AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JUNE 5, 1996

REGISTRATION NO. 333-4238

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FACTSET RESEARCH SYSTEMS INC.
(Exact name of registrant as specified in its charter)

DELAWARE	7374	13-3362547
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Number)	(I.R.S. Employer Identification No.)

ONE GREENWICH PLAZA
GREENWICH, CONNECTICUT 06830
(203) 863-1500
(Addresss, including zip code, and telephone number, including area code, of registrant's principal executive offices)

HOWARD E. WILLE
CHAIRMAN & CHIEF EXECUTIVE OFFICER
FACTSET RESEARCH SYSTEMS INC.
ONE GREENWICH PLAZA
GREENWICH, CONNECTICUT 06830
(203) 863-1500
(Name, address, including zip code, and telephone number, including area code, of agent for service)

COPIES TO:

WILLIAM P. ROGERS, JR., ESQ.	SARAH JONES BESHAR, ESQ.
CRAVATH, SWAINE & MOORE	DAVIS POLK & WARDWELL
WORLDWIDE PLAZA	450 LEXINGTON AVENUE
825 EIGHTH AVENUE	NEW YORK, NEW YORK 10017
NEW YORK, NEW YORK 10019	(212) 450-4131
(212) 474-1270	

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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FACTSET RESEARCH SYSTEMS INC.
CROSS REFERENCE SHEET
PURSUANT TO ITEM 501(B) OF REGULATION S-K

FORM S-1 ITEM NUMBER AND CAPTION	LOCATION IN PROSPECTUS
1. Forepart of Registration Statement and Outside Front Cover Page of Prospectus....	Facing Page; Cross-Reference Sheet; Outside Front Cover Page

2.	Inside Front and Outside Back Cover Pages of Prospectus	Inside Front and Outside Back Cover Pages; Available Information
3.	Summary Information, Risk Factors and Ratio of Earnings to Fixed Charges	Prospectus Summary; Risk Factors
4.	Use of Proceeds	Prospectus Summary; Use of Proceeds
5.	Determination of Offering Price	Underwriting
6.	Dilution	Risk Factors; Dilution
7.	Selling Security-Holders	Principal and Selling Stockholders
8.	Plan of Distribution	Outside Front Cover Page; Underwriting
9.	Description of Securities to be Registered	Prospectus Summary; Description of Capital Stock
10.	Interests of Named Experts and Counsel	Legal Matters; Experts
11.	Information with Respect to the Registrant	Inside Front and Outside Back Cover Pages; Prospectus Summary; Risk Factors; Dividend Policy; Capitalization; Selected Historical Consolidated Financial Data; Management's Discussion and Analysis of Financial Condition and Results of Operations; Business; Management; Certain Transactions and Relationships; Description of Capital Stock; Shares Eligible for Future Sale; Consolidated Financial Statements.
12.	Disclosure of Commission Position on Indemnification for Securities Act Liabilities	Part II, Item 17

SUBJECT TO COMPLETION, DATED JUNE 5, 1996

PROSPECTUS
, 1996
N08706BE.G01,1230,240,H

3,125,000 SHARES
FACTSET RESEARCH SYSTEMS INC.
COMMON STOCK

All of the shares of Common Stock (the "Common Stock") of FactSet Research Systems Inc. ("FactSet" or the "Company") offered hereby (the "Offering") are being sold by certain stockholders of the Company (the "Selling Stockholders"). The Company will not receive any of the proceeds from the Offering. See "Use of Proceeds" and "Principal and Selling Stockholders."

Prior to the Offering, there has been no public market for the Common Stock. It is currently estimated that the initial public offering price will be between $15 and $17 per share. See "Underwriting" for information relating to the factors considered in determining the initial public offering price.

The Common Stock has been approved for listing on the New York Stock Exchange under the symbol "FDS."

SEE "RISK FACTORS" BEGINNING ON PAGE 8 FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE PURCHASERS OF THE COMMON STOCK OFFERED HEREBY.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PRICE TO THE PUBLIC	UNDERWRITING DISCOUNTS AND COMMISSIONS(1)	PROCEEDS TO THE SELLING STOCKHOLDERS(2)
Per Share	$	$	$
Total(3)	$	$	$

(1) The Company and the Selling Stockholders have agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, or to contribute to payments that the Underwriters may be required to make in respect thereof.

(2) Before deducting expenses payable by the Selling Stockholders estimated at $580,000. The Company has agreed to pay additional expenses of the Offering estimated at $290,000.

(3) The Selling Stockholders have granted the Underwriters a 30-day option to purchase up to 468,750 additional shares of Common Stock on the same terms as set forth above solely to cover over-allotments, if any. See "Underwriting." If such option is exercised in full, the total Price to Public, Underwriting Discounts and Commissions and Proceeds to the Selling Stockholders will be $, $ and $, respectively.

The shares of Common Stock are being offered by the several Underwriters named herein, subject to prior sale, when, as and if accepted by them and subject to certain conditions. It is expected that certificates for the shares of Common Stock offered hereby will be available for delivery in New York, New York on or about , 1996.

DONALDSON, LUFKIN & JENRETTE SECURITIES CORPORATION

ALEX. BROWN & SONS INCORPORATED

[FACTSET LOGO AND LOGOS
OF VARIOUS DATABASE SUPPLIERS]

IN CONNECTION WITH THE OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET OF THE COMMON STOCK OF THE COMPANY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK STOCK EXCHANGE OR THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information and financial statements and related notes appearing elsewhere in this Prospectus. Unless otherwise indicated, all information in this Prospectus (x) reflects a four for one split with respect to the Common Stock effected June 4, 1996, (y) assumes an initial public offering price of $16.00 per share and (z) assumes no exercise of the Underwriters' over-allotment option. See "Description of Capital Stock" and "Underwriting." In addition, unless the context requires otherwise, (i) references to the Company or FactSet refer to FactSet Research Systems Inc., a Delaware Corporation, and its subsidiaries, and (ii) references to a fiscal year refer to the fiscal year of the Company which ends on August 31 of each year.

THE COMPANY

OVERVIEW

FactSet is a leading provider of on-line integrated database services to the financial community. The Company, which markets its services in the United States, Europe and the Pacific Rim, combines multiple large-scale databases into a single, coherent mainframe computer information system accessible from clients' personal computer terminals. The Company's aggregated data library provides a broad variety of financial and economic information, including fundamental data on more than 20,000 companies worldwide. By allowing clients the ability to simultaneously access multiple databases as if they were part of a single database and search for and download specific data directly into their spreadsheets and other work products, FactSet provides investment managers, investment banks and other financial institutions with a comprehensive, "one-stop" source for financial information and analytics. The Company's advanced, proprietary software tools enable clients to manipulate and analyze the data provided by the Company and present it in a wide variety of formats, including custom reports designed by the clients. At May 31, 1996, over 400 clients with more than 4,500 authorized workstations subscribed to the Company's services, including many leading investment managers and investment banks.

The Company was formed in 1978 and has been profitable in each of the last 15 years. For the five fiscal years ended August 31, 1995, the Company sustained compound annual growth rates of revenue, operating income and net income of 21.8%, 23.2% and 23.8%, respectively. For the first six months of fiscal 1996, the Company's revenue, operating income and net income increased 17.6%, 21.0% and 23.6%, respectively, from the comparable period in fiscal 1995.

FactSet currently acquires data from 30 information providers supplying over 50 databases, including COMPUSTATTM (fundamental data on North American corporations), Interactive Data Corporation (U.S. and Canadian securities prices), Exshare securities prices (international securities prices), FIRST CALLTM (U.S. and international earnings estimates), Worldscope (fundamental data on corporations in 37 countries), I/B/E/STM (U.S. and international earnings estimates) and Value Line (fundamental corporate data and earnings estimates). The Company maintains its databases on continually upgraded and fully redundant Digital Equipment Corporation AlphaTM mainframe computers, a platform that allows for monthly, daily, hourly and real-time refreshment of data. FactSet seeks to maintain, when possible, at least two sources for each item of data.

Unlike services that charge fees based on actual system usage time, the Company charges fixed monthly amounts which vary among clients based on the number of sites and workstations from which the FactSet system is available and the number of accessible databases and specialized services to which a client subscribes. The Company believes that this pricing policy encourages clients to use the FactSet

system regularly and thus to integrate the system into their decision-making processes. FactSet does not enter into formal contracts with clients, a practice which the Company believes enhances its marketing efforts by allowing clients to use the FactSet system without the requirement of a long-term commitment. The Company enjoys excellent client retention--FactSet's overall client retention rate (on a revenue basis) has been over 95% in each of the past six years. See Note 7 to the Summary Consolidated Financial and Operating Data.

FACTSET'S COMPETITIVE ADVANTAGES

Management believes that FactSet has several attributes that have been significant to its growth and profitability and provide it with competitive advantages over other financial data providers. These include (i) its ability to integrate financial data from over 50 third-party databases into an aggregated data library that allows users to access all data as if from one database; (ii) its internally developed, proprietary software that allows extensive manipulation of data, including downloading directly to custom spreadsheets developed by clients for use on the FactSet system; (iii) its sophisticated system architecture that allows users to access the computing power of its mainframe computer platform through its easy-to-use Windows(R)*-based programs; (iv) its advanced communications infrastructure, including its wide area network ("WAN"), through which approximately 25% of its clients and 50% of its authorized workstations are now connected to the FactSet system; (v) the proprietary structure of its integrated databases, which facilitates speed and efficiency in data retrieval; (vi) its superior client services, including its ability to work closely with clients to develop customized data solutions; and (vii) its ability to recruit, train and retain highly talented engineering and marketing personnel, as evidenced by the Company's greater than 85% average employee retention rate over the past five years.

GROWTH STRATEGY

The Company intends to continue to expand its operations while maintaining attractive levels of profitability. The Company plans to introduce new service enhancements, applications and databases designed to increase penetration of existing clients and attract new clients. The Company has recently expanded its marketing efforts to focus on specific industry segments, including investment banking and portfolio management, and on geographic expansion to Europe and the Pacific Rim, each of which the Company believes present significant opportunities for growth. The Company will also explore strategic acquisitions and alliances as such opportunities arise. The principal components of the Company's growth strategy are:

- INTRODUCING NEW SERVICE ENHANCEMENTS AND APPLICATIONS. The Company continually seeks to develop and integrate new service enhancements and applications that make its system more useful to current clients and more attractive to new clients. In 1993, the Company deployed a wide area data transmission network that greatly improves the speed and quality of throughput to client sites and significantly enhances the ability of clients to quickly and efficiently add authorized workstations to their service subscriptions. FactSet's graphical user interface for Windows makes the FactSet system available in a user-friendly point-and-click screen environment familiar to most of today's personal computer users. FactSet has recently introduced its Alpha Testing application, which allows clients to analyze the relationship between a single or multiple variables and subsequent investment returns over time, and Cornerstone, a set of applications that allows quantitative analysts to quickly and efficiently access large amounts of data directly from the FactSet system. The Company is currently developing an interactive workstation application designed specifically for portfolio managers, which will allow integration

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* Windows(R) is a registered trademark of the Microsoft Corporation.

of data from user accounting systems into the FactSet system for manipulation and presentation in FactSet reports.

- ATTRACTING NEW CLIENTS AND EXPANDING CLIENT RELATIONSHIPS. The Company believes that substantial opportunities exist to both attract new clients and increase its revenue from existing clients. While the Company has achieved excellent penetration of the largest investment managers (84 of the top 100 investment managers in the United States are FactSet clients), only approximately 35% of the estimated 900 investment managers in the United States with more than $500 million under management are FactSet clients. In addition, while 20 of the largest investment banks in the United States are FactSet clients, only approximately 44% of the estimated 151 securities firms in the United States with more than $20 million in capital are FactSet clients. The Company also believes that it should be able to increase revenue from exisiting clients through the introduction of new applications, databases and technological innovations, many of which are in response to client demand. In addition, the Company recently formed an investment banking group to focus exclusively on sales and marketing to the investment banking sector. FactSet also recently established technical development groups focused on the development of applications and services for specific user categories such as portfolio managers and quantitative research analysts.

- INCREASING INTERNATIONAL PENETRATION. The Company is committed to the international expansion of its customer base and established offices in London in 1993 and Tokyo in 1994 to enhance its marketing efforts and its ability to serve clients in Europe and the Pacific Rim. The Company is supporting these efforts through the development of applications and the addition of databases targeted at the international financial community. The Company has been successful in the acquisition of a number of large clients in these regions and, as a result, the annual indicated subscription revenue from clients outside the United States increased 121.9% from $1.4 million at March 31, 1995 to $3.0 million at March 31, 1996.

- PROVIDING SUPERIOR CONSULTATIVE SERVICES. Providing superior client support services is an integral part of the Company's business philosophy and has contributed to a client retention rate of over 95% in each of the past six years. The goal of the Company's 36 full-time client support consultants is to maximize the utility of the FactSet system to clients and thereby promote lasting and mutually-profitable client relationships. Client support consultants work with clients, often at client sites, to develop custom applications tailored to clients' information needs. The Company also conducts approximately 50 training seminars across the nation annually and maintains a client support hotline and a round-the-clock emergency beeper service. Consulting and training services are provided to clients free of charge.

- INTEGRATING NEW DATABASES. The Company regularly adds new databases to its system. The integration of new databases, in addition to making the Company's system more useful to existing clients, enables the Company to tailor its services to the specific needs of additional user categories and markets. Recent additions to the Company's library of databases include EDGAR(R)* on FactSet, which provides access to continuously updated text and data contained in EDGAR SEC filings, the Toyo Kezai database, a source of fundamental corporate information on Japanese companies, Morgan Stanley Capital International, which provides performance data for non-United States stock markets and industry groups, and Russell U.S. Equity Profiles, which provides benchmark data on company investment styles and structure characteristics. The Company also is in the process of providing United States security prices that are updated within 20 minutes of their change (rather than once per day, as is the current practice).

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* EDGAR(R) is a registered trademark of the Securities and Exchange Commission.

THE OFFERING

Common Stock offered (1).....	3,125,000 shares
Common Stock to be outstanding after the Offering (1)(2).....	9,526,300 shares
Proceeds of Offering.....	The Company will not receive any of the proceeds of the Offering. Promptly following the completion of the Offering, one of the Selling Stockholders will apply a portion of the proceeds to repay in full certain loans outstanding from the Company totalling $3,846,703. The Company has agreed to pay certain expenses of the Offering in an amount estimated at $290,000.
Listing.....	The Common Stock has been approved for listing on the New York Stock Exchange (the "NYSE") under the symbol "FDS."
Risk Factors.....	Prospective investors should consider carefully the matters set forth under the caption "Risk Factors," as well as the other information set forth in this Prospectus.

