



#### This 3DAdvisors Report Covers:

- ✓ **Insider Trading:** Insider Trading Behavior
- Accounting:** Quality of Earnings Issues
- Governance:** Corporate Governance Issues

## Insider Research Bulletin

February 17, 2005

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*Insider Research Bulletin* describes significant insider trading behavior that we have identified at the following companies and is a summary of the first step in our research process. The next step is that these same companies will undergo a review of accounting and governance behavior, and if we identify indicative behavior in one or both areas, then a “full 3DA research report” will be published on that company. Note: Inclusion of a company in this report by itself does not necessarily mean a full research report will be published.

Insider Research Bulletin is published periodically and exclusively for 3DA Research subscribers.

### Companies in this Bulletin

- ▶ Activision Inc. (NASDAQ:ATVI)
- ▶ Energizer Holdings Inc. (NYSE:ENR)
- ▶ Sunoco Inc. (NYSE: SUN)

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## Discussion of 3DAdvisors Findings

### Activision Inc. (NASDAQ: ATVI)

When Activision filed a registration statement on February 9<sup>th</sup> indicating that a number of its insiders would be selling just days after issuing a very mixed fiscal third quarter earnings report, many on the Street weren’t sure how to interpret the news. But one day later, when details of the insider distributions were disclosed in an S-8 POS (post effective amendment) filed with the SEC on February 9<sup>th</sup>, it became quite obvious that investors weren’t ready to overlook the selling. This might not come as new information to our clients, especially since the stock was down 14% on the news and the selling received a profusion of media attention, but there is plenty of color that we can add to the recent activity that some might not be aware of.

It was first disclosed on February 9<sup>th</sup> that a “certain number” of Activision insiders would be distributing over 7 million shares “from time to time, in one or more transactions, in whole or in part”, prompting one media outlet to report that the sales would take place over of an extended period of time. But this proved to be anything but

the case. On February 10<sup>th</sup>, Activision disclosed in an 8-K that after the market close on February 9<sup>th</sup>, in clear contradiction to the earlier report that the diversification would take place over a period of time, insiders actually sold the entire amount (7,093,198 shares) to Citigroup Global Markets in a block sale transaction at \$23.06 per share. But this certainly wasn't the only conflicting information to appear in the Company's release.

Activision clearly attempted to downplay the selling, saying the sales were "made to take advantage of a brief trading window and do not reflect any individual or collective judgment about the Company's prospects." And their justification for the group move: "the sales were conducted in a single block transaction to obtain the benefits of an orderly sale." Though this orchestrated selling alone wouldn't by itself necessarily cause us to report it to our clients, there is, however, further behavior that appears to have been designed to obfuscate the selling that needs to be addressed.

In another attempt to dance around the significance of the sales, the Company reported that "none of the selling stockholders sold more than one-third of their respective total holdings of common stock and options." Now, we can't presume whether the Company meant to include both exercisable and unexercisable options under the umbrella of "total holdings", but on the February 9<sup>th</sup> registration statement they list each selling shareholder's beneficial ownership prior to the sales, and by their own account, the statement of no seller distributing more than one-third of their holdings is far from the truth. As you can see from the table below, nearly half of the eleven selling insiders sold more than one-third of their holdings.

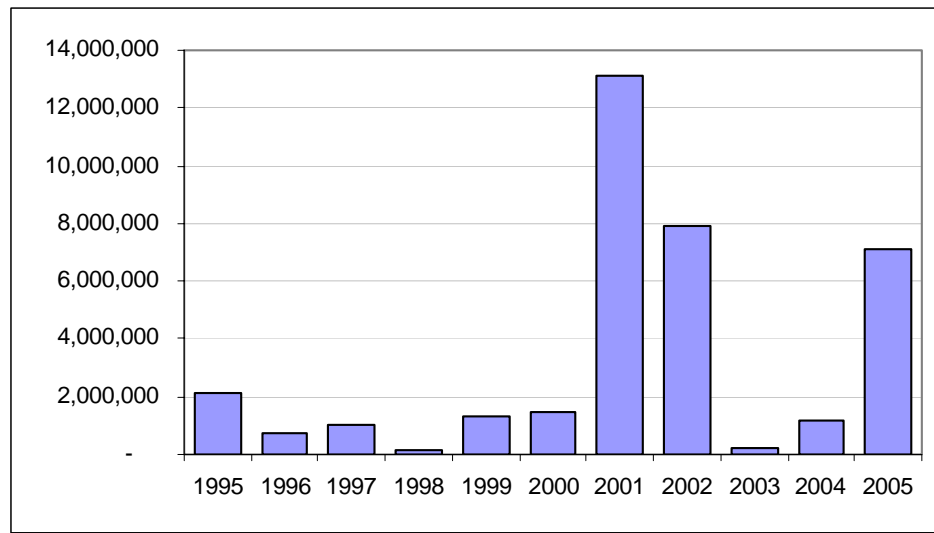
**Table 1.** ATVI Insiders' Percentage Reduction in Holdings during February, 2005.  
Source: ATVI SEC Filings.

