

Results of 1994–2003 Baldrige Award Recipients 10-Year Common Stock Comparison

Methodology:

A hypothetical sum was invested in each of the 1994–2003, publicly traded Baldrige Award recipients' common stock, in the year they applied for the Award. The investment was tracked from the first business day of the month following the announcement of the Award recipients (or the date when they began public trading, if it is later) through December 1, 2004. One thousand dollars was invested in each whole company, and for subsidiaries the sum invested was \$1,000 multiplied by the percent of the whole company's employee base the subunit represented at the time of its application. The same total dollar amount was invested in the Standard & Poor's (S&P) 500 on the same day. If a subunit was sold to another parent company, or if a company divested or merged, it was the subunit whose progress was followed, not the parent company's progress. The value of the original stock at the time of sale was determined and that dollar amount was reinvested in the new parent company.

Adjusting for stock splits, the value on December 1, 2004 was calculated. Information is reported two ways: all publicly traded Award recipients and only whole company Baldrige Award recipients. The 17 publicly traded Award recipients, as a group, underperformed the S&P 500 by approximately -0.51 to 1, with a -18.15% return compared to a 35.58% return for the S&P 500. The one publicly traded, whole company Award recipient underperformed the S&P 500 by about -1.62 to 1, with a -36% return compared to a 22.22% return for the S&P 500. A summary of the results follows.

1994–2003 Publicly Traded Award Recipients

	\$ Investment	\$ Value – 12/1/04	Change
1994–2003 Award Recipients	2131.30	1744.53	-18.15%
S&P 500	2131.30	2889.54	35.58%

1994–2003 Publicly Traded Whole Company Award Recipient

	\$ Investment	\$ Value - 12/1/04	Change
1994–2003 Whole Company Award Recipient	1000	640	-36.00%
S&P 500	1000	1222.19	22.22%

Results of 1994–2003 Baldrige Site-Visited Applicants 10-Year Common Stock Comparison

Methodology:

A hypothetical sum was invested in each 1994–2003 publicly traded, site-visited applicants' common stock in the year they applied for the Award and were selected for a site visit or in the year they became public. The investment was tracked from the first business day of the month following the announcement of the Baldrige Award recipients (or the date when they began public trading, if it is later) through December 1, 2004. One thousand dollars was invested in each whole site-visited company. For subsidiaries, the sum invested was \$1,000 multiplied by the percent of the parent company's employee base the subunit represented at the time they were selected for a site visit or at the time they became public as a result of a merger or acquisition by a new parent. The same total dollar amount was invested in the S&P 500 on the same day.

Adjusting for stock splits, the value on December 1, 2004 was calculated. Information is reported two ways: all publicly traded, site-visited applicants and only whole company, site-visited applicants. (Note: a company may be included multiple times if they received more than one site visit. Site-visited applicants include those receiving an Award.) Names of Baldrige applicants are kept confidential.

The 43 publicly traded, site-visited applicants, as a group, underperformed the S&P 500 by approximately 0.85 to 1, with a 54.96% return compared to a 64.81% return for the S&P 500. The five publicly traded, whole company, site-visited applicants underperformed the S&P 500 by about .93 to 1, with a 70.26% return compared to a 75.85% return for the S&P 500. A summary of the results follows.

1994–2003 Publicly Traded, Site-Visited Award Applicants

	\$ Investment	\$ Value 12/1/04	Change
1994–2003 Site-Visited Applicants	11,439.97	17,727.88	54.96%
S&P 500	11,439.97	18,854.11	64.81%

1994–2003 Publicly Traded, Whole Company, Site-Visited Award Applicants

	\$ Investment	\$ Value 12/1/04	Change
1994–2003 Whole Company, Site-Visited Applicants	5,000.00	8,513.05	70.26%
S&P 500	5,000.00	8,792.55	75.85%

AWARD RECIPIENTS INCLUDED IN THE STOCK STUDY

(Those not included were not publicly held at the time of the study.)

Whole Company Award Recipients

Solectron Corporation (1997)

Subunit Award Recipients (with parent company)

(The sum invested was \$1000 x the % of the parent company's employee base that the subunit represented at the time the subunit applied.)*

3M Dental Products Division (1997)

3M

Armstrong Building Products Operations (1995)
Armstrong World Industries, Inc.

AT&T Consumer Communication Services
(1994)

AT&T Business

Boeing Aerospace Support (2003)

The Boeing Company

Boeing Airlift and Tanker Programs (1998)

The Boeing Company

Caterpillar Financial Services Corp. (U.S.)
(2003)

Caterpillar, Inc.

Corning Telecommunications Products Division
(1995)

Corning Incorporated

Dana Commercial Credit Corporation (1996)

Dana Corporation

Dana Spicer Driveshaft Division (2000)

Dana Corporation

GTE Directories Corporation (1994)

Verizon

Merrill Lynch Credit Corporation (1997)

Merrill Lynch & Co.

Motorola CGISS (2002)

Motorola, Inc.

Solar Turbines Incorporated (1998)

Caterpillar Inc.

STMicroelectronics, Inc. – Region Americas
(1999)

STMicroelectronics, Inc.

The Ritz Carlton Hotel Company (1999)

Marriott International

Xerox Business Services (1997)

Xerox Corporation