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(1) Assumes the Underwriters do not exercise their option to purchase up to an additional 468,750 shares of Common Stock to cover over-allotments.

(2) Excludes 1,451,000 shares of Common Stock issuable upon exercise of outstanding stock options granted to certain employees of the Company having an average exercise price of $2.66. In addition, the Company has reserved 950,000 shares of Common Stock for issuance in connection with options issuable under the Company's 1996 Stock Option Plan. See "Management--Company Stock Option Plans."

SUMMARY CONSOLIDATED FINANCIAL AND OPERATING DATA

	YEARS ENDED AUGUST 31,					SIX MONTHS ENDED	
	1991	1992	1993	1994	1995	FEBRUARY 28, 1995	FEBRUARY 29, 1996
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AND PER CLIENT DATA)						
STATEMENT OF INCOME DATA:							
Subscription revenue	$16,441	$19,279	$23,945	$29,019	$36,188	$ 17,597	$ 20,698
Expenses	12,922	15,341	18,993	25,576	28,088	13,584	15,841
Operating income	3,519	3,938	4,952	3,443(1)	8,100	4,013	4,857
Other income	230	313	208	251	570	241	430
Income before income taxes	3,749	4,251	5,160	3,694	8,670	4,254	5,287
Income taxes	1,648	1,916	2,281	1,747	3,731	1,810	2,265
Net income	$ 2,101	$ 2,335	$ 2,879	$ 1,947(1)	$ 4,939	$ 2,444	$ 3,022
Earnings per share(2)					$ 0.48		$ 0.28
Weighted average number of shares outstanding (in thousands)(2)					10,254		10,755
STATEMENT OF FINANCIAL CONDITION DATA:							
Cash, cash equivalents and investments	$ 5,302	$ 7,521	$ 6,173	$ 7,539	$12,725	$ 8,146	$ 11,621(3)
Total assets	11,397	13,708	20,435	22,345	28,663	21,565	30,731
Total liabilities	2,734	2,778	6,627	6,312	7,291	3,034	5,764
Stockholders' equity	8,663	10,930	13,808	16,033	21,373	18,531	24,967(3)
OPERATING DATA:							
EBITDA(4)	$ 4,931	$ 5,521	$ 6,783	$ 5,640(1)	$10,520	$ 5,260	$ 6,264
EBITDA as a percentage of revenue	30.0%	28.6%	28.3%	19.4%(1)	29.1%	29.9%	30.3%
Number of clients(5)	260	288	316	364	387	369	412
Average revenue per client(6)	$65,764	$70,361	$79,288	$85,350	$96,373	$ 48,343	$ 53,483
Annual client retention rate(7)	95.9%	96.7%	95.4%	95.5%	96.1%	n/a	n/a
Number of employees	48	56	71	85	114	94	119

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(1) Reflects the effect of special bonuses paid to certain executive officers of the Company in 1994 in the aggregate amount of $2.5 million. Excluding the special bonuses, operating income, net income, EBITDA and EBITDA as a percentage of revenue for fiscal 1994 would have been approximately $5,943,000, $3,264,000, $8,140,000, and 28.0%, respectively.

(2) See Note 2 to the Consolidated Financial Statements of the Company.

(3) On an adjusted basis, after deducting offering expenses payable by the Company estimated at $290,000 and the repayment of certain loans by one of the Selling Stockholders totalling $3,846,703, cash, cash equivalents and investments and stockholders' equity at February 29, 1996 would have been $15,177,845 and $24,676,505, respectively. See "Use of Proceeds." Concurrently with the Offering, the Company will authorize 10,000,000 shares of preferred stock, issuable in series.

(4) EBITDA represents operating income plus depreciation and amortization. EBITDA is not a measure of financial performance under generally accepted accounting principles and should not be considered an alternative to operating or net income as an indicator of the Company's operating performance or to net cash provided by operating activities as a measure of liquidity.

(5) At December 31 of the given year.

(6) For each fiscal year, average revenue per client represents (i) revenue for the fiscal year divided by (ii) the average of (x) the number of clients at January 1 of such year and (y) the number of clients at December 31 of such year. For the six month periods ended February 28, 1995 and February 29, 1996, average revenue per client represents (i) revenue for the period divided by (ii) the number of clients at December 31, 1994 and 1995, respectively.

(7) Based on calendar years ending December 31. The annual client retention rate is determined by (i) subtracting from the aggregate indicated annual subscription revenue as of January 1 of a given year that portion of such revenue attributable to entities that are no longer clients as of December 31 of that year and (ii) dividing the result by the aggregate indicated annual subscription revenue as of January 1 of such year. Indicated annual subscription revenue for a particular client at a specified date means the total amount of subscription revenue that would be payable to the Company by such client over a twelve month period based on the FactSet services, databases and authorized workstations provided to such client at such date.

EFFECTS OF RAPID TECHNOLOGICAL CHANGES

The Company's industry is characterized by rapidly changing technology and evolving industry standards. The Company's future success will depend upon its ability to continue to enhance its system and related products and to introduce new services and databases that adequately anticipate and address technological and market developments and the needs of its clients. While the Company has been successful in this regard in the past, there can be no assurance that the Company will be successful in such efforts in the future. Any failure by the Company to anticipate or respond adequately to technological developments and changing client requirements could have an adverse effect on the Company's business, operating results or financial condition. See "--Risks Inherent in Growth Strategy and International Expansion" and "Business--Engineering and Product Development."

RISKS INHERENT IN GROWTH STRATEGY AND INTERNATIONAL EXPANSION

The Company has experienced significant growth during its operating history. There can be no assurance that the Company will be able to maintain the levels of growth and profitability that it has experienced in the past. Among other things, there can be no assurance that the Company will be as successful in its marketing efforts aimed at the investment banking and other industry sectors as it has been with investment managers, or that such efforts will result in revenue growth or profit margins comparable to those that the Company has experienced in the past.

There can also be no assurance that the Company will be as successful in marketing its services to clients in Europe and the Pacific Rim as it has been in the United States or that the Company will be able to provide applications and databases that meet the particular needs of financial services companies in those regions. Furthermore, expansion into international markets may involve additional risks to the Company, including exposure to fluctuations in exchange rates and inflation, currency control regulations, local protection of proprietary technology and political and economic risks associated with international business transactions.

In addition, there can be no assurances that, if the Company continues to grow internally or by way of strategic acquisitions, management will be effective in attracting and retaining additional qualified personnel, expanding the Company's physical facilities, integrating acquired businesses and otherwise managing growth. Any failure to effectively manage growth could have an adverse effect on the Company's business, operating results or financial condition. See "--Effects of Rapid Technological Change," "--Dependence on Key Personnel," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business."

DEPENDENCE ON KEY PERSONNEL

The success of the Company's operations depend to a significant extent upon the continued service of its executive officers and other key management, sales and technical personnel, and on its ability to continue to attract, retain and motivate qualified personnel. The competition for such employees is intense. The Company has long-term employment contracts which include noncompete provisions with Howard E. Wille, the Company's Chairman and Chief Executive Officer, and Charles J. Snyder, its President and Chief Technology Officer. The loss of the services of one or more of the Company's key personnel or the Company's inability to recruit replacements for such personnel or to otherwise attract, retain or motivate qualified personnel could have an adverse effect on the Company's business, operating results or financial condition. The Company maintains key-man life insurance on Mr. Wille and Mr. Snyder, and has noncompete agreements with 19 other key employees. See "Business-- Employees" and "Management--Executive Officers, Directors and Other Key Personnel" and "--Employment Agreements."

DEPENDENCE ON FINANCIAL DATABASE SUPPLIERS

The Company makes available to its clients financial information from multiple databases provided to the Company pursuant to agreements between the Company and 30 current database providers. Almost all of the Company's clients subscribe to service packages that include fundamental corporate information supplied by COMPUSTAT, Value Line and/or Worldscope, securities prices from Interactive Data Corporation and/or Exshare, earnings estimates from FIRST CALL, I/B/E/S and/or Value Line, business news information supplied by Standard & Poors, PR Newswire and/or Business Wire and economic statistics supplied by the Conference Board, OECD and/or IMF. The Company's agreements with financial database providers are generally for a term of one year and cancelable on one year's notice (although the Company does not have formal agreements with all of its database suppliers). Many of these financial database providers compete with one another and, to some extent, with the Company. While it is the Company's policy to maintain, when possible, contractual relationships with at least two database providers for each type of financial data, termination of one or more of the Company's significant database provider agreements could decrease the financial information which the Company can offer its clients and may have an adverse effect on the Company's business, operating results or financial condition. See "Business--The FactSet System--Databases."

DEPENDENCE ON AND ABILITY TO PROTECT PROPRIETARY TECHNOLOGY

The Company's services are highly dependent upon proprietary technology. The Company relies on trade secrecy laws and non-compete agreements to protect its proprietary rights in its technology. There can be no assurance that such measures are or will be adequate to protect the Company's proprietary technology. In addition, there can be no assurance that the Company's competitors or potential competitors will not independently develop technologies that are substantially equivalent or superior to the Company's technology.

LACK OF LONG TERM CLIENT CONTRACTS; FLUCTUATIONS IN REVENUE; CREDIT CONCENTRATION

The Company does not regularly enter into written service contracts with clients, and clients may cancel the Company's services at any time. While the Company believes that this practice enhances its marketing efforts by allowing clients to subscribe to the FactSet system without the requirement of a long term commitment, the cancellation of the services of the Company by a significant number of clients at any one time may have an adverse effect on the Company's business, operating results or financial condition.

Although the Company has consistently recorded year-to-year increases in revenue and net income, the acquisition of new clients during the course of any year has not historically followed a recurring pattern. As a result, the Company expects that on a quarter-to-quarter basis, there may be fluctuations in the rate of revenue growth which may not be indicative of changes in the Company's business or operations.

In addition, because the Company receives a significant portion of its revenue (54.3% for the six months ended February 29, 1996) in the form of commissions paid through two brokers, Bear, Stearns & Co. and Broadcort Capital Corp. (an affiliate of Merrill Lynch & Co.), it has a significant concentration of credit exposure to those brokers. See Note 13 to the Company's Consolidated Financial Statements.

COMPETITION

The financial information services industry is competitive and characterized by rapid technological change and the entry into the field of large and well-capitalized companies as well as smaller competitors. In a broad sense, the Company competes or may compete directly and indirectly in the United States and internationally with large, well-established news and information providers such as

Dialog, Disclosure, Dow Jones, Lexis/Nexis, Pearson, Reuters and Thomson, market data suppliers such as ADP, Bloomberg and Telerate as well as many of the database providers from whom the Company obtains data for inclusion in the FactSet system. The Company's most direct competitors include on-line and CD-ROM database suppliers and integrators such as OneSource Inc., COMPUSTAT PC PlusTM, Baseline, DAIS Group, IDD Information Services and Track Data Corp. primarily in the United States, and Datastream and Randall-Helms, primarily in international markets. Many of these competitors offer databases and applications that, in one form or another, are similar to the databases and applications offered by the Company, in some cases at lower prices. The Company may also encounter new entrants, including well capitalized information services companies and other companies, as the markets for the Company's services develop. There can be no assurances that the Company will be able to compete successfully against its present or future competitors or that competitive pressures will not have an adverse effect on the Company's business, operating results or financial condition. See "--Effects of Rapid Technological Changes," "Business--Industry Overview" and "Business--Competition."

CONTROL BY SELLING STOCKHOLDERS

The Selling Stockholders currently own approximately 79.1% of the outstanding Common Stock of the Company. After the Offering, the Selling Stockholders will own approximately 46.3% of the outstanding Common Stock (or 41.4% if the Underwriters' over-allotment option is exercised in full). As a result, the Selling Stockholders will continue to have significant influence over the policies and affairs of the Company and the outcome of corporate actions requiring stockholder approval, including the election of directors, the adoption of amendments to the Company's Restated Certificate of Incorporation and the approval of mergers and sales of the Company's assets. See "Certain Transactions and Relationships" and "Description of Capital Stock."

BENEFITS OF OFFERING TO SELLING STOCKHOLDERS

The Selling Stockholders will receive all of the proceeds of the Offering. The Offering will establish a public market for the Common Stock and provide increased liquidity to the Selling Stockholders for the shares of Common Stock they will own after the Offering. In connection with the Offering, the Selling Stockholders will also receive certain rights to require the Company to register shares of Common Stock held by the Selling Stockholders to permit the public sale of such shares. See "Shares Eligible for Future Sale." Upon completion of the Offering, the Selling Stockholders will own approximately 46.3% (41.4% if the Underwriters' over-allotment option is exercised in full) of the outstanding Common Stock. See "Certain Transactions and Relationships."

CERTAIN ANTI-TAKEOVER PROVISIONS

Certain provisions of the Company's Restated Certificate of Incorporation and By-laws may have the effect, either alone or in combination with each other, of making more difficult or discouraging a tender offer or takeover attempt that is opposed by the Company's Board of Directors. These provisions include (1) certain supermajority voting requirements with respect to certain specified business combinations; (2) a provision requiring that the Company's Board be divided into three classes, each serving a staggered term with only one class elected each year; (3) a provision that allows for shareholder action by written consent only on the affirmative vote of the holders of 80% of the outstanding shares of the Company; (4) certain restrictions on the persons eligible to call a special meeting of shareholders; (5) certain limitations on the size of the Company's Board of Directors; (6) the ability of the Board to authorize the issuance of preferred stock in series; and (7) certain supermajority voting requirements with respect to amending, altering or repealing any of the foregoing provisions. See "Description of Capital Stock--Restated Certificate of Incorporation and By-Laws--Certain Anti-Takeover Provisions." In addition, the employment agreements between the Company and its executive

officers provide for specified severance payments in the event an executive officer is terminated following a change in control of the Company. See "Management--Employment Agreements."

NO PRIOR PUBLIC MARKET FOR COMMON STOCK

There has been no public market for the Common Stock prior to the Offering. Consequently, the offering price for the Common Stock has been determined by negotiations between the Selling Stockholders and representatives of the Underwriters. See "Underwriting" for a description of the factors considered in determining the initial public offering price of the Common Stock. The Common Stock has been approved for listing on the NYSE under the symbol "FDS." There can be no assurance that an active public market will develop or that, if developed, that it will be sustained. The market price of the Common Stock could also be subject to significant fluctuation in response to variations in the Company's results of operations and other factors.

