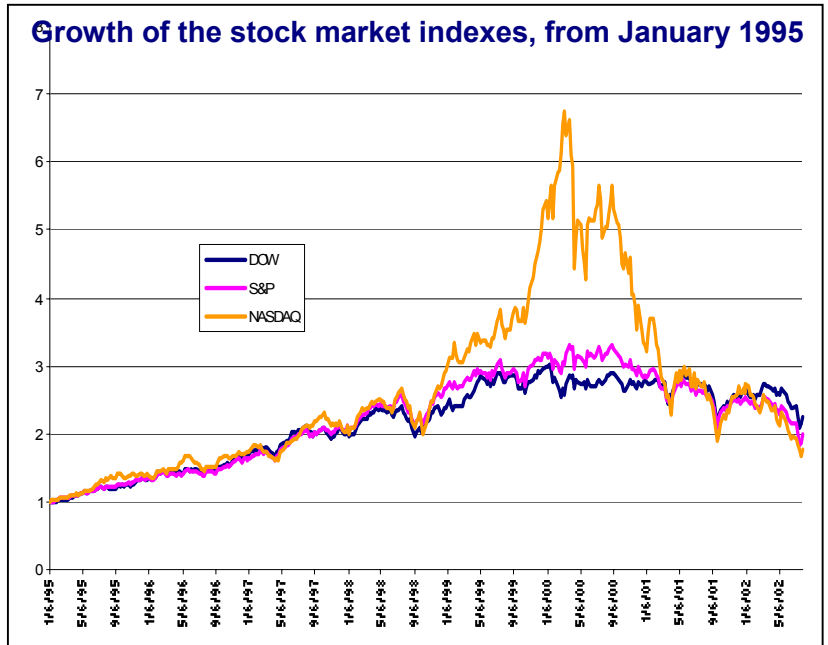


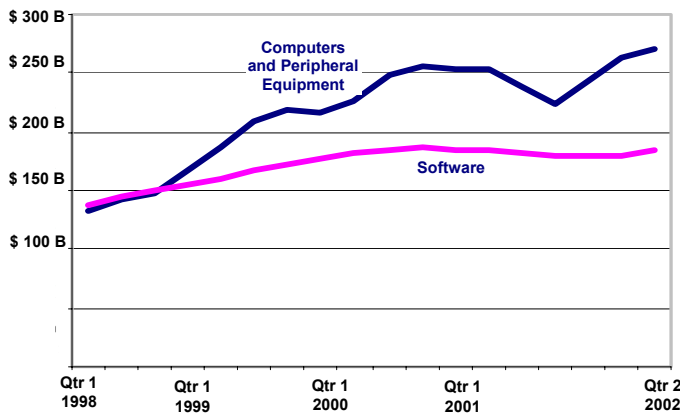
A longer-term perspective. There's reason to cheer!

If someone in Silicon Valley had gone to sleep in January of 1995, just having seen the emergence of the World Wide Web, the promise of Internet Commerce, and productivity gains from technology starting to become visible, and had woken up on July 31 of 2002, what would that person's reaction to our situation be?

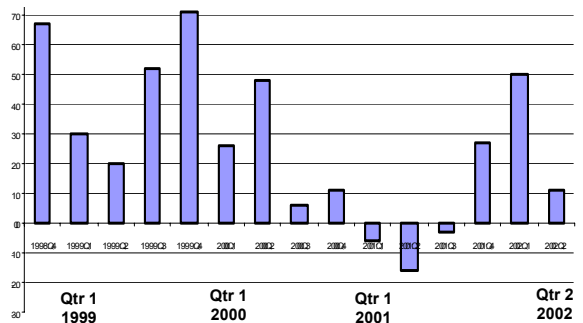
The Dow topped 4000 for the first time in early 1995, and now it is over 8500. NASDAQ is also more than double what it was in 1995. The web, and online commerce is everywhere, with broadband internet into homes a reality.