Insider	Position	Holdings Reduction
William Chardavoyne	Executive V.P., CFO	38%
Ronald Doornink	CEO, ATVI Publishing, President	40%
Barbara Isgur	Director	36%
Brian Kelly	Co-Chairman	34%
Robert Kotick	Chairman, CEO	26%
Linda Kumagai	Controller	74%
Robert Morgado	Director	27%
George Rose	Senior V.P., General Counsel	55%
Michael Rowe	Executive V.P., Human Resources	52%
Richard Steele	Executive V.P., Distribution	21%
Kathy Vrabec	President, Activision Publishing	56%

To say that at least some of the recent selling wasn't attributable to the appreciation of Activision shares, which at the time of the sales were up over 75% since October, would be misguided. But this distribution, despite the lofty stock price, is hardly normal profit taking for this group. The volume of selling on the **day** of February 9<sup>th</sup> was

heavier than the **annual** distributions we've seen throughout eight of the past ten years. The last time we encountered selling of this magnitude was back in 2002, when insiders cashed out of 7.2 million shares between February and May, just prior to the issue's steady 60% decline by yearend. And if that isn't enough of an indication that Activision insiders are adept at timing their trades, ten of them bought an aggregate of 1.25 million shares on the open market between November 2002 and January 2003 at an average price of \$6; the issue closed 2003 at \$13.

**Figure 1.** Shares Sold by ATVI Insiders, 1995 – 2005. Source: ATVI SEC Filings.



- **Robert Kotick (41)** – Chairman, CEO. Kotick last traded back in 2002, when he sold 3 million shares between February and May, just prior to the issue's collapse, and then later bought back 900,000 shares in December at roughly \$6. Both bets paid huge rewards and give us reason to pay attention to his evident timing skills. That's why we took notice when he exercised three options series (expiration dates: 7/05, 4/06, 5/10) and sold the underlying 2,548,562 shares on February 9<sup>th</sup> at \$23, marking his largest one-day sale in the past ten years. The sale **shed 26% from his holdings** and is comparable to the 30% he sold in the three month period back in 2002. Following the sale, Kotick still has the largest ownership stake in the Company totaling 7.2 million shares, or 5.1% of the total shares outstanding.
- **Brian Kelly (41)** – Co-Chairman. Like Kotick, Kelly last surfaced with sales in early 2002, when he distributed 2.53 million shares at an average price of \$13. The sales trimmed his holdings by 34% at the time, which is the exact same percentage reduction caused by his February 9<sup>th</sup> sale of 2,500,000 shares, which were acquired when he **cleared out six series of non-expiring options** (expiration dates: 4/06, 7/06, 12/06, 3/09, 4/09, 5/10). Kelly's ownership position of 8.8 million shares in 2001 is now down to 4.8 million shares.
- **Ronald Doornink (50)** – President of Activision, CEO, Activision Publishing, Director. Doornink's February activity, which included the exercising of four options with expiration dates ranging between October 2008 and April 2011, and the subsequent

sale of 1,066,250 shares (**40% of his position**), is by far the most aggressive over the course of his seven years at ATVI. While he was a seller in the 2002 round, during which he sold 47% of his holdings, he also sold more recently, distributing 211,561 shares in June 2004 at \$16. Following the recent activity, Doornink will continue to be the Company's third largest shareholder with an ownership position of 1.56 million shares.