SHARES ELIGIBLE FOR FUTURE SALE; REGISTRATION RIGHTS

Upon completion of the Offering, the Company will have 9,526,300 outstanding shares of Common Stock, including 4,409,100 shares of Common Stock beneficially owned by the Selling Stockholders (3,940,350 shares if the Underwriters' over-allotment option is exercised in full), 363,729 shares held beneficially by certain other employees of the Company and 787,824 shares held in connection with the Company's Employee Stock Ownership Plan ("ESOP"). The 3,125,000 shares of Common Stock offered hereby (3,593,750 shares if the Underwriters' over-allotment option is exercised in full) will be eligible for sale in the public market after the completion of the Offering. The shares of Common Stock held by the Selling Stockholders, certain employees of the Company and the ESOP are subject to certain restrictions pursuant to Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"). In the Underwriting Agreement, the Company, the ESOP and certain executive officers and key personnel of the Company have agreed (subject to certain exceptions) not to sell any shares of Common Stock for a period of 180 days after the date of this Prospectus without the prior written consent of the Donaldson, Lufkin & Jenrette Securities Corporation. See "Underwriting." Immediately after the expiration (or waiver) of the restrictions contained in the Underwriting Agreement, the shares held by the Selling Stockholders, certain employees of the Company and the ESOP (subject to the provisions thereunder) will be available for sale pursuant to Rule 144 under the Securities Act. In addition, the Selling Stockholders have the right to require the Company to register their shares of Common Stock for sale under the Securities Act to permit the public sale of such shares. See "Certain Transactions and Relationships--Registration Rights Agreement." Significant sales of shares of Common Stock under a registration statement, pursuant to Rule 144 or otherwise in the future, or the prospect of such sales, may depress the price of the Common Stock on any market that may develop, may render difficult the sale of the Common Stock purchased by investors hereunder and may adversely affect the Company's ability to raise capital through the issuance and sale of Common Stock. See "Shares Eligible for Future Sale."

IMMEDIATE AND SUBSTANTIAL DILUTION

Purchasers of Common Stock in the Offering will experience immediate and substantial dilution in the net tangible book value of the Common Stock. At an assumed initial public offering price of $16.00 per share, purchasers of shares in the Offering will experience dilution in net tangible book value of $13.41 per share. See "Dilution."

DIVIDEND POLICY

The Company currently intends to retain its earnings for future growth, including growth through potential strategic acquisitions or alliances, and, therefore, does not anticipate paying any cash dividends in the foreseeable future. The payment of any future dividends will be determined by the Board of Directors in light of conditions then existing, including the Company's earnings, financial condition and capital requirements, business conditions, corporate law requirements and other factors.

THE COMPANY

FactSet is a leading provider of on-line integrated database services to the financial community. The Company, which markets its services in the United States, Europe and the Pacific Rim, combines multiple large-scale databases into a single, coherent mainframe computer information system accessible from clients' personal computer terminals. The Company's aggregated data library provides a broad variety of financial and economic information, including fundamental data on more than 20,000 companies worldwide. By allowing clients the ability to simultaneously access multiple databases as if they were part of a single database and search for and download specific data directly into their spreadsheets and other work products, FactSet provides investment managers, investment banks and other financial institutions with a comprehensive, "one-stop" source for financial information and analytics. The Company's advanced, proprietary software tools enable clients to manipulate and analyze the data provided by the Company and present it in a wide variety of formats, including custom reports designed by the clients. At May 31, 1996, over 400 clients with more than 4,500 authorized workstations subscribed to the Company's services, including many of the leading investment managers and investment banks.

The Company was formed in 1978 and has been profitable in each of the last 15 years. For the five fiscal years ended August 31, 1995, the Company sustained compound annual growth rates of revenue, operating income and net income of 21.8%, 23.2% and 23.8%, respectively. For the first six months of fiscal 1996, the Company's revenue, operating income and net income increased 17.6%, 21.0% and 23.6%, respectively, from the comparable period in fiscal 1995.

FactSet currently acquires data from 30 information providers supplying over 50 databases, including COMPUSTAT (fundamental data on North American corporations), Interactive Data Corporation (U.S. and Canadian securities prices), Exshare securities prices (international securities prices), FIRST CALL (U.S. and international earnings estimates), Worldscope (fundamental data on corporations in 37 countries), I/B/E/S (U.S. and international earnings estimates) and Value Line (fundamental corporate data and earnings estimates). The Company maintains its databases on continually upgraded and fully redundant Digital Equipment Corporation Alpha mainframe computers, a platform that allows for monthly, daily, hourly and real-time refreshment of data. FactSet seeks to maintain, when possible, at least two sources for each item of data.

Unlike services that charge fees based on actual system usage time, the Company charges fixed monthly amounts which vary among clients based on the number of sites and workstations from which the FactSet system is available and the number of accessible databases and specialized services to which a client subscribes. The Company believes that this pricing policy encourages clients to use the FactSet system regularly and thus to integrate the system into their decision-making processes. FactSet does not enter into formal contracts with clients, a practice which the Company believes enhances its marketing efforts by allowing clients to use the FactSet system without the requirement of a long term commitment. The Company enjoys excellent client retention--FactSet's overall client retention rate (on a revenue basis) has been over 95% in each of the past six years.

The Company's principal executive offices are located at One Greenwich Plaza, Greenwich, Connecticut 06830. The telephone number is (203) 863-1500.

DIVIDEND POLICY

The Company currently intends to retain its earnings for future growth, including growth through potential strategic acquisitions or alliances, and, therefore, does not anticipate paying any cash dividends in the foreseeable future. The payment of any future dividends will be determined by the Board of Directors in light of conditions then existing, including the Company's earnings, financial condition and capital requirements, business conditions, corporate law requirements and other factors.

DILUTION

As of February 29, 1996, the Company's net tangible book value was $24,966,505 or $2.62 per share. After giving effect to estimated expenses of $290,000 payable by the Company in connection with the Offering, the net tangible book value of the Company at February 29, 1996, would have been $24,676,505 or $2.59 per share of Common Stock. This represents an immediate decrease in net tangible book value of $0.03 per share to existing stockholders. Assuming an initial public offering price of $16.00 per share of Common Stock, there would be an immediate dilution of $13.41 per share to purchasers of the shares of Common Stock in the Offering ("New Investors"). Dilution is determined by subtracting adjusted net tangible book value per share after the Offering from the amount of cash paid by a New Investor for one common share. The following table illustrates the per share dilution:

Initial public offering price per share.....		$16.00
Net tangible book value per share before the Offering(1).....	$ 2.62	
Decrease in net tangible book value per share attributable to the Offering.....	($ 0.03)	
Net tangible book value per share after the Offering.....		$ 2.59
Dilution per share to New Investors.....		$13.41

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(1) Net tangible book value per share as of a specific date represents net tangible assets (total tangible assets less total liabilities) divided by the number of shares of Common Stock assumed to be then outstanding, without giving effect to unexercised options.

As of February 29, 1996, an aggregate of 1,451,000 shares of Common Stock were issuable upon the exercise of outstanding options at a weighted average exercise price of $2.66 per share. If all options outstanding at February 29, 1996 were exercised, the net tangible book value per share immediately after completion of the Offering would be $2.60. This would represent an immediate dilution of $13.40 per share to New Investors. See "Management--Company Stock Option Plan."

CAPITALIZATION

The following table sets forth at February 29, 1996, the historical consolidated capitalization of the Company. The information set forth in the table below should be read in conjunction with the consolidated financial statements of the Company and the notes thereto included elsewhere in this Prospectus.

	AS OF FEBRUARY 29, 1996 (IN THOUSANDS)
Cash, cash equivalents and investments(1)	$11,621
Debt	--$
Stockholders' equity(1):	
Preferred stock, par value $.01 per share, 10,000,000 shares authorized, none issued	--
Common Stock, par value $.01 per share, 40,000,000 shares authorized, 9,526,300 shares outstanding(2)	96
Capital in excess of par value	1,730
Retained earnings and other(3)	23,305
Treasury stock (51,788 shares at cost)	(164)
Total capitalization	$24,967

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(1) On an as adjusted basis, after deducting offering expenses payable by the Company estimated at $290,000 and the repayment of certain loans by one of the Selling Stockholders totalling $3,846,703, cash, cash equivalents and investments and stockholders' equity at February 29, 1996 would have been $15,177,845 and $24,676,505, respectively.

(2) Excludes 1,451,000 shares of Common Stock issuable upon exercise of outstanding stock options granted to certain employees of the Company. In addition, the Company has reserved 950,000 shares of Common Stock for issuance in connection with options issuable under the Company's 1996 Company Stock Option Plan. See "Management-- Company Stock Option Plan."

(3) Includes net unrealized gain on investments of $0.1 million.

USE OF PROCEEDS

The Selling Stockholders will receive all of the proceeds of the Offering. Promptly following the completion of the Offering, one of the Selling Stockholders will apply a portion of the proceeds to repay in full certain loans outstanding from the Company totalling $3,846,703. The Company has agreed to pay a portion of the expenses associated with the Offering. See "Certain Transactions and Relationships."

SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth selected consolidated statement of income and statement of financial condition information and operating data for each of the eight years in the period ended August 31, 1995 and the six month periods ended February 28, 1995 and February 29, 1996. The statement of income and statement of financial condition data have been derived from consolidated financial statements of the Company that have been audited by Price Waterhouse LLP, independent accountants, which, in the case of the three years ended August 31, 1995 and the six month periods ended February 28, 1995 and February 29, 1996, have been included elsewhere in this Prospectus. The following data should be read in conjunction with the Consolidated Financial Statements and the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Prospectus.

	YEARS ENDED AUGUST 31,								SIX MONTHS ENDED	
	1988	1989	1990	1991	1992	1993	1994	1995	FEBRUARY 28, 1995	FEBRUARY 29, 1996
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AND PER CLIENT DATA)									
STATEMENT OF INCOME DATA:										
Subscription revenue:										
Commissions	$ 7,136	$ 9,819	$11,178	$12,549	$14,035	$15,992	$17,745	$21,559	$ 10,699	$ 11,241
Fees	1,428	1,929	2,869	3,892	5,244	7,953	11,274	14,629	6,898	9,457
Total revenue	8,564	11,748	14,047	16,441	19,279	23,945	29,019	36,188	17,597	20,698
Expenses:										
Employee compensation and benefits	2,633	3,960	4,067	3,980	5,486	6,667	11,115(1)	11,027	5,377	6,461
Clearing fees	1,719	2,398	2,579	2,875	3,069	3,158	3,422	4,270	2,098	2,112
Data costs	673	942	1,065	1,103	1,456	2,326	2,443	3,071	1,510	1,605
Communication costs	78	87	112	190	941	1,321	2,030	2,431	1,227	1,429
Computer equipment	529	551	887	1,856	1,398	1,582	2,297	2,195	1,085	1,290
Occupancy	510	544	1,188	1,480	1,288	1,616	1,898	2,052	977	1,120
Promotional costs	420	405	430	651	991	1,384	1,384	1,870	824	1,000
Other expenses	346	510	771	787	712	939	987	1,172	486	824
Total expenses	6,908	9,397	11,099	12,922	15,341	18,993	25,576	28,088	13,584	15,841
Operating income	1,656	2,351	2,948	3,519	3,938	4,952	3,443(1)	8,100	4,013	4,857
Other income	134	218	295	230	313	208	251	570	241	430
Income before income taxes	1,790	2,569	3,243	3,749	4,251	5,160	3,694	8,670	4,254	5,287
Income taxes	840	1,253	1,588	1,648	1,916	2,281	1,747	3,731	1,810	2,265
Net income	$ 950	$ 1,316	$ 1,655	$ 2,101	$ 2,335	$ 2,879	$ 1,947(1)	$ 4,939	$ 2,444	$ 3,022
Earnings per share(2)								$ 0.48		$ 0.28
Weighted average number of shares outstanding (in thousands)(2)								10,254		10,755
STATEMENT OF FINANCIAL CONDITION DATA:										
Cash, cash equivalents and investments	$ 2,068	$ 3,684	$ 3,173	$ 5,302	$ 7,521	$ 6,173	$ 7,539	$12,725	$ 8,146	$ 11,621(3)
Total assets	4,439	5,881	9,077	11,397	13,708	20,435	22,345	28,663	21,565	30,731
Total liabilities	1,462	1,275	2,505	2,734	2,778	6,627	6,312	7,291	3,034	5,764
Stockholders' equity(4)	2,977	4,606	6,572	8,663	10,930	13,808	16,033	21,373	18,531	24,967(3)
OPERATING DATA:										
EBITDA(5)	$ 2,171	$ 2,862	$ 3,848	$ 4,931	$ 5,521	$ 6,783	$ 5,640(1)	$10,520	$ 5,260	$ 6,264
EBITDA as a percentage of revenue	25.4%	24.4%	27.4%	30.0%	28.6%	28.3%	19.4%(1)	29.1%	29.9%	30.3%
Number of clients(6)	197	216	240	260	288	316	364	387	369	412
Average revenue per client(7)	$48,798	$56,891	$61,610	$65,764	$70,361	$79,288	$85,350	$96,373	$ 48,343	$ 53,483
Annual client retention rate(8)	92.9%	93.1%	95.2%	95.9%	96.7%	95.4%	95.5%	96.1%	n/a	n/a
Number of employees	22	25	35	48	56	71	85	114	94	119

(Footnotes on following page)

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(1) Reflects the effect of special bonuses paid to certain executive officers of the Company in 1994 in the aggregate amount of $2.5 million. Excluding the special bonuses, employee compensation and benefits, operating income, net income, EBITDA and EBITDA as a percentage of revenue for fiscal 1994 would have been approximately $8,615,311, $5,943,000, $3,264,000, $8,140,000, and 28.0% respectively.

(2) See Note 2 to the Consolidated Financial Statements of the Company.

(3) On an as adjusted basis, after deducting offering expenses payable by the Company estimated at $290,000 and the repayment of certain loans by one of the Selling Stockholders totalling $3,846,703, cash, cash equivalents and investments and stockholders' equity at February 29, 1996 would have been $15,177,845 and $24,676,505, respectively. See "Use of Proceeds." Concurrently with the Offering, the Company will authorize 10,000,000 shares of preferred stock, issuable in series.

(4) No dividends were paid during the reported periods. See "Dividend Policy."

