FactSet Research Systems Inc. supplies financial intelligence to the global investment community. The company combines more than 200 databases, including data from tens of thousands of companies as well as multiple stock markets, research firms and governments, into a single online source of information and analytics. I Clients have simultaneous access to data from all the sources, which they can combine and download into spreadsheets and analyze using FactSet or custom-built applications. I FactSet is headquartered in Greenwich, Connecticut, and employs more than 800 people in 17 locations in North America, Europe and the Pacific Rim. FactSet was founded in 1978 and trades on the New York Stock Exchange under the symbol FDS.

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In fiscal 2003, FactSet achieved another year of record results and celebrated its 25th year of operation. This was our seventh straight year of growth since our initial public offering in June 1996, and 23rd consecutive year of growth overall. Our key financial benchmarks demonstrate once again that we had a successful year, despite continued cost rationalization within the financial industry. Operating earnings, cash flows, net income and earnings per share all reached new highs as we have continued to exercise judicious cost controls in a moderate revenue growth rate environment.

Before presenting the financial and operational highlights of fiscal 2003, and in light of our 25th anniversary year, we thought we'd take a moment to relate some of the history of our company.

1978 In September 1978, FactSet is founded. Howard Wille and Charles Snyder leave their Wall Street jobs to build a business, headquartered in New York, centered on computer-based financial analysis.

1982 Charles Snyder develops an application to enable mainframes to deposit items from any database directly into a spreadsheet cell.

1984 FactSet offers company screening capability.

1981 First FactSet client terminal is released, allowing direct access to the Company FactSet report.

1983 FactSet downloading is upgraded to Lotus 1-2-3.