- **William Chardavoyne (52)** – Executive V.P., CFO. On February 9<sup>th</sup>, Chardavoyne sold more than half as many shares as he had sold cumulatively since joining the Company back in 2000. His 168,755-share distribution **dropped his actionable position (common stock plus exercisable options) by 38%**. Chardavoyne's most recent sale of 105,000 shares occurred in February 2004 at \$13, and he is one of the few executives that didn't sell in 2002.
- **Kathy Vrabeck (41)** – President, Activision Publishing. Vrabeck has been the most consistent seller of the group, distributing shares regularly since 2000. However, despite holding some pretty large rounds of selling over the years, including the 51% of her holdings she liquidated just prior to the issue's 2002 collapse, we'd never seen a sale from her as large as her February disposition. On February 9<sup>th</sup> she exercised five series of non-expiring options (expiration dates: 8/09, 8/10, 4/11, 10/12, 3/13) and sold the newly-acquired 303,744 shares, equal to **54% of her holdings**, dropping her ownership position to its lowest level in the past three years.
- **George Rose (43)** – Senior V.P., General Counsel, Secretary. Whereas Vrabeck has been a frequent seller over the course of her ATVI career, Rose, a registered insider since 2000, didn't execute his first trade until February 2004, when he distributed 33,750 shares at \$16. His next sale came in the recent round, when he sold 73,378 shares on February 9<sup>th</sup>, **dropping his holdings by 55%**. Rose exercised three option series which weren't set to expire until April 2011 at the earliest.

#### Energizer Holdings Inc. (NYSE: ENR)

Since we highlighted the selling by Energizer Holdings insiders in a 02/04/05 *Insider Research Bulletin*, there have been a number of additional transactions, providing further evidence that Energizer execs probably don't foresee their share price further benefiting from the industry consolidation that many observers seem to be speculating on. Indeed, after a group of insiders led by Chairman **William Stiritz** distributed 1.69 million shares in late 2004 and January 2005, four sellers, including two not in the prior group, sold another 183,530 shares between February 1<sup>st</sup> and February 8<sup>th</sup> at an average price of \$59.

What has really caught our attention is the liquidation of holdings by nearly each participant in the recent selling. As the chart below indicates, five of the six insiders that have sold since October shed more than 50% of their holdings, while monetizing all of their vested options. Not only is this distribution pattern atypical for this group, but is a reversal from the steady open-market buying, by many of the same players, that we observed between 2000 and 2003 that obviously paid huge rewards (see Figure 2 below). As we discussed in the earlier report, Stiritz has been one of the most

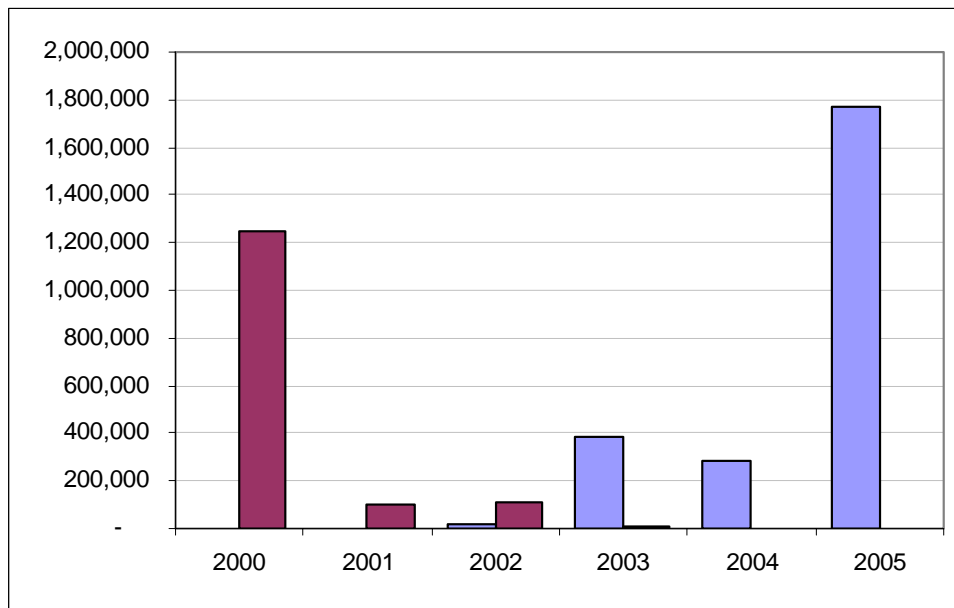
opportunistic insiders we've followed over the years, and the fact that his current management team is acting in unison should not be ignored.