(5) EBITDA represents operating income plus depreciation and amortization. EBITDA is not a measure of financial performance under generally accepted accounting principles and should not be considered an alternative to operating or net income as an indicator of the Company's operating performance or to net cash provided by operating activities as a measure of liquidity.

(6) At December 31 of the given year.

(7) For each fiscal year, average revenue per client represents (i) revenue for the fiscal year divided by (ii) the average of (x) the number of clients at January 1 of such year and (y) the number of clients at December 31 of such year. For the six months ended February 28, 1995 and February 29, 1996, average revenue per client represents (i) revenue for the period divided by (ii) the number of clients at December 31, 1994 and 1995, respectively.

(8) Based on calendar years ending December 31. The annual client retention rate is determined by (i) subtracting from the aggregate indicated annual subscription revenue as of January 1 of a given year that portion of such revenue attributable to entities that are no longer clients as of December 31 of that year and (ii) dividing the result by the aggregate indicated annual subscription revenue as of January 1 of such year. Indicated annual subscription revenue for a particular client at a specified date means the total amount of subscription revenue that would be payable to the Company by such client over a twelve month period based on the FactSet services, databases and authorized workstations provided to such client at such date.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

The Company is a leading provider of on-line integrated database services to the financial community. The Company, which markets its services in the United States, Europe and the Pacific Rim, was formed in 1978 and has been profitable in each of the last 15 years. For the five fiscal years ended August 31, 1995, the Company sustained compound annual growth rates of revenue, operating income and net income of 21.8%, 23.2% and 23.8%, respectively. For the first six months of fiscal 1996, the Company's revenue, operating income and net income increased 17.6%, 21.0% and 23.6%, respectively, from the comparable period in fiscal 1995.

The Company's revenue is derived from subscription charges. Solely at the option of each client, these charges may be paid either in the form of commissions on securities transactions (in which case subscription revenue is recorded as Commissions) or on a cash basis (in which case subscription revenue is recorded as Fees).

To facilitate the receipt of subscription revenue on a commission basis, the Company's wholly owned subsidiary, FactSet Data Systems Inc. ("FDS"), is a member of the National Association of Securities Dealers, Inc. and is a registered broker-dealer under Section 15 of the Securities Exchange Act of 1934. FDS's only function is to facilitate the receipt of payments in respect of subscription charges and it does not otherwise engage in the securities business.

Subscription revenue paid in commissions is based on securities transactions introduced and cleared on a fully disclosed basis through two clearing brokers, Bear, Stearns & Co. and Broadcort Capital Corp. (an affiliate of Merrill Lynch & Co.). Clearance is performed by these two brokers pursuant to annually renewable contracts at volume discounted rates. A client paying subscription charges on a commission basis directs the clearing broker, at the time the client executes a securities transaction, to credit the commission on the transaction to FDS's account.

Each client's choice of paying subscription charges through commissions or cash is available regardless of the nature or amount of the services provided by FactSet to such client. When a client elects to pay subscription charges in the form of commissions, the dollar amount payable is higher than the fee that would be payable for the same services on a cash basis because of the associated clearing fee payable by the Company to the clearing broker on such transactions. However, commissions net of related clearing fees are approximately equal to the fees that would be paid by a client on a cash basis. Although the option to pay subscription charges in the form of commissions is available to all clients, it is impractical for clients that do not engage in securities transactions to utilize this method of payment.

Over the last several years, there has been a trend by both existing and new clients toward payment of subscription charges on a cash rather than commission basis. As a percentage of total revenue, commissions represented 66.8%, 61.1%, 59.6% and 54.3%, respectively, for the three fiscal years ended August 31, 1993, 1994 and 1995, and the six month period ended February 29, 1996.

Subscription charges are quoted to clients on an annual basis, but are earned as services are provided on a month to month basis. Subscription revenue recorded as Commissions and subscription revenue recorded as Fees are each recorded as earned each month, based on one-twelfth of the annual subscription charge quoted to each client. Amounts that have been earned but not yet paid through the receipt of commissions on securities transactions or through cash payments are reflected on the consolidated statement of financial condition as receivable from clients. Amounts that have been received through commissions on securities transactions or through cash payments that are in excess of a client's earned subscription revenue are reflected on the consolidated statement of financial condition as deferred fees and commissions.

FactSet does not enter into formal contracts with clients, a practice which the Company believes enhances its marketing efforts by allowing clients to use the FactSet system without the requirement of

a long term commitment. The Company enjoys excellent client retention--FactSet's overall client retention rate (on a revenue basis) has been over 95% in each of the past six years.

The basic FactSet subscription consists of: five databases including fundamental corporate data, securities prices, business news and economic data; two authorized workstations and companion home passwords; a basic application package; and client support and training. Additional databases, workstations and computer services (including enhanced and specialized applications) are available at additional cost. Consulting and training services are provided to clients free of charge.

Unlike services that charge fees based on actual system usage time, the Company charges fixed monthly amounts which vary among clients based on the number of sites and workstations from which the FactSet system is available and the number of accessible databases and specialized services to which a client subscribes. The Company believes that this pricing policy encourages clients to use the FactSet system regularly and thus to integrate the system into their decision-making processes.

Operating expenses include employee compensation and benefits, clearing fees, data costs, communication costs, computer equipment expenses, occupancy expenses, promotional costs and other expenses.

Employee compensation and benefits expenses include, in addition to employee salaries and bonuses, payroll taxes, the Company's ESOP contributions, health insurance costs and costs associated with the Company's key-man life insurance policies.

Clearing fees are directly related to commission revenue. Clearing fees for executed transactions are recorded on a trade date basis as securities transactions occur, with clearing fees related to commissions receivable recorded simultaneously with the related receivable.

Data costs consist of fees and royalties paid by the Company to database suppliers. Under agreements with certain database suppliers, the Company collects database fees from clients and pays those fees to the database supplier on the clients' behalf. In many cases, however, clients pay database suppliers directly for access to databases. Such payments are not reflected on the Company's financial statements.

Communication costs are charges paid by the Company for clients' communication with the FactSet system, including long distance telephone charges, charges associated with the Company's WAN and Internet access charges.

Computer equipment expenses consist of non-capitalized equipment acquisition costs and depreciation expense relating to the Company's mainframe computers and other related equipment, including communications equipment. The cost of communications equipment provided to clients for use at client sites is classified as an expense.

Occupancy expense includes costs related to the Company's leased facilities in Greenwich, Connecticut, New York, New York, San Mateo, California, London, England and Tokyo, Japan, as well as amortization expense relating to leasehold improvements at those facilities.

Promotional expenses consist primarily of the cost of travel for the Company's marketing personnel and consultants, costs associated with the printing of operations manuals and promotional literature and expenses relating to Company participation at industry trade shows and conventions.

Other expenses include professional expenses, office expenses and other miscellaneous expenses.

Other income consists primarily of interest income.

The Company's revenue has grown in each of the last 16 fiscal years. As discussed below, revenue for the first six months of fiscal 1996 increased 17.6% over the comparable period in fiscal 1995. The Company's recent growth results from the addition of new clients and growth in revenue from existing clients. The Company's revenue from Europe and the Pacific Rim is currently growing more rapidly on a percentage basis than revenue from the more established North American market, and the Company

expects revenue from those markets--which accounted for 5.0% of the Company's total revenue in the first six months of fiscal 1996--to constitute a larger percentage of the Company's revenue in future periods. See "Risk Factors--Risks Inherent in Growth Strategy." At March 31, 1996, indicated annual subscription revenue from clients outside the United States represented 6.8% of the Company's aggregate indicated annual subscription revenue. Indicated annual subscription revenue for a particular client at a specified date means the total amount of subscription revenue that would be payable to the Company by such client over a twelve month period based on the FactSet services, databases and authorized workstations provided to such client at such date.

Several of the Company's European and Pacific Rim clients currently pay subscription fees to the Company in foreign currency, principally British pounds sterling and Japanese yen, and in the event that revenue from international operations grows to represent a significantly larger percentage of the Company's total revenue, the Company will evaluate appropriate strategies to manage risks associated with foreign currency exchange fluctuations.

While the Company has consistently recorded year-to-year increases in revenue and net income, the acquisition of new clients during the course of any year has not historically followed a recurring pattern. As a result, the Company expects that on a quarter-to-quarter basis, there may be fluctuations in the rate of revenue growth which may not be indicative of changes in the Company's business or operations.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, certain items derived from the Company's consolidated statement of income as a percentage of revenue. Totals may not add due to rounding.

	YEARS ENDED AUGUST 31,			6 MONTHS ENDED	
	1993	1994	1995	FEBRUARY 28, 1995	FEBRUARY 29, 1996
Subscription revenue:					
Commissions	66.8%	61.1%	59.6%	60.8%	54.3%
Fees	33.2	38.9	40.4	39.2	45.7
	100.0%	100.0%	100.0%	100.0%	100.0%
Expenses:					
Employee compensation and benefits	27.8	38.3(1)	30.5	30.6	31.2
Clearing fees	13.2	11.8	11.8	11.9	10.2
Data costs	9.7	8.4	8.5	8.6	7.8
Communication costs	5.5	7.0	6.7	7.0	6.9
Computer equipment	6.6	7.9	6.1	6.2	6.2
Occupancy	6.7	6.5	5.7	5.6	5.4
Promotional costs	5.8	4.8	5.2	4.7	4.8
Other expenses	3.9	3.4	3.2	2.8	4.0
Total expenses	79.3	88.1(1)	77.6	77.2	76.5
Operating income	20.7	11.9(1)	22.4	22.8	23.5
Other income	0.9	0.9	1.6	1.4	2.1
Income before income taxes	21.5	12.7(1)	24.0	24.2	25.5
Income taxes	9.5	6.0	10.3	10.3	10.9
Net income	12.0%	6.7%(1)	13.6%	13.9%	14.6%

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(1) Reflects the effect of special bonuses paid to certain executive officers of the Company in 1994 in the aggregate amount of $2.5 million. Excluding the effects of these special bonuses, the percentage of revenue represented by each of the indicated items would be the amount specified: employee compensation and benefits, 29.7%; total operating expenses, 79.5%; operating income, 20.5%; income before income taxes, 21.3%; and net income, 11.2%.

SIX MONTHS ENDED FEBRUARY 29, 1996 COMPARED WITH THE SIX MONTHS ENDED FEBRUARY 28, 1995

Subscription revenue. Subscription revenue increased from $17.6 million for the six months ended February 28, 1995 to $20.7 million for the six months ended February 29, 1996, or 17.6%. FactSet's revenue growth resulted from an increase in the number of new clients as well as increased penetration among existing clients. The number of clients increased 11.7% from 369 at February 28, 1995 to 412 at February 29, 1996. New clients consist of new international clients, United States investment managers and United States investment banks. Average revenue per client increased 10.6% from $48,343 in the 1995 period to $53,483 in the 1996 period. Revenue growth from existing clients was attributable to an increase in the number of authorized workstations and the addition of new applications, databases and service offerings.

Employee compensation and benefits. Employee compensation and benefits increased from $5.4 million to $6.5 million, or 20.2%, from the six months ended February 28, 1995 to the six months ended February 29, 1996. As a percentage of revenue, employee compensation and benefits increased from 30.6% in the 1995 period to 31.2% in the 1996 period. This increase was due to the net addition of 27 employees to support FactSet's continued growth and expansion in existing as well as new industry segments and regions, such as Europe and the Pacific Rim, which are in the early stages of business development. To a lesser extent, the increase was due to increases in compensation and benefit costs for existing personnel.

Clearing fees. Clearing fees remained relatively constant at $2.1 million for the six months ended February 28, 1995 and six months ended February 29, 1996. Clearing fees, as a percentage of revenue, decreased from 11.9% in the 1995 period to 10.2% in the 1996 period. This decrease reflects a decrease in clearing fees per transaction as well as a shift in payment form by clients from a commission basis to a fee basis.

Data costs. Data costs increased from $1.5 million for the six months ended February 28, 1995 to $1.6 million for the six months ended February 29, 1996, or 6.3%. As a percentage of revenue, data costs decreased from 8.6% in the 1995 period to 7.8% in the 1996 period. This decrease reflects improved terms from certain database providers and economies of scale achieved from a larger client base, partially offset by the higher data costs associated with additional databases.

Communication costs. Communication costs increased from $1.2 million to $1.4 million, or 16.5%, from the six months ended February 28, 1995 to six months ended February 29, 1996. Communication costs, as a percentage of revenue, declined from 7.0% in the 1995 period to 6.9% in the 1996 period. This decline reflects the continued cost savings associated with the implementation of the Company's new communications network, partially offset by higher communication costs associated with increased usage of the FactSet system and a greater proportion of international clients.

Computer equipment. Computer equipment expenses increased from $1.1 million to $1.3 million, or 18.9%, from the six months ended February 28, 1995 to the six months ended February 29, 1996. The increase was primarily due to the higher depreciation expense associated with increased capital expenditures as well as a greater proportion of computer assets with shorter depreciable lives. As a percentage of revenue, however, computer equipment expenses remained constant at 6.2%.

Occupancy. Occupancy costs increased from $1.0 million for the six months ended February 28, 1995 to $1.1 million for the six months ended February 29, 1996, or 14.7%. As a percentage of revenue, occupancy costs decreased from 5.6% to 5.4% from the 1995 period to the 1996 period. This decrease reflects improved operating leverage from FactSet's revenue growth, partially offset by the costs associated with the expansion of its Greenwich, Connecticut facilities to accommodate the growth in its business and personnel.

Promotional costs. Promotional costs increased from $0.8 million to $1.0 million, or 21.4%, from the six months ended February 28, 1995 to the six months ended February 29, 1996. Promotional costs, as a percentage of revenue, increased slightly from 4.7% in the 1995 period to 4.8% in the 1996 period.

This increase was due to increased travel expenses associated with marketing to new industry segments and geographic regions as well as the additional expenses associated with the Company's logo change at the end of fiscal 1995.

Other expenses. Other expenses increased from $0.5 million in the six months ended February 28, 1995 to $0.8 million in the six months ended February 29, 1996, or 69.5%. As a percentage of revenue, other expenses increased from 2.8% in the 1995 period to 4.0% in the 1996 period. The increase was due to increases in miscellaneous taxes and other miscellaneous expenses.

Operating income. Operating income increased from $4.0 million for the six months ended February 28, 1995 to $4.9 million for the six months ended February 29, 1996, representing growth of 21.0%. As a percentage of revenue, operating income increased from 22.8% in the 1995 period to 23.5% in the 1996 period.

