,822	48.70	48.70

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