**Table 2.** Holdings Reductions by Key ENR Insiders. Source: ENR SEC Filings.

Insider	Position	Reduction
Peter Conrad	V.P., Human Resources	<b>97%</b>
David Hatfield	Executive V.P., Chief Marketing Officer	<b>83%</b>
Ward Klein*	President, CEO, COO	<b>23%</b>
J. McClanathan*	President, CEO, Energizer Battery	<b>95%</b>
Daniel Sescleifer*	Executive V.P., CFO	<b>67%</b>
William Stiritz	Chairman	<b>51%</b>

\* Named Executive

**Figure 2.** Shares Bought (Red Bars) and Shares Sold (Blue Bars) by ENR Insiders. Source: ENR SEC Filings.



- **Joseph McClanathan (52)** – President, CEO, Energizer Battery. We reported McClanathan's October through January sales totaling 75,000 shares in our earlier report, but his selling under a current 10b5-1 plan has since continued. On February 8<sup>th</sup>, he exercised nearly all of his vested options (expiration date: 05/10) and sold the 25,000 shares at \$60. It is very rare that we see an insider liquidate a majority of their holdings under a pre-arranged trading plan, but McClanathan has now **sold 84% of his holdings** since October, and won't have any new options vest until May, when he will gain access to 50,000 new shares (see Appendix A). We suspect that this

may be the end to his selling for some time, since all he currently holds is 10,000 vested options and 3,756 shares of common stock in his 401(k).

- **Peter Conrad (44)** – V.P., Human Resources. Conrad has actually been the most aggressive seller of the group, distributing shares both in and out of trading plans since July 2003. But whereas most of his peers have begun paring down their holdings as of late, Conrad's steady selling has had the same effect. After selling 5,400 shares under a trading plan in January, Conrad's activity became more aggressive when he sold 63,530 shares out of plan on February 1<sup>st</sup> at \$58. Not only did Conrad monetize his last remaining vested options set to expire in May 2010, but sold all of his common stock not tied up in his 401(k). The selling **wiped out 97% of his actionable position** (common stock plus exercisable options). Furthermore, this activity is even more noteworthy when you take into consideration his waning option awards. After receiving 250,000 options in 2000, he was only "rewarded" with 7,000 options last year which vest over a four year period (see Appendix A).
- **David Hatfield (44)** – Executive V.P., Chief Marketing Officer. Though Hatfield has only been reporting his trades as a Section 16 insider since 2004, he had monetized a large number of his options in prior years. In similar fashion to the behavior exhibited by his peers, Hatfield on February 3<sup>rd</sup> exercised the last of his vested options - one series not set to expire until May 2010, and sold the underlying 45,000 shares at \$58. The sale, which **trimmed his position by 83%**, leaves him with only 8,939 shares of common stock, half of which are tied up in his 401(k). Throughout the remainder of 2005, Hatfield will have a total of 58,333 options vest (see Appendix A).
- **Ward Klein (49)** – President, CEO, COO. Klein, who assumed the chief executive position in November after the resignation of Patrick Mulcahy, sold for the first time since he distributed 80,000 shares between May 2003 and September 2003 under the cover of a pre-arranged trading plan. On February 3<sup>rd</sup> he exercised a portion of his vested options which don't expire until May 2010, and sold the underlying 50,000 shares at \$58. This was his largest sale since filing as a Section 16 insider back in 2000. Klein still holds 150,000 vested options and 18,798 shares of common stock (see Appendix A).