Other income. Other income increased from $0.2 million to $0.4 million, or 78.6%, from the six months ended February 28, 1995 to the six months ended February 29, 1996. This growth was due to higher levels of cash, cash equivalents and investments.

Income taxes. Income taxes increased from $1.8 million to $2.3 million, or 25.2%, from the six months ended February 28, 1995 to six months ended February 29, 1996, due to higher income before income taxes and an increase in the effective tax rate from 42.5% in the 1995 period to 42.8% in the 1996 period.

Net income. Net income increased from $2.4 million for the six months ended February 28, 1995 to $3.0 million for the six months ended February 29, 1996, or 23.6%. As a percentage of revenue, net income increased from 13.9% in the 1995 period to 14.6% in the 1996 period.

FISCAL YEAR ENDED AUGUST 31, 1995 COMPARED WITH FISCAL YEAR ENDED AUGUST 31, 1994

Subscription revenue. Subscription revenue increased from $29.0 million for the fiscal year ended August 31, 1994 to $36.2 million for the fiscal year ended August 31, 1995, or 24.7%. FactSet's revenue growth resulted from an increase in the number of new clients as well as increased penetration among existing clients. The number of clients increased 6.3% from 364 at August 31, 1994 to 387 at August 31, 1995. New clients consist of new international clients as well as United States investment managers and United States investment banks. Average revenue per client increased 12.9% from $85,350 in fiscal 1994 to $96,373 in fiscal 1995. Revenue growth from existing clients was attributable to an increase in the number of authorized workstations and the addition of new applications, databases and service offerings.

Employee compensation and benefits. Employee compensation and benefits decreased slightly from $11.1 million to $11.0 million, or 0.8%, from fiscal 1994 to fiscal 1995. Excluding the one-time special executive bonus of $2.5 million granted in 1994, employee compensation and benefits increased from $8.6 million to $11.0 million, an increase of 28.0%. Excluding such bonus, as a percentage of revenue, employee compensation and benefits increased from 29.7% in the 1994 period to 30.5% in the 1995 period. This increase was due primarily to an increase in the number of employees and increases in compensation and benefit costs of existing personnel in fiscal 1995.

Clearing fees. Clearing fees increased from $3.4 million for fiscal 1994 to $4.3 million for fiscal 1995, or 24.8%. This increase was due to the corresponding increase in commission revenue. Clearing fees, as a percentage of revenue, remained relatively constant at 11.8% for fiscal years 1994 and 1995.

Data costs. Data costs increased from $2.4 million for fiscal 1994 to $3.1 million for fiscal 1995, or 25.7%. As a percentage of revenue, data costs increased slightly from 8.4% in the 1994 period to 8.5% in the 1995 period. This increase was due to the addition of databases and the slightly higher rates charged by data suppliers.

Communication costs. Communication costs increased from $2.0 million to $2.4 million, or 19.8%, from fiscal 1994 to fiscal 1995. Communication costs, as a percentage of revenue, declined from 7.0% in the 1994 period to 6.7% in the 1995 period. This decline reflects the cost savings associated with the implementation of the Company's new communications network, partially offset by higher communication costs associated with increased usage of the FactSet system.

Computer equipment. Computer equipment expenses decreased from $2.3 million to $2.2 million, or 4.4%, from fiscal 1994 to fiscal 1995. Computer equipment expenses, as a percentage of revenue, decreased from 7.9% in the 1994 period to 6.1% in the 1995 period. This decrease primarily reflects economies of scale resulting from the Company's larger client base.

Occupancy. Occupancy costs increased from $1.9 million for the fiscal year ended August 31, 1994 to $2.1 million for the fiscal year ended August 31, 1995, representing an increase of 8.1%. As a percentage of revenue, occupancy costs decreased from 6.5% to 5.7% from fiscal 1994 to fiscal 1995. This decrease reflects improved operating leverage from the Company's revenue growth, partially offset by the costs associated with expansion and opening a new office in Tokyo.

Promotional costs. Promotional costs increased from $1.4 million to $1.9 million, or 35.1%, from fiscal 1994 to fiscal 1995. Promotional costs, as a percentage of revenue, increased from 4.8% in the 1994 period to 5.2% in the 1995 period. This increase was due primarily to increased travel expenses associated with marketing to new industry segments and geographic regions.

Other expenses. Other expenses increased from $1.0 million in fiscal 1994 to $1.2 million in fiscal 1995, or 18.7%. As a percentage of revenue, other expenses decreased from 3.4% in the 1994 period to 3.2% in the 1995 period. The decrease was due to improved operating leverage from the Company's revenue growth, partially offset by increases in miscellaneous taxes and other miscellaneous expenses.

Operating income. Operating income increased from $3.4 million for the fiscal year ended August 31, 1994 to $8.1 million for the fiscal year ended August 31, 1995, or 135.2%. Excluding the one-time special executive bonus of $2.5 million, operating income for fiscal 1994 was $5.9 million, and the growth rate from fiscal 1994 to fiscal 1995 was 36.3%. Excluding the one-time bonus, as a percentage of revenue, operating income increased from 20.5% in fiscal 1994 to 22.4% in fiscal 1995.

Other income. Other income increased from $0.3 million to $0.6 million, or 127.0%, in fiscal 1994 to fiscal 1995. This increase was due to higher levels of cash, cash equivalents and investments, higher rates of return and the impact of losses on investments in fiscal 1994.

Income taxes. Income taxes increased from $1.7 million to $3.7 million, or 113.5%, from fiscal 1994 to fiscal 1995. The effective tax rate decreased from 47.3% in the 1994 period to 43.0% in the 1995 period, reflecting a decrease in non-deductible expenses, primarily premiums on executive officers' life insurance policies.

Net income. Net income increased from $1.9 million for the fiscal year ended August 31, 1994 to $4.9 million for the fiscal year ended August 31, 1995, or 153.7%. Excluding the one-time special executive bonus of $2.5 million, net income for fiscal 1994 was approximately $3.3 million, and the growth rate of net income from fiscal 1994 to fiscal 1995 was 51.3%. Excluding the one-time bonus, as a percentage of revenue, net income increased from 11.2% in fiscal 1994 to 13.6% in fiscal 1995.

FISCAL YEAR ENDED AUGUST 31, 1994 COMPARED WITH FISCAL YEAR ENDED AUGUST 31, 1993

Subscription revenue. Subscription revenue increased from $23.9 million for the fiscal year ended August 31, 1993 to $29.0 million for the fiscal year ended August 31, 1994, or 21.2%. FactSet's revenue growth resulted from an increase in the number of new clients as well as increased penetration among existing clients. The number of clients increased 15.2% from 316 at August 31, 1993 to 364 at August 31, 1994. New clients consist of new international clients as well as U.S. investment managers and U.S. investment banks. Average revenue per client increased 7.6% from $79,288 in fiscal 1993 to $85,350 in fiscal 1994. Revenue growth from existing clients was attributable to an increase in the

number of authorized workstations and the addition of new applications, databases and service offerings.

Employee compensation and benefits. Employee compensation and benefits increased from $6.7 million to $11.1 million, or 66.7%, from fiscal 1993 to fiscal 1994. Excluding the one-time special executive bonus of $2.5 million granted in 1994, employee compensation and benefits increased from $6.7 million to $8.6 million, or 29.2%. Excluding such bonus, as a percentage of revenue, employee compensation and benefits increased from 27.8% in the 1993 period to 29.7% in the 1994 period. This increase was due to an increase in the number of employees and increases in compensation and benefits costs for existing personnel.

Clearing fees. Clearing fees increased from $3.2 million for fiscal 1993 to $3.4 million for fiscal 1994, or 8.4%. This increase was due to the corresponding increase in commission revenue. Clearing fees, as a percentage of revenue, declined from 13.2% in the 1993 period to 11.8% in the 1994 period. This decline reflects the shift in payment form by clients from a commission basis to a fee basis.

Data costs. Data costs increased from $2.3 million for fiscal 1993 to $2.4 million for fiscal 1994, or 5.1%. As a percentage of revenue, data costs decreased from 9.7% in the 1993 period to 8.4% in the 1994 period. This decrease reflects improved terms from certain database providers and economies of scale achieved from increased revenue and clients, partially offset by the higher data costs associated the addition of databases.

Communication costs. Communication costs increased from $1.3 million to $2.0 million, or 53.7%, from fiscal 1993 to fiscal 1994. Communication costs, as a percentage of revenue, increased from 5.5% in the 1993 period to 7.0% in the 1994 period. The increase was due to the increased usage of the FactSet system by its existing and new clients, particularly international clients.

Computer equipment. Computer equipment expenses increased from $1.6 million to $2.3 million, or 45.1%, from fiscal 1993 to fiscal 1994. As a percentage of revenue, computer equipment expenses increased from 6.6% in the 1993 period to 7.9% in the 1994 period. This increase reflects the higher depreciation expense associated with increased capital expenditures and computer equipment costs associated with the implementation of the WAN.

Occupancy. Occupancy costs increased from $1.6 million for the fiscal year ended August 31, 1993 to $1.9 million for the fiscal year ended August 31, 1994, or 17.5%. As a percentage of revenue, occupancy costs decreased from 6.7% to 6.5% from the 1993 period to the 1994 period. This decrease reflects improved operating leverage from the Company's revenue growth, partially offset by the costs associated with expansion and opening of new offices in London and San Mateo.

Promotional costs. Promotional costs remained constant at $1.4 million in fiscal 1994 and fiscal 1993. Promotional costs, as a percentage of revenue, decreased from 5.8% in the 1993 period to 4.8% in the 1994 period. This decrease reflects improved operating leverage from the Company's revenue growth.

Other expenses. Other expenses increased from $0.9 million in fiscal 1993 to $1.0 million in fiscal 1994, or 5.0%. As a percentage of revenue, other expenses decreased from 3.9% in the 1993 period to 3.4% in the 1994 period. This decrease was due to improved operating leverage from the Company's revenue growth, partially offset by increases in miscellaneous expenses.

Operating income. Operating income decreased from $5.0 million for the fiscal year ended August 31, 1993 to $3.4 million for the fiscal year ended August 31, 1994, or 30.5%. Excluding the one-time special executive bonus of $2.5 million granted in 1994, operating income for fiscal 1994 was $5.9 million, and the growth rate from fiscal 1993 to fiscal 1994 was 20.0%. Excluding the one-time bonus, as a percentage of revenue, operating income decreased from 20.7% in fiscal 1993 to 20.5% in fiscal 1994.

Other income. Other income increased from $0.2 million to $0.3 million, or 20.6%, in fiscal 1993 to fiscal 1994. This increase was due to higher levels of cash, cash equivalents and investments, offsetting an unrealized loss on the investments in the limited partnership.

Income taxes. Income taxes decreased from $2.3 million to $1.7 million, or 23.4%, from fiscal 1993 to fiscal 1994 due to lower income before income taxes. The effective tax rate increased from 44.2% in the 1993 period to 47.3% in the 1994 period due to an increase in non-deductible expenses, primarily premiums on officers' life insurance policies.

Net income. Net income decreased from $2.9 million for the fiscal year ended August 31, 1993 to $1.9 million for the fiscal year ended August 31, 1994, or 32.4%. Excluding the one-time special executive bonus of $2.5 million granted in 1994, net income for fiscal 1994 was approximately $3.3 million, and the growth rate from fiscal 1993 to fiscal 1994 was 13.4%. Excluding the one-time bonus, as a percentage of revenue, net income decreased from 12.0% in fiscal 1993 to 11.2% in fiscal 1994.

QUARTERLY COMPARISONS

The following table sets forth certain quarterly financial information of the Company for each quarter in fiscal 1995 and for the first two quarters of fiscal 1996. The information has been derived from the quarterly financial statements of the Company which are unaudited but which, in the opinion of management, have been prepared on the same basis as the financial statements included herein and include all adjustments (consisting only of normal recurring items) necessary for a fair presentation of the financial results for such periods. This information should be read in conjunction with the financial statements and the notes thereto and other financial information appearing elsewhere in this Prospectus. The operating results for any quarter are not necessarily indicative of results for any future period.

	THREE MONTHS ENDED					
	NOV. 30, 1994	FEB. 28, 1995	MAY 31, 1995	AUG. 31, 1995	NOV. 30, 1995	FEB. 29, 1996
	(DOLLARS IN THOUSANDS)					
STATEMENT OF INCOME DATA:						
Subscription revenue	$8,613	$ 8,984	$9,070	$9,521	$ 10,137	$ 10,561
Operating income	1,958	2,055	1,948	2,139	2,323	2,534
Net income	1,171	1,273	1,210	1,285	1,464	1,558
AS A PERCENTAGE OF REVENUE:						
Operating income	22.7%	22.9%	21.5 %	22.5%	22.9%	24.0%
Net income	13.6	14.2	13.3	13.5	14.4	14.7

LIQUIDITY AND CAPITAL RESOURCES

FactSet historically has met its liquidity and capital investment needs with cash generated from operations. At February 29, 1996, FactSet had cash, cash equivalents and investments of $11.6 million. The Company invests primarily in short-term investments such as money market funds and treasury bills, and has an investment in a limited investment partnership that invests primarily in convertible bonds and preferred stocks.

FactSet's net cash provided by operating activities was $1.7 million, $4.0 million and $7.3 million in fiscal 1993, 1994 and 1995, respectively. The increasing trend of positive net cash generated from operations was due to increasing profitability and decreasing receivables as a percentage of revenue. For the six months ended February 29, 1996, net cash provided by operating activities was $1.3 million compared to $1.4 million for the comparable period in 1995. This slight decrease was due to an increase in accounts receivable associated with revenue growth as well as the timing of tax payments.

The Company's net cash used in investing activities was $4.0 million, $3.8 million and $1.0 million in fiscal 1993, 1994 and 1995, respectively, and $2.6 million for the first six months of 1996. Net cash provided by investing activities was $45,000 in the first six months of 1995. The principal uses have been for capital expenditures, primarily computer hardware and related equipment and office equipment.

The Company anticipates capital expenditures to be $5.7 million and $4.8 million for fiscal 1996 and 1997, respectively.

The Company believes cash generated from operations will be sufficient to satisfy working capital and capital expenditure requirements for the foreseeable future. However, in the event the Company were to pursue strategic acquisitions or alliances, it may require additional sources of debt or equity financing.