Private Sector Tech Investment*



GDP - Percentage change from preceding period*



* AM&G Charts. Data: US Bureau of Economic Analysis news release, July 31, 2002.

Coming from the time when Internet bandwidth was seen as a major bottleneck in the adoption of online commerce, he would be thrilled to note we now have a bandwidth glut. Online sales topped \$17.5 billion for quarter two of 2002. He will order groceries on the web, and pick it up at the store. He would note productivity growth rate over the past three years has tripled, compared to the three years before '95, and so has wage and salary growth rate. Quarterly tech spending on computers and software has grown from about \$200 Billion to over \$350 Billion.

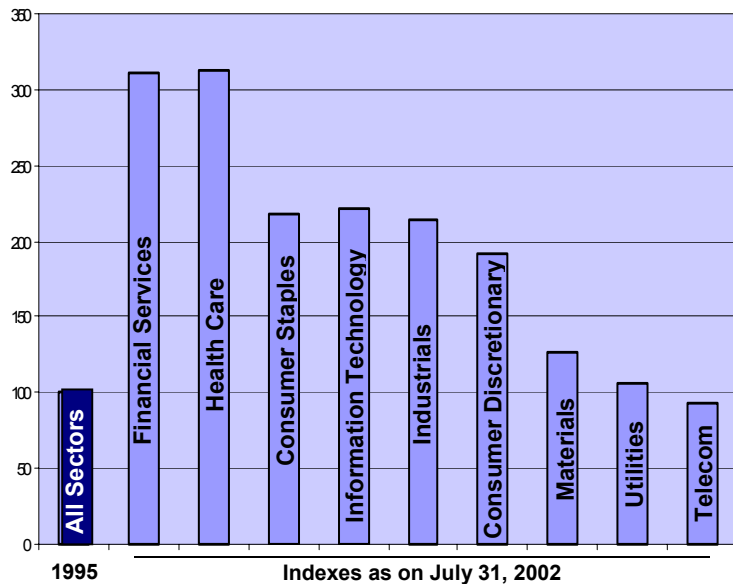
For this person, NASDAQ's dizzying peaks and the September 11 attacks will be like unreal dreams and nightmares. He will take today's reality with an 'it is what it is' outlook like none of us can. And he will be happy to note the overall good health of the American economy, ridding itself of hype, smoke and mirrors, getting back to the basics of making an honest living, delivering value to customers. He would be

surprised, but happy, to see the country has a republican president preaching honesty to CEO's. He would say to himself, "It didn't get worse. Things are actually better!"

The two-year bust after the boom has made people, companies, and economies, stronger. We have had seven years of precious learning. We now know how to be prudent with money. We now know that the true test of a business is whether customers pay cash for its product or service, not whether a business plan convinced VC's to do so. Now we know that experience, maturity, and the ability to take the knocks that life has to offer, is every bit as important as creative spark and innovative genius. We know the value of honesty and trust. We have the technology that enables us to shrink the globe and 'hold it in the palm of our hand'. We are beginning to clear the confusion about values and valuation, accounting and accountability.

This is truly a good time for global business. It is all a matter of perspective.

Percent increase in stock prices --- 1/2/95 - 7/31/02*



The sector indexes for the S&P 500 were set at 100 in January 1995. A good starting point. Beginning of the tech boom. A look at the sector indexes on July 31 shows it is not all bad. In fact, most sectors have more than doubled in value, while just two of them (utilities and telecom) have given up most of their gains.

- FINANCIAL SERVICES: 210%
 - HEALTH CARE: 212%
 - CONSUMER STAPLES: 118%
 - INFORMATION TECHNOLOGY: 121%
 - INDUSTRIALS: 114%
 - CONSUMER DISCRETIONARY: 92%
 - BASIC MATERIALS: 27%
 - UTILITIES: 6%
 - TELECOM SERVICES: -6%
- * Based on S&P 500 Sector Indexes
Data: MSNBC

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