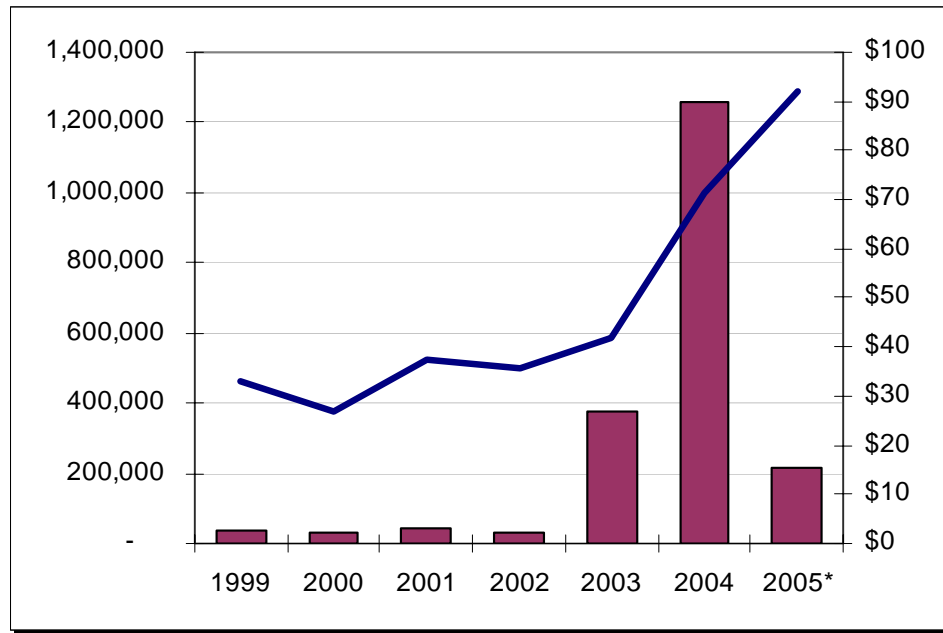
#### Sunoco Inc. (NYSE: SUN)

We gauge the significance of insider transactions by analyzing the selling at companies relative to any price appreciation, in the related shares, that has occurred. More often than not, when a particular share price has appreciated as much as Sunoco's has, such selling is expected and quite routine as it is a result of an issue's strength and insiders moving to take some profits. This is not the case for our assessment of the selling at Sunoco, however, where sixteen insiders sold a total of 640,442 shares between November 2<sup>nd</sup> and February 11<sup>th</sup> as the issue climbed to new all-time highs (average selling price of \$82).

It has only been on a few occasions (Energizer being another) that we've encountered a company where so many of its executives have monetized **all** of their vested options. But also what has us so interested in Sunoco is that this type of behavior defies the firm's avowed corporate culture of providing compensation that is

intended to motivate both executives and directors to accumulate shares and tie in their interests to those of the shareholders. Though many companies state this is an intended goal, Sunoco makes it clear that this isn't to be attempted, but achieved.

**Figure 3.** Shares Sold by SUN Insiders (Red bars and left scale) and Average Price of Shares Sold (Blue line and right scale). Source: SUN SEC Filings.



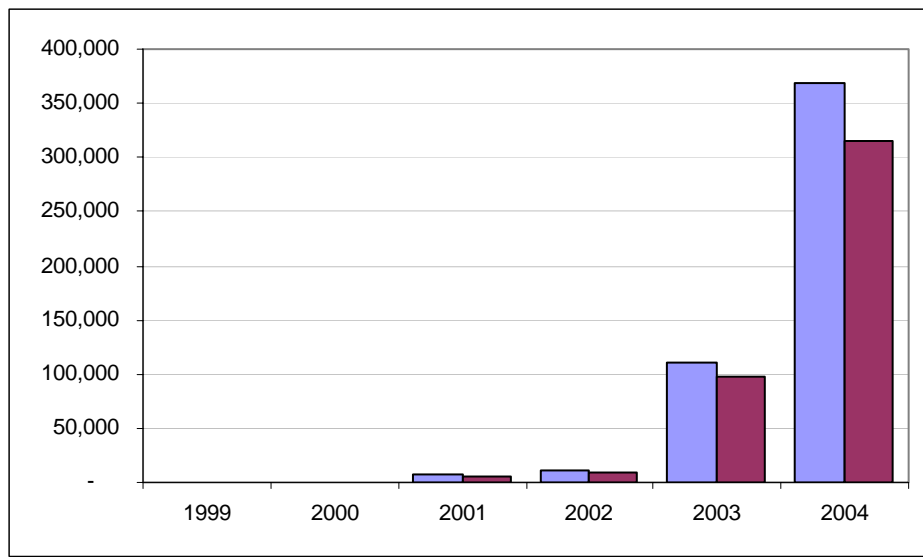
\* Shares sold through 2/11/05

To its credit, Sunoco happens to have some of the most intensive corporate governance practices around, including everything from the more common stock ownership guidelines for its executives and directors to some of the most demanding director qualifications we've seen. The Company has even outlined insider trading policies including one that we haven't before seen in print, "Sunoco's insider trading policy prohibits hedging in connection with Sunoco stock, so all Sunoco employees are prohibited from hedging their exposure in connection with transactions in Sunoco stock." It's somewhat counter-culture, then, to see so many company insiders dropping large pieces of their common, and long-vested options, outright. This is apparently the case of a Company full of good intentions, yet short on follow-through.