RECENTLY ISSUED ACCOUNTING STANDARDS

In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123, Accounting for Stock Based Compensation ("SFAS 123"). SFAS 123, the disclosure provisions of which must be implemented for fiscal years beginning subsequent to December 15, 1995, establishes a fair value based method of accounting for stock based compensation plans, the effect of which can either be disclosed or recorded. The Company will adopt the disclosure provisions of SFAS 123 in the fiscal year which begins on September 1, 1996. The Company intends to retain the intrinsic value method of accounting for stock based compensation which it currently follows.

OVERVIEW

FactSet is a leading provider of on-line integrated database services to the financial community. The Company, which markets its services in the United States, Europe and the Pacific Rim, combines multiple large-scale databases into a single, coherent mainframe computer information system accessible from clients' personal computer terminals. The Company's aggregated data library provides a broad variety of financial and economic information, including fundamental data on more than 20,000 companies worldwide. By allowing clients the ability to simultaneously access multiple databases as if they were part of a single database and search for and download specific data directly into their spreadsheets and other work products, FactSet provides investment managers, investment banks and other financial institutions with a comprehensive, "one-stop" source for financial information and analytics. The Company's advanced, proprietary software tools enable clients to manipulate and analyze the data provided by the Company and present it in a wide variety of formats, including custom reports designed by the clients. At May 31, 1996, over 400 clients with more than 4,500 authorized workstations subscribed to the Company's services, including many leading investment managers and investment banks.

The Company was formed in 1978 and has been profitable in each of the last 15 years. For the five fiscal years ended August 31, 1995, the Company sustained compound annual growth rates of revenue, operating income and net income of 21.8%, 23.2% and 23.8%, respectively. For the first six months of fiscal 1996, the Company's revenue, operating income and net income increased 17.6%, 21.0% and 23.6%, respectively, from the comparable period in fiscal 1995.

INDUSTRY OVERVIEW

The worldwide market for financial information is estimated to have grown 13% in 1995 to approximately $10.0 billion. The primary users of financial information of the type provided by the Company are investment managers and investment banks. In the United States alone, there are currently an estimated 908 investment managers with over $500 million under management and 151 investment banks with over $20 million in capital. The market for financial information, both in the United States and worldwide, is expected to continue to demonstrate strong growth for the foreseeable future. Factors which the Company believes contribute to this industry growth include (i) the underlying growth of the investment management business with its requisite information needs; (ii) improved technology providing end users with substantially increased analytic capabilities and the ability to inexpensively and rapidly store, access and transfer large amounts of data; (iii) the increasingly competitive investment environment requiring immediate access to accurate information; (iv) the growth of alternative investment institutions such as hedge funds and limited partnerships; and (v) the development of complex financial instruments with large associated information requirements.

The market for financial information services is undergoing significant change, driven by rapid growth in the amount of available information and increasingly competitive global capital markets. Financial services professionals depend on a wide array of financial data including current and historical security prices, historical and estimated future company financial information, benchmark data and indices, general economic data and other financial data. In addition, the Company believes that it is becoming increasingly important for these professionals to integrate and analyze the historical relationships between multiple types of financial information in forming their investment decisions. Financial information is typically contained in databases maintained by a wide variety of vendors and provided to customers in both CD-ROM and on-line formats. In the absence of database integration, in order to utilize data from a variety of sources, an individual user must access and retrieve data from multiple separate databases, with data often in varied formats, and then must manually integrate and tabulate the accumulated data to suit his or her particular task.

Since its inception, FactSet has experienced competition from a number of financial information providers supplying data in a variety of formats. In the 1980s, the Company's primary competitors were "time-sharing" services, which sold financial data based on customers' on-line time. Although many of

these competitors were established, well-capitalized companies, the Company believes that it was able to compete successfully due to the financial services industry's need for a comprehensive and efficient source of financial data. Currently, the Company competes against a variety of news and information providers. See "--Competition." The Company believes that it will continue to compete effectively in the market for financial information based on the competitive advantages described below.

FACTSET'S COMPETITIVE ADVANTAGES

The FactSet system integrates financial data from over 50 separate databases to form an aggregated data library that allows users to search, download and manipulate all available data as if from one source without having to make adjustments for differing formats or presentations. Management believes that this attribute of the FactSet system, as well as the Company's (i) internally developed, proprietary software that allows extensive manipulation of data, including downloading directly to custom spreadsheets developed by clients for use on the FactSet system; (ii) sophisticated system architecture that allows users to access the computing power of its mainframe computer platform through its easy-to-use Window-based programs; (iii) advanced communications infrastructure, including its wide area network ("WAN"), through which approximately 25% of its clients and 50% of its authorized workstations are now connected to the FactSet system; (iv) proprietary integrated database structure, which facilitates speed and efficiency in data retrieval; (v) superior client services, including its ability to work closely with clients to develop customized data solutions; and (vi) ability to recruit, train and retain highly talented engineering and marketing personnel, have been significant to the Company's growth and profitability and provide competitive advantages over other financial data providers.

GROWTH STRATEGY

The Company intends to continue to expand its operations while maintaining attractive levels of profitability. The Company plans to introduce new service enhancements, applications and databases designed to increase penetration of existing clients and attract new clients. Growth in the Company's client base is expected to result both from an expansion of the market for financial information and from increased market share achieved in competition with other database providers. The Company has recently expanded its marketing efforts to focus on specific industry segments, including investment banking and portfolio management, and on geographic expansion to Europe and the Pacific Rim, each of which the Company believes present significant opportunities for growth. The Company will also explore strategic acquisitions and alliances as such opportunities arise. The principal components of the Company's growth strategy are:

. INTRODUCING NEW SERVICE ENHANCEMENTS AND APPLICATIONS. The Company continually seeks to develop and integrate new service enhancements and applications that make its system more useful to current clients and more attractive to new clients. In 1993, the Company deployed a wide area data transmission network that greatly improves the speed and quality of throughput to client sites and significantly enhances the ability of clients to quickly and efficiently add authorized workstations to their service subscriptions. FactSet's graphical user interface for Windows makes the FactSet system available in a user-friendly point-and-click screen environment familiar to most of today's personal computer users. FactSet has recently introduced its Alpha Testing application, which allows clients to analyze the relationship between a single or multiple variables and subsequent investment returns over time, and Cornerstone, a set of applications that allows quantitative analysts to quickly and efficiently access large amounts of data directly from the FactSet system. The Company is currently developing an interactive workstation application designed specifically for portfolio managers, which will allow integration of data from user accounting systems into the FactSet system for manipulation and presentation in FactSet reports. See "--Applications," "--System Structure" and "--Engineering and Product Development."

. ATTRACTING NEW CLIENTS AND EXPANDING CLIENT RELATIONSHIPS. The Company believes that substantial opportunities exist to both attract new clients and increase its revenues from existing

clients. While the Company has achieved excellent penetration of the largest equity investment managers (84 of the top 100 investment managers in the United States are FactSet clients), only approximately 35% of the estimated 900 investment managers in the United States with more than $500 million under management are currently FactSet clients. In addition, while 20 of the largest investment banks in the United States are FactSet clients, only approximately 44% of the estimated 151 securities firms in the United States with more than $20 million in capital are currently FactSet clients. The Company also believes that it should be able to increase revenues from its existing clients through the introduction of new applications, databases and technological innovations, many of which are in response to client demand. In addition, The Company recently formed an investment banking group to focus exclusively on sales and marketing to the investment banking sector. FactSet also recently established technical development groups focused on the development of applications and services for specific user categories such as portfolio managers and quantitative research analysts. See "--Sales and Marketing" and "--Engineering and Product Development."

. INCREASING INTERNATIONAL PENETRATION. The Company is committed to the international expansion of its customer base and established offices in London in 1993 and Tokyo in 1994 to enhance its marketing efforts and its ability to serve clients in Europe and the Pacific Rim. The Company is supporting these efforts through the development of applications and the addition of databases targeted at the international financial community. The Company has been successful in the acquisition of a number of large clients in these regions and, as a result, the annual indicated subscription revenues from clients outside the United States increased 121.9% from $1.4 million at March 31, 1995 to $3.0 million at March 31, 1996. See "--Sales and Marketing."

. PROVIDING SUPERIOR CONSULTATIVE SERVICES. Providing superior consultative services is an integral part of the Company's business philosophy and has contributed to a client retention rate of over 95% in each of the past six years. The goal of the Company's 36 full-time client support consultants is to maximize the utility of the FactSet system to clients and thereby promote lasting and mutually-profitable client relationships. Client support consultants work with clients, often at client sites, to develop custom applications tailored to clients' information needs. The Company also conducts approximately 50 training seminars across the nation annually and maintains a client support hotline and a round-the-clock emergency beeper service. Consulting and training services are provided to clients free of charge. See "--Client Support Services."

. INTEGRATING NEW DATABASES. The Company regularly adds new databases to its system. The integration of new databases, in addition to making the Company's system more useful to existing clients, enables the Company to tailor its services to the specific needs of additional user categories and markets. Recent additions to the Company's library of databases include EDGAR on FactSet, which provides access to both continuously updated text and data contained in EDGAR SEC filings, the Toyo Kezai database, a source of fundamental corporate information on Japanese companies, Morgan Stanley Capital International, which provides performance data for non-United States stock markets and industry groups, and Russell U.S. Equity Profile, which provides benchmark data on company investment styles and structure characteristics. The Company also is in the process of providing United States security prices that are updated within 20 minutes of their change (rather than once per day, as is the current practice). See "-- Databases."

APPLICATIONS

FactSet has developed advanced proprietary software tools to enable users to create investment analyses using the Company's mainframe computer and integrated data library. This software allows clients, utilizing easy-to-use Windows-based programs, to access the power of the FactSet mainframe computer to manipulate the data provided by the Company and to present that data in a wide variety of formats, including standard FactSet reports, high-speed screening, stock price reports and charts. Reports can be tailored to formats designed by or for individual clients. While many of the Company's

competitors offer similar applications, the Company believes that none offer a package of applications as comprehensive and user-friendly as those offered by the Company. See "--Competition."

FACTSET'S WINDOWS INTERFACE

Recognizing the need for a Windows interface, FactSet developed a sophisticated proprietary system, FactSet's Windows interface which makes the FactSet system available in a user-friendly point-and-click screen environment familiar to most of today's personal computer users. The Company believes that FactSet's Windows interface will enable the Company to extend its client base significantly within investment managers and investment banks.

In addition to a familiar environment, FactSet's Windows interface allows Microsoft Excel and Lotus 1-2-3 users to access data and most FactSet applications from within their spreadsheet without leaving the spreadsheet. The FactSet-Excel Link, for example, allows Excel to interact seamlessly with the FactSet system by adding the FactSet system menu to the Excel menu bar. This pull-down menu currently enables clients to log on to the FactSet system, search for company identifiers and download data from within the Excel environment. In addition to saving time, this product allows the Company's clients to analyze data using their own customized reports and to create, produce and print charts and graphs automatically. The Company believes that client usage of the FactSet system has increased significantly since the introduction of its Windows interface.

DATA DOWNLOADING

Data Downloading allows clients to simultaneously access disparate sources of information and place data in discrete and selected spreadsheet cells. Using a combination of a personal computer spreadsheet program (Microsoft Excel or Lotus 1-2-3) and the Company's mainframe library, clients are able to create a complete custom report incorporating data from any FactSet database as well as from any private databases clients maintain on the FactSet system or their own computers.

To perform Data Downloading, a client creates a spreadsheet template containing request codes in FactSet syntax. The client then downloads the data into the template through the FactSet system and can then manipulate the data locally in his spreadsheet.

In addition to downloading individual data points, the FactSet system can perform calculations on several data items and download the result directly rather than using a spreadsheet formula to calculate the cells of information. This is particularly useful for calculating complex statistical functions requiring vast amounts of data.

UNIVERSAL SCREENING

The Company's Universal Screening utility allows clients to determine, across all the data contained in the Company's integrated data library, which companies or particular securities meet certain fundamental or market criteria. There are two primary applications for Universal Screening. Analysts or portfolio managers, for example, can use the FactSet system to calculate such indicators as the market-weighted price/earning ratios of selected industry groups. Similarly, users can select a group of companies, such as those comprising the S&P 500, calculate their average return on equity and then rank companies or sectors relative to that average. In each case, the calculations are performed by the mainframe, requiring no downloading of data.

Universal Screening is also frequently used by clients to define a universe of companies or security issues. Beginning with the 20,000 companies for which fundamental data is provided on the FactSet system, a client can quickly narrow the list using a combination of parameters chosen by the client. Results can be sorted according to one of the selected criteria, a weighting of multiple factors or upon a set of entirely new parameters. The FactSet system also provides a number of report writing tools that permit clients to customize the output. Output and reports may be saved on the FactSet system and rerun regularly or at specified later dates.

The Company also maintains a library containing thousands of pre-programmed formulas commonly used by analysts to measure corporate size, profitability, growth and valuation. Each of these screening items is recalculated nightly. Clients may also create their own formulas, store them in the

system's Formula Library, and retrieve them using a mnemonic. In addition, clients can save "Private Ticker Lists" to capture a particular corporate universe.

STANDARDIZED ANALYTIC REPORTS

The Company offers three preformatted analytic reports: The Company FactSet, the Business Segment Analysis and the Industry FactSet. Each of these reports provides a detailed analysis of a company or industry in a brief, standardized format.

- The Company FactSet. The Company FactSet provides financial ratio, stock performance and capital structure analysis for an individual company for the last twelve months and for ten prior years. Introduced in 1979, the Company FactSet was the Company's first product.

- The Business Segment Analysis. The Business Segment Analysis displays data on a company's reported lines of business, providing a seven year history of sales, operating profits, assets and capital expenditures for each segment and concluding with a composite analysis.

- The Industry FactSet. The Industry FactSet is a four page report showing detailed financial data for the companies in a particular industry. Individual company size, profitability and growth characteristics are displayed in a comparative format. All income accounts, balance sheets and profitability factors are then combined to create an industry aggregate.

The FactSet system also includes a series of pre-formatted display screens which facilitate the examination of raw data in the various FactSet databases. These screen reports are either unique to the particular database or common to a class of databases (e.g., securities prices, whether from IDC or Exshare). In most cases, a ticker symbol is all that is required for information retrieval.

INVESTMENT GRAPHICS

The Company has preprogrammed a set of charts which can be displayed on-screen and printed. FactSet system graphs present earnings power, growth rates and stock valuation, and include quarterly earnings and sales changes, price/earnings and price/book ratios and relative profitability charted against price/earning ratios. Clients can select from one or more price or valuation charts and vary the start date, currency or scaling, display a relative price line, add volume or moving averages or include other display options.

PRIVATE DATABASE SERVICE

The Company offers clients the ability to store their own databases on the FactSet system and access those databases from multiple locations. Using the Private Database Service, clients can store portfolio and investment information, as well as subsets of the FactSet database, on the Company's mainframe computers.

ALPHA TESTING

Alpha Testing is a service offered to clients by the Company that allows clients to analyze the relationship between a single or multiple variables and subsequent investment returns over time. The Company's alpha testing model contains a large number of preprogrammed specifications and formulas, or clients can input their own. Clients can place results directly into a variety of report formats as well as their own spreadsheets or other work products.

CORNERSTONE

Cornerstone is a set of applications that allows quantitative analysts to quickly and efficiently access large amounts of data directly from the FactSet system. Cornerstone provides the tools those analysts need to specify the sources of data and the layout of the resulting data sets. Freshly updated data sets can then be transferred, at dates and times specified by the client, directly to client workstations for further processing.

SALES AND MARKETING

SALES

The FactSet system is sold and marketed through the Company's direct sales and marketing staff, which as of March 31, 1996, consisted of 24 full time employees based at the Company's Greenwich, Connecticut headquarters and at its offices in San Mateo, California, London and Tokyo. Marketing the Company's services requires a skill set which includes knowledge of financial information, information technology and the financial services industry. FactSet has been successful in recruiting, training and retaining talented marketing professionals that meet these criteria. On average, the Company's sales and marketing personnel have been with the Company in excess of seven years and, with few exceptions, spent their first several years in training with FactSet as technical support consultants.

The Company believes that substantial opportunities exist to both attract new clients and increase its revenues from existing clients. While the Company has achieved excellent penetration of the largest equity investment managers (84 of the top 100 investment managers in the United States are FactSet clients), only approximately 35% of the estimated 900 investment managers in the United States with more than $500 million under management are currently FactSet clients. In addition, while 20 of the largest investment banks in the United States are FactSet clients, only approximately 44% of the estimated 151 securities firms in the United States with more than $20 million in capital are currently FactSet clients. The Company believes that it should be able to increase revenue from its existing clients through the introduction of new applications, databases and technological innovations, many of which are in response to client demand. The Company recently formed an investment banking group to focus exclusively on sales and marketing to the investment banking sector. FactSet also recently established technical development groups focused on the development of applications and services for specific user categories such as portfolio managers, quantitative research analysts and investment bankers. See "-- Engineering and Product Development."

Between 1988 and 1995, average revenue per client increased from $48,798 to $96,373. This growth resulted to a significant degree from an expansion in the number of databases offered, the addition of new services and growth in the number of workstations per client. As described above, the Company is continuing to develop new applications and services, as well as focused marketing and technical development groups, in order to increase revenues through a further increase in the number of databases and workstations within its clients.

The Company believes that significant opportunities also exist to market its services internationally. In 1992, the Company began adding databases to the FactSet system--such as Extel and Worldscope--that broadened the system's international scope and enhanced its appeal to international financial services companies. This globalization of the FactSet system's data is ongoing.

The Company opened its London office in 1993 and, as of March 31, 1996, the Company had 28 clients in Europe with aggregate indicated annual subscription revenues of over $2.4 million. The London office currently includes 11 personnel, including four sales personnel and five client support consultants. The Company's strategy for the European market is to obtain additional clients by increasing potential clients' knowledge of the Company's services and by adding applications and databases to the FactSet system that are particularly suited to those clients' needs.

The Company began to market its services in the Pacific Rim (principally Japan, Hong Kong and Singapore) in 1993 and now operates an office in Tokyo with two sales personnel and two client support consultants. The Tokyo office is fully linked to FactSet's global communications network, and the Company's bilingual staff provide both telephone and on-site marketing and technical support for the region.

The Company is focusing its marketing efforts in Japan on the international and domestic sections of large Japanese institutional investment firms, the Japanese divisions of non-Japanese institutional money managers and the research departments of both Japanese and non-Japanese securities firms. The Company has invested considerable resources in developing relationships with potential Japanese clients and studying the particular needs of Japanese financial services companies. Currently, FactSet has 11

Pacific Rim clients--including two of the four largest trust banks in Japan--with over $800,000 in aggregate indicated annual subscription revenues. In Hong Kong and Singapore, the Company is focusing on marketing to regional money management and securities firms, which are often the local operations of global entities that already have an existing relationship with FactSet.

The Company's strategy is to increase its client base in the Pacific Rim by continuing to adapt its services to the needs of those markets. For example, the Company recently added the Toyo Kezai database, a source of fundamental corporate information on Japanese companies. In addition, the Company believes it will benefit from the increasing use by Pacific Rim financial services companies of LAN-based office computer information systems, which the Company believes will lead to a shift from in-house mainframe environments to one where the focus is an interactive desktop.

PRICING

The Company seeks to make its services integral to its clients' investment decision processes. Thus, unlike services that charge fees based in whole or part on actual system usage time, the Company charges fixed monthly amounts which vary among clients based on the number of sites and workstations from which the FactSet system is available and the number of accessible databases and specialized services to which a client subscribes. The Company believes that this pricing policy encourages clients to use the FactSet system regularly. The Company does not enter into formal contracts with clients, a practice which the Company believes enhances its marketing efforts by allowing clients to use the FactSet system without the requirement of a long term commitment.

Although the Company's subscription charges are quoted to clients in annual amounts, they are earned as services are provided on a month to month basis. The basic FactSet subscription consists of: five databases including fundamental corporate data, securities prices, business news and economic data; two authorized workstations and companion home passwords; a basic application package; and client support and training. Additional databases, passwords and services (including enhanced and specialized applications) are available at additional cost. Over 90% of existing FactSet clients subscribe to additional system services. In many instances, clients must also pay access fees directly to the database providers.

Each FactSet client has the option to pay subscription charges to the Company either in the form of commissions on securities transactions or on a cash basis. This choice is available regardless of the nature or amount of the services provided by FactSet to such client. When a client elects to pay subscription fees in the form of commissions, the dollar amount payable is higher than the fee that would be payable on a cash basis because of the associated clearing fees payable by the Company on such transactions. However, commissions net of related clearing fees are approximately equal to the fees that would be paid by a client on a cash basis. In addition, although the option to pay subscription charges in the form of commissions is available to all clients, it is impractical for clients that do not engage in securities transactions to utilize this method of payment.

CLIENTS

The Company's client base consists of investment managers, investment banks and, to a very limited extent, corporations and accounting firms. The Company currently has over 400 clients, the substantial majority of which are located in the United States. For fiscal 1995, average revenue per client was $96,373, with over 30% of the Company's clients producing more than $100,000 of annual revenue. The Company's top ten clients accounted for approximately 11% of revenues and revenue from the largest client was approximately $900,000.

Investment managers (including the trust departments of commercial banks) make up the Company's largest client group. As of March 31, 1996, approximately 324 of the Company's clients were investment managers, representing approximately 79% of the Company's total client base. For the fiscal year ended August 31, 1995, investment management clients accounted for approximately 82% of the Company's revenue.

Investment banking firms and broker-dealers (as distinguished from their asset management affiliates) constitute the Company's second largest client group. As of March 31, 1996, approximately 71 of the Company's clients were investment banks. While the Company has achieved moderate penetration of the major firms in this sector, the Company believes that the investment banking area continues to represent an opportunity for growth.

The Company's major clients have spent increasing amounts on the Company's services. The following table sets forth the aggregate indicated annual subscription revenue from the Company's top ten current clients (with minimum five year history) at December 31 of each year and the compound annual growth rate of such revenue over the period depicted.

AGGREGATE INDICATED ANNUAL SUBSCRIPTION REVENUE
FROM THE COMPANY'S TOP TEN CLIENTS

1990	1991	1992	1993	1994	1995	COMPOUND ANNUAL GROWTH RATE
(DOLLARS IN THOUSANDS)						
$1,209	$1,714	$2,026	$2,500	$3,249	$4,036	27.3%

The Company's revenue per client has sustained consistent growth, growing from $65,764 per client at December 31, 1991 to $96,373 per client at December 31, 1995. The Company enjoys excellent client retention--FactSet's overall client retention rate (on a revenue basis) has been over 95% in each of the past six years.

CONSULTATIVE SERVICES

Providing superior consultative services is an integral part of the Company's business philosophy and has contributed to a client retention rate of over 95% in each of the past six years. The goal of the Company's 36 full-time client support consultants is to maximize the utility of the FactSet system to clients and thereby promote lasting and mutually-profitable client relationships. Client support consultants work with clients, often at client sites, to develop custom applications tailored to clients' information needs. The Company also conducts several dozen training seminars across the nation annually and maintains a client support hotline and a round-the-clock emergency beeper service. Consulting and training services are provided to clients free of charge.

SYSTEM STRUCTURE

The design of the FactSet information system is based on the Company's belief that time sensitive information and complex searches and data manipulations can be best managed and delivered from a mainframe hub out to client networks and workstations. The linkage of the Company's mainframe computer power, speed and storage capacity with client terminals and networks results in a highly capable and efficient information delivery system.

MAINFRAME PLATFORM

The Company maintains its databases on continually upgraded and fully redundant Digital Equipment Corporation Alpha mainframe computer platforms. To minimize the risk of interrupted operation, the Company maintains redundant mainframe data centers in Greenwich, Connecticut and New York City. On a day-to-day basis, the New York data center handles New York City clients and those clients situated west of the Mississippi, while the Greenwich data center handles the entire East Coast except New York City. The Company has designed the capacity of its mainframe and data storage facilities so that in the event either data center were to cease operation, the other could immediately begin serving all clients from a single location.

The Company's mainframe platform allows for monthly, daily, hourly and even real-time refreshment of data. The Company believes that this system provides advantages as opposed to alternative systems, including CD ROM based systems, which generally cannot be updated with the same frequency. The Company's databases are updated with a combination of on-line and tape input. For example, securities prices are wire-fed from both IDC and Extel, as are newswires, EDGAR SEC Filings and FIRST CALL Earnings Estimates. Other databases are tape feeds, with updates conducted overnight.

The Company has developed an advanced, proprietary file structure that allows the FactSet system to provide faster data access speeds. In addition, as part of its database integration function, the Company continually screens for and corrects anomalous data received from suppliers. Adjustments for corporate actions, such as stock splits, are made across all databases to ensure continuity of the data. All screening libraries, involving billions of calculations, are recalculated whenever data are refreshed.

TELECOMMUNICATIONS

The Company's communications system is designed to provide a high-speed platform for the delivery of financial and other information. The system is capable of delivering bandwidth-consuming graphics as well as numerical data and can be extended to serve as a distribution vehicle for other financial information products.

Clients communicate with the Company's system via traditional dial-up telephone modem, direct hardwire with the client, WAN or the Internet. In mid 1993, the Company put into operation a wide area network, or WAN, utilizing frame relay protocols and the SprintNet and NYNEX telecommunications networks. This network configuration allows higher speed data transmission to clients' local area networks and is compatible with all standard local area network protocols. Advantages to clients include data transfer at 56 kilobits per second, unlimited access time without log-outs and the ability to quickly and efficiently add authorized workstations to their service subscriptions. As of March 31, 1996, approximately 25% of FactSet's clients (representing 50% of the Company's authorized workstations) were linked to FactSet via the WAN.

ENGINEERING AND PRODUCT DEVELOPMENT

The Company recognizes that its continued success depends upon its ability to enhance the FactSet system and to introduce new services that adequately anticipate and address technological and market developments and the needs of the Company's clients. The Company maintains an extensive staff of engineers focusing on both new and improved software applications and system structure and operations.

The Company is continually refining the process by which new and disparate databases are integrated into the FactSet system. The Company is developing a generalized integration system that it believes will significantly reduce the lead time and costs associated with the addition of new databases. The Company is also developing sophisticated tools for monitoring and maintaining the quality and integrity of data in the FactSet system as such data is routinely updated via feeds from database providers.

The Company's software engineers are developing applications designed to enhance and leverage the success of FactSet's Windows interface. In connection with this interface, the Company has developed sophisticated system architecture that allows FactSet to centrally control the screen environment of and on-screen special service options available to individual users, thereby eliminating the need to continually upgrade FactSet software on clients' personal computers and workstations. The Company's engineers are also focusing on the needs of the Company's various client groups, and the product development cycle often involves consultation with and feedback from clients. The Company is currently developing an interactive graphics package for portfolio managers that will allow the

integration of data from user accounting systems into the FactSet system so that such data can be readily used and presented in client reports.

DATABASES

As of March 31, 1996, the Company acquired data from 30 information providers supplying over 50 databases. The Company seeks to maintain, when possible, at least two sources for each item of data. The Company contracts with database vendors on either a fixed fee or royalty (per client) basis, with the contracts generally renewable annually and cancelable on one year's notice. FactSet is a significant distributor for many of the databases provided by the Company.

Currently, the databases offered by the Company as part of its basic subscription package include fundamental corporate data, securities prices, business news and economic data.

As of March 31, 1996, 91% of the Company's clients subscribed for databases in addition to those offered with the Company's basic service. The Company charges clients based on a fixed annual surcharge for each additional database to which a client desires access. For most databases, the client must also pay an annual fee directly to the database provider.

The integration of new databases, in addition to making the FactSet system more useful to existing clients, enables the Company to tailor its services to the specific needs of additional user categories and markets. In 1993, the Company added a number of new databases to its library, including earnings estimates from I/B/E/S International, international fundamental corporate data from GLOBAL Vantage and portfolio data from BARRA and F.T. Actuaries. Additions in 1994 included data from Morgan Stanley Capital International and EDGAR SEC filings. In 1995, the Company added International Finance Corporation ("IFC") industry data. The IFC, a subsidiary of the World Bank, is a provider of indices covering emerging markets. The Company also recently introduced the Toyo Kezai database, a source of fundamental corporate information on Japanese companies, CDA Signal and the Russell U.S. Equity Profile, a comprehensive four-page report that computes attribution characteristics of selected portfolios and benchmarks.

The table below lists the universe of data sources available on the FactSet system.