Though we expect to see Sunoco's insiders picking up the pace of their selling into what has been remarkable share-price momentum, we are more interested in their option-related activity. We first took notice that the Company grants stock options "in order to promote the achievement of Sunoco's long-term business objectives." But with that as the stated goal, we find it odd that all options vest in full on the second anniversary of the grant date, as opposed to the more customary three or four-year vesting period. Hardly seems as though the terms of Sunoco's options promote long-term goals, at least by our definition of "long-term". And insiders are clearly showing a reluctance to hold their vested options any longer than they have to.

Sunoco has granted options in December every year dating back to 1995, which means that options become exercisable each year in the same month. Our research shows that insiders historically held their options for a number of months and in many cases, years after vesting. That is until December 2004, when a group of insiders monetized not only options that had vested earlier, but also a large number of their options that vested in December 2004. This deviation from the norm is a clear indication that there is a sense of urgency to lock in gains immediately. The chart below shows the activity of Sunoco insiders during the December months when options become exercisable and the noticeable move to clear out shares in 2004.

**Figure 4.** Options Exercised (Blue Bar) and Shares Sold (Red Bar) in December of Each Year. Source: SUN SEC Filings.



Equally as revealing is the fact that insiders have shed the large majority of their holdings, including all of their vested options (see Appendix B). After years of stockpiling vested options, insiders jumped at the opportunity to cash out when the share price spiked. Though this is behavior we expect, it is the degree to which they've done so that has our attention. With the Company's stock ownership guidelines constraining the amount of shares available for sale, insiders showed no restraint distributing nearly all of their disposable shares. The holdings of Sunoco's named executives, which have been pared back between 52% and 63% since January 2004, are now at levels we haven't seen in over five years. What's more, these ownership positions are not going to be easily replenished, as option grants have been on the decline. Grants awarded in 2004 were on average 37% lighter for the five named executives than they were in 2002. This type of aggressive distribution hardly seems to fit the Company's desire to have executives share the fate of investors through stock ownership.

- **John Drosdick (60)** – Chairman, President, CEO. There has been a noticeable escalation in Drosdick's selling since January 2004. Most recently, Drosdick exercised the last of his 55,000 exercisable options on November 2<sup>nd</sup> which vested in December 2003 (expiration: 12/11), and sold part of the shares that day, and the



remainder on December 1<sup>st</sup>. Then, on December 7<sup>th</sup>, just three days after his December 2012 options vested, he began monetizing those options, which he unloaded in full by February 7<sup>th</sup>. This was the first time we have ever seen Drosdick exercise options so soon after vesting. In total, the Company's leader exercised all 280,000 of his vested options and sold 253,856 shares for a total of \$21.4 million. Though he held some of the shares, Drosdick distributed over 700,000 shares in the past thirteen months, this after he sold less than 100,000 shares between 1996 and 2003 *in total*. The sales **reduced his holdings by 63%**, and leave him without any vested options until December (see Appendix B). We should point out that Drosdick sits on the board at United States Steel (NYSE: X) and Lincoln National (NYSE: LNC), but hasn't sold at either in the past two years. Apparently, price appreciation isn't his only motivation for selling since United States Steel is up 45% in the past six months.

**Table 3.** Holdings Reductions of Key SUN Insiders. Source: SUN SEC Filings.

Insider	Holdings as of:				Reductions Since:	
	12/31/01	12/31/02	12/21/03	02/10/05	2002	2003
J. Drosdick	421,051	632,371	771,837	288,475	<b>54.4%</b>	<b>62.6%</b>
J. Maness	10,680	82,320	138,857	66,048	<b>19.8%</b>	<b>52.4%</b>
R. Owens	77,667	121,245	48,481	20,649	<b>83.0%</b>	<b>57.4%</b>
T. Hofmann	- -	103,841	99,414	36,641	<b>64.7%</b>	<b>63.1%</b>
C. Valutas	54,730	84,373	100,251	42,851	<b>49.2%</b>	<b>57.3%</b>

- **Thomas Hofmann (52)** – Senior V.P., CFO. After sitting on vested options for a number of years, Hofmann moved to clear them out in 2004. In March and October, he monetized options that had vested between 1999 and 2001, and then in December, cleared out his newly-exercisable December 2012 options just a week after they vested. On December 13<sup>th</sup> he exercised 40,000 options and sold 32,000 shares at \$80. Then, in a rather odd move that we deem to be quite telling about his sense of urgency to liquidate his shares, Hofmann sold all 11,562 shares that he held in the Sunoco employee stock ownership plan. Though he was accumulating shares for his direct common holdings, that move was to shore up his common stock holdings to meet ownership targets, which ESOP plan shares don't count towards. In all, Hofmann has exercised all of his vested options in 2004, en route to **trimming his position by 63%**, and will only have an additional 29,100 options vest in December 2005 (see Appendix B).
- **Robert Owens (50)** – Senior V.P., Marketing. Owens probably has exhibited the most urgency to sell of any in the group. After monetizing all of his vested options in late 2003, he showed an eagerness to sell on November 24<sup>th</sup> when he tapped into his common stock holdings to sell 24,000 shares at \$81. Then, just two days after his December 2012 options vested, he immediately exercised those 45,000 options and sold 33,150 of the shares on December 6<sup>th</sup>. On February 1<sup>st</sup>, he sold the remainder of the newly-acquired shares and more, distributing another 20,000 shares out of his common holdings at \$89. In total, Owens has **sold 57% of his actionable position** since November. We are always interested when an insider exercises options to sell,

and also sells additional shares out of his common holdings. Owens probably would have sold more, but he diversified nearly all of his available shares without putting himself in noncompliance of the company-imposed ownership requirements.

- **Joel Maness (53)** – Senior V.P., Refining and Supply. Maness first filed as a Section 16 insider back in 2000, and sold a total of 15,965 shares between 2000 and 2003. His 2004 activity noticeably picked up, as the 36,721 shares he sold on December 10<sup>th</sup> pushed his year-to-date selling over 100,000 shares. He exercised his only exercisable 47,000 options that vested on December 4<sup>th</sup>, marking the first time that Maness had ever exercised options so soon after vesting. He later sold the remaining 10,000 shares on February 11<sup>th</sup> at \$90, which combined with his 2004 sales, **slashed his holdings by 52%**. Maness currently holds 66,048 shares of common stock and will have 29,800 options vest in December (see Appendix B).
- **Michael Dingus (55)** – Senior V.P., President, Sun Coke Co. Add Dingus to the list of Sunoco execs that exercised a long list of options since early 2004. After selling just 30,000 shares since registering as an insider back in 2000 through 2003, Dingus has since cleared out eight different options series which became exercisable in each subsequent year since 1996, on his way to selling 121,444 shares. On February 1<sup>st</sup>, Dingus exercised his 40,000 December 2012 options, and sold all 40,000 shares on February 1<sup>st</sup> and February 2<sup>nd</sup> at roughly \$90. In addition to those shares, he sold an additional 4,410 shares out of his common holdings, effectively **monetizing 75% of his holdings** since January 2004. Dingus will have 23,900 options vest in December (see Appendix B).

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## Appendix A

### Option Vesting Schedules for Selected Energizer Holdings Inc. Insiders

Grant Date	Options	Price	Date Exercisable	Expiration Date	Remaining Options in Series	Unvested Options in Series	Vesting Dates of Remaining Options
<b>Joseph McClanathan, CEO, President, Energizer Battery. Common stock holdings: 3,756 shares (all held in 401K plan)</b>							
05/08/00	250,000	\$17.00	05/08/01	05/07/10	75,000	50,000	05/08/05
09/22/01	50,000	\$30.10	09/22/05	09/22/12	50,000	50,000	09/22/05, 09/22/06, 09/22/07
01/25/04	50,000	\$42.90	01/25/05	01/25/14	50,000	50,000	01/25/06, 01/25/07, 01/25/08, 01/25/09
10/19/04	20,000	\$46.13	10/19/05	10/18/14	20,000	20,000	10/19/05, 10/19/06, 10/19/07, 10/19/08
<b>Daniel Sescleifer, EVP, CFO. Common stock holdings: 15,565 shares</b>							
11/19/00	200,000	\$21.06	11/19/01	11/19/10	80,000	40,000	11/19/05
09/22/01	50,000	\$30.10	09/22/05	09/22/12	50,000	50,000	09/22/05, 09/22/06, 09/22/07
10/19/04	10,000	\$46.13	10/19/05	10/18/14	10,000	10,000	10/19/05, 10/19/06, 10/19/07, 10/19/08
<b>Peter Conrad, VP, Human Resources. Common stock holdings: 2,067 shares</b>							
05/08/00	250,000	\$17.00	05/08/01	05/07/10	50,000	50,000	05/08/05
10/19/04	7,000	\$46.13	10/19/05	10/18/14	7,000	7,000	10/19/05, 10/19/06, 10/19/07, 10/19/08
<b>David Hatfield, Executive V.P., Chief Marketing Officer. Common stock holdings: 8,939 shares</b>							
05/08/00	225,000	\$17.00	05/08/01	05/07/10	45,000	45,000	05/08/05
09/23/01	25,000	\$30.10	09/23/05	09/22/12	25,000	25,000	09/22/05, 09/22/06, 09/22/07
10/19/04	20,000	\$46.13	10/19/05	10/18/14	20,000	20,000	10/19/05, 10/19/06, 10/19/07, 10/19/08
<b>Ward Klein, President, CEO, COO. Common stock holdings: 18,798 shares</b>							
05/08/00	300,000	\$17.00	05/08/01	05/07/10	150,000	60,000	05/08/05
11/19/00	50,000	\$21.00	11/20/01	11/19/10	50,000	10,000	11/19/05
01/25/04	100,000	\$42.90	01/26/05	01/26/14	100,000	80,000	01/26/06, 01/26/07, 01/26/08
01/14/05	45,000	\$49.18	01/14/06	01/13/15	45,000	45,000	01/14/06, 01/14/07, 01/14/08, 01/14/09



## Appendix B

Option Vesting Schedules for Selected Sunoco Inc. Insiders

Grant Date	Options	Price	Date Exercisable	Expiration Date	Remaining Options in Series	Unvested Options in Series	Vesting Dates of Remaining Options
<b>Robert Dingus, Senior V.P., President, Sun Coke Company. Common stock holdings: 41,492 shares</b>							
12/03/03	23,900	\$49.02	12/03/05	12/03/13	23,900	23,900	Vests in full 12/05
12/01/04	20,400	\$82.56	12/01/06	12/01/14	20,400	20,400	Vests in full 12/06
<b>John Drosdick, Chairman, President, CEO. Common stock holdings: 288,475 shares</b>							
12/03/03	154,000	\$49.02	12/03/05	12/03/13	154,000	154,000	Vests in full 12/05
12/01/04	118,000	\$82.56	12/01/06	12/01/14	118,000	118,000	Vests in full 12/06
<b>Thomas Hofmann, Senior V.P., CFO. Common stock holdings: 36,641 shares</b>							
12/03/03	29,100	\$49.02	12/03/05	12/03/13	29,100	29,100	Vests in full 12/05
12/01/04	30,000	\$82.56	12/01/06	12/01/14	30,000	30,000	Vests in full 12/06
<b>Joel Maness, Senior V.P., Refining and Supply. Common stock holdings: 66,048 shares</b>							
12/03/03	29,800	\$49.02	12/03/05	12/03/13	29,800	29,800	Vests in full 12/05
12/01/04	32,800	\$82.56	12/01/06	12/01/14	32,800	32,800	Vests in full 12/06
<b>Robert Owens, Senior V.P., Marketing. Common stock holdings: 20,649 shares</b>							
12/03/03	28,500	\$49.02	12/03/05	12/03/13	28,500	28,500	Vests in full 12/05
12/01/04	28,200	\$82.56	12/01/06	12/01/14	28,200	28,200	Vests in full 12/06
<b>Charles Valutas, Senior V.P., Chief Administrative Officers. Common stock holdings: 42,851 shares</b>							
12/03/03	24,000	\$49.02	12/03/05	12/03/13	24,000	24,000	Vests in full 12/05
12/01/04	24,900	\$82.56	12/01/06	12/01/14	24,900	24,900	Vests in full 12/06