	DATABASE SUPPLIER	NUMBER OF COMPANIES OR ISSUES	LENGTH OF HISTORY	UPDATE CYCLE
CORPORATE AND MARKET				
FINANCIAL DATA	COMPUSTAT Annual Industrials	10,000	20 Years	Weekly
	COMPUSTAT Quarterly Industrials	10,000	48 Quarters	Weekly
	COMPUSTAT GLOBAL Vantage	11,000	Up to 12 years	Biweekly/Monthly
	COMPUSTAT Business Segment	8,000	7 Years	Weekly
	COMPUSTAT Geographic Segment	8,000	7 Years	Weekly
	COMPUSTAT Bank	150	20 Years/40 Quarters	Weekly
	COMPUSTAT Telecommunications	100	20 Years/40 Quarters	Weekly
	COMPUSTAT Utility	300	20 Years/40 Quarters	Weekly
	COMPUSTAT Research Annual	7,700	20 Years	Weekly
	COMPUSTAT Research Quarterly	7,700	48 Quarters	Weekly
	COMPUSTAT SIC Code	10,000	Current	Weekly
	COMPUSTAT Canadian Annual, Quarterly, PDE	600	20 Years/20 Quarters	Weekly
	Ford Investor Service	3,360	Since 1970	Weekly

	DATABASE SUPPLIER	NUMBER OF COMPANIES OR ISSUES	LENGTH OF HISTORY	UPDATE CYCLE
	Morgan Stanley Capital International	4,200	7 years	Daily/Monthly
	Toyo Keizai Inc.	2,900	15 years	Weekly
	Value Line Fundamental Databases	5,000	Since 1969	Weekly
	Worldscope Global	12,500	Since 1980	Weekly
	Worldscope Emerging Markets	2,500	Since 1990	Weekly
SECURITIES PRICES				
	I.D.C. Stock & Option Prices	36,000	Since November 1984	Daily
	I.D.C. Bond Prices	15,000	Since July 1987	Daily
	Exshare Global Equity Prices	30,000	Since March 1985	Daily
	FactSet Historical Prices	25,000	Since 1972	Daily
	COMPUSTAT Price/Dividends/Earnings	10,000	Since January 1962	Monthly
	COMPUSTAT Research Price/Dividend/Earnings	7,700	Since January 1962	Monthly
BUSINESS				
NEWS/CORPORATE DESCRIPTIONS	FIRST CALL Notes	5,500	Since 1993	Real-Time
	S&P Corporation Records	12,000	Since 1988	Biweekly
	S&P Daily News	12,000	Since 1988	Daily
	PR Newswire	15,000	Since 1990	Real-Time
	Business Wire	10,000	Since October 1992	Real-Time
	CDA/Investnet Signal II	6,500	Since 1985	Weekly
	Information Access Private Companies	180,000	Since 1990	Monthly
SEC				
INFORMATION	EDGAR SEC Filings	20,000	Since April 1993	Real-Time
EARNINGS				
ESTIMATES	FactSet/FIRST CALL RTEE	6,500	Since June 1989	Real-Time
	I/B/E/S U.S. Earnings Estimates (annual & quarterly)	over 5,000	3 Years	Daily
	I/B/E/S U.S. Historical Estimates (annual & quarterly)	10,500	20 Years	Weekly
	I/B/E/S International Estimates	11,000	3 Years	Weekly
	I/B/E/S International Historical Estimates	16,000	9 Years	Weekly
	Value Line Estimates/Projections	1,600	Since May 1992	Weekly
BENCHMARK DATA				
	Standard & Poor's Indices	9 Indices; 1,500 Companies	Current	Daily
	Russell U.S. Equity Profiles	18 Indexes	Since 1990	Monthly
	Russell Indexes	18 Indexes; 3,000 Companies	Current	Monthly
	Morgan Stanley Capital International Indices	92 Indices	Up to 28 Years	Daily
	FT/S&P Actuaries World Indices	39 Indices; 2,300 Companies	Up to 10 years	Daily/Monthly
	IFC (Emerging Markets)	60 Indices; 1,650 Companies	Since 1975	Daily/Weekly/Monthly
	FT-SE U.K. Series	5 Indices; 950 Companies	Current	Daily
	CAC (France)	40 Companies	Current	Daily
	DAX (Germany)	30 Companies	Current	Daily
FIXED				
INCOME DATA	Moody's Ratings	30,000	10 Years	Daily
	Duff & Phelps Credit Ratings Co.	4,300	Since 1973	Daily

	DATABASE SUPPLIER	NUMBER OF COMPANIES OR ISSUES	LENGTH OF HISTORY	UPDATE CYCLE
	Fitch Investor Services	325	Current	Monthly
	I.D.C. Call/Put/ Sinking Fund Features	18,000	Current	Monthly
ECONOMIC				
DATA	BCI Economic Series	200	Since 1945	Monthly
	OECD Main Economic Indicators	over 2,000	Since 1960	Monthly
OTHER				
SERVICES	BARRA U.S. Equity Model	7,000	Current	Monthly
	Columbine Capital Services	12,000	Current	Weekly
	Invest/Net Insider Trading	8,000	Since 1985	Daily
	Trinity Multiplex Forecast	1,000	Since 1994	Monthly

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All database names are trademarks or registered trademarks of their respective companies.

FUNDAMENTAL CORPORATE AND MARKET FINANCIAL DATA

Fundamental corporate and market data is a core basic service of the FactSet system. These databases allow retrieval of information as broad as the historical price/earnings ratios of the S&P 500 or the current CPI-U deflator or as strictly defined as the comparative returns on assets of Japanese and French telecommunications companies. The majority of FactSet system usage comes from clients downloading and screening the fundamental and price performance of investment securities. The major databases integrated by the Company in this category are:

. COMPUSTAT. The COMPUSTAT database, produced by the Standard & Poors subsidiary of McGraw-Hill, provides financial, statistical and market information covering more than 10,000 publicly-traded companies in North America. COMPUSTAT's GLOBAL Vantage product, introduced in the FactSet system in 1993, provides fundamental and market-related data for more than 11,000 industrial and financial companies in 70 countries worldwide.

. Value Line. The Value Line databases contain comprehensive annual and quarterly income statement, balance sheet, and cash flow data for more than 5,000 industrial, transportation, utility, retail, bank, insurance and savings and loan companies. The Value Line database also provides a number of pre-computed and commonly used ratios and investment ratings.

. Worldscope. The Worldscope database, produced by Disclosure/Wright Investor Services, provides financial information on 12,000 companies in 38 developed countries and 2,500 companies in 27 emerging market countries.

SECURITY PRICES

The FactSet system offers securities prices from the following sources:

. I.D.C. Daily Stock, Option and Bond Prices. The Company receives nightly security pricing and related information for each trading day. The database contains daily high, low and closing prices and volume for over 36,000 securities. In addition to common stocks, the price database contains preferred stock, convertible bonds, convertible preferreds, warrants, indices and options. In addition, over 15,000 corporate bond issues, treasuries, agencies, and bond indices are updated daily.

. Exshare Global Equity Prices. Global equity prices are transmitted to the Company daily. The database contains daily prices from January 1985 for more than 30,000 non-U.S. securities and indices.

. FactSet Historical Prices. The Company maintains historical prices on 25,000 U.S. securities back to 1972.

. COMPUSTAT Monthly Price/Dividend/Earnings Database. The Price/Dividend/Earnings data-base is a library of financial and market information for over 10,000 industrial and non-industrial companies and approximately 120 industry indices and composites.

BUSINESS/CORPORATE DESCRIPTIONS

The Company offers several databases which transmit corporate news or actions:

. FIRST CALL Notes. First Call Notes provides real-time transmission of analyst morning meeting notes, earnings announcements, industry reports and corporate news. More than 30 investment banks, covering more than 5,000 companies, contribute to this service.

. S&P Corporation Records/S&P Daily News. This database contains corporate descriptions and daily updated news covering over 12,000 companies.

. PR Newswire. PR Newswire is a real-time news feed containing press releases from more than 15,000 companies. PR Newswire is included in the basic FactSet subscription.

. Business Wire. Business Wire provides real-time corporate news including product announcements, financial results and employee changes. Business Wire is included in the basic FactSet subscription.

. CDA Investnet. CDA Investnet contains nightly updated transactions by more than 100,000 individuals and 8,000 companies dating back to 1985.

Each of these databases allow the user to search for individual companies or to create a watch list to monitor specific companies. Items can be viewed, printed, or downloaded. With the exception of PR Newswire and Business Wire, these databases carry a surcharge.

SEC INFORMATION

During 1994, the Company introduced EDGAR on FactSet. This service provides access to EDGAR SEC Filings which are updated continuously. EDGAR on FactSet provides clients with access to the latest SEC filings as well as an archive of those documents filed through EDGAR since April 1993. EDGAR on FactSet allows clients to view, print, download (to a spreadsheet) or capture (to a text file) Form 10-K's, Form 10-Q's, proxy statements and Form 8-K's among other SEC documents, keep track of that day's filing activity for any portfolio of companies and search for SEC documents by issuer, date or full text search.

The EDGAR database is currently comprised of 10,232 companies and is scheduled to include all U.S. publicly reporting companies as well as thousands of trusts and mutual funds by mid-1996.

EARNINGS ESTIMATES

Earnings estimates are important to the investment decision process at many investment managers. Earnings estimates, which are generated primarily by brokerage research analysts, are supplied on the FactSet system by three services.

. FactSet/FIRST CALL Real Time Earnings Estimates. FactSet/FIRST CALL provides a chronology of nearly 200 brokers' individual estimates on over 5,000 companies, with information updated continuously throughout the day so that the latest estimate changes are immediately available to all subscribers. Annual and quarterly estimates are available for the current and next fiscal year. Long-term growth rate estimates are also included. The information is continuously updated throughout the day. Data is available from June 1989.

. I/B/E/S U.S. Earnings Estimates. I/B/E/S International Inc. is a service that monitors earnings estimates produced by brokerage firm analysts on companies of interest to institutional investors. The Company receives daily updates from I/B/E/S and maintains a database

comprised of more than 5,000 companies. Estimates include the annual estimate for the current and next fiscal years, quarterly estimates for the current and three ensuing quarters, and the long-term growth rate. The Company provides three years of history for the annual estimate and the long-term growth rate. In addition, I/B/E/S U.S. Historical Estimates provides the same estimate information for over 10,500 companies (including companies that no longer trade) annually from 1976 and quarterly from 1984.

. I/B/E/S International Inc. I/B/E/S International delivers consensus earnings estimates for more than 11,000 publicly traded companies in 44 countries. In addition, I/B/E/S International Historical Estimates provides the same estimate information for over 16,000 international companies (including companies that no longer trade) annually since 1987.

. Value Line Estimates and Projections. The Value Line Estimates and Projections database is, with few exceptions, comprised of the same universe of companies that Value Line follows in its historical database. The estimates, projections and ratings contained in this database correspond with the most recently published information in the Value Line Investment Survey. All data is reviewed and updated at least once a quarter. However, new earnings and dividend information is added whenever reported by the company.

BENCHMARK DATA

Benchmark data permits clients to measure the performance of their investments against relevant indices. The Company offers the following sources of benchmark data:

. Standard & Poor's Indices. This database provides daily changes in constituents and weights for the major S&P indices, including the 500 Industrials, 100 Transports, Financials, Utilities, Mid Cap, Small Cap and Super Composite.

. Russell Equity Profiles. The Russell U.S. Equity Profiles calculates investment style and structure characteristics for clients' portfolios, allowing them to measure their portfolio's performance against relevant benchmark indices.

. Morgan Stanley Capital International Indices. The Morgan Stanley Capital International Indices are designed to measure the performance of the stock markets around the world. Among the indices calculated daily are indices of 46 countries, 38 industries and 8 economic sectors. Regional and global indices are also calculated for the developed and emerging markets, and the combination of the two.

. FT/S&P Actuaries World Indices. The FT/S&P Actuaries World Indices provides rigorous global performance benchmarks covering 26 countries, 12 regions, 7 economic sectors, and 36 industries. More than 1,700 index levels measure each performance category globally and by country, and region.

. IFC (Emerging Markets). The IFC database provides emerging marked indices and detailed market data for 27 stock markets globally.

COMPETITION

The financial information services industry is competitive and characterized by rapid technological change and the entry into the field of large and well-capitalized companies as well as smaller competitors. In a broad sense, the Company competes or may compete directly and indirectly in the United States and internationally with large, well-established news and information providers such as Dialog, Disclosure, Dow Jones, Lexis/Nexis, Pearson, Reuters and Thomson, market data suppliers such as ADP, Bloomberg and Telerate, as well as many of the database providers from whom the Company obtains data for inclusion in the FactSet system. The Company's most direct competitors

include on-line and CD-ROM database suppliers and integrators such as OneSource Inc., COMPUSTAT PC Plus, Baseline, DAIS Group, IDD Information Services and Track Data Corp. primarily in the United States and Datastream and Randall-Helms primarily in international markets. Many of these competitors offer databases and applications that, in one form or another, are similar to the databases and applications offered by the Company, in some cases at lower prices. While many of the Company's competitors offer similar applications, the Company believes that none offer a package of applications as comprehensive and user-friendly as those offered by the Company.

GOVERNMENT REGULATION

To facilitate the receipt of revenues on a commission basis, the Company's wholly owned subsidiary, FDS, is a member of the National Association of Securities Dealers, Inc. and is a registered broker-dealer under Section 15 of the Securities and Exchange Act of 1934 (the "Exchange Act"). See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Overview". Rule 15c3-1 under the Exchange Act requires that FDS maintain minimum net capital equal to the greater of $5,000 or 6.67% of aggregate indebtedness and a ratio of aggregate indebtedness to net capital of not more than 15 to 1. FDS may be prohibited from paying cash dividends to the Company if such dividends would result in its net capital falling below the minimum requirement or its ratio of aggregate indebtedness to net capital exceeding 15 to 1. In addition, Rule 15c3-1 requires that FDS notify the Securities and Exchange Commission ("SEC") and the appropriate self-regulatory organization two business days before a withdrawal of excess net capital if the withdrawal would exceed the greater of $500,000 or 30% of the FDS's net capital, and two business days after a withdrawal that exceeds the greater of $500,000 and 20% of net capital. Finally, Rule 15c3-1 authorizes the SEC to order a freeze on the transfer of capital if FDS plans a withdrawal of more than 30% of its excess net capital and the SEC believes that such a withdrawal would be detrimental to the financial integrity of FDS. Compliance with Rule 15c3-1 could limit the Company's ability to undertake certain capital expenditures. At February 29, 1996, FDS had net capital of $2,104,657, which was $1,788,716 in excess of its minimum net capital requirement of $315,941, and a ratio of aggregate indebtedness to net capital of 2.25 to 1.

EMPLOYEES

The Company had 116 full time employees as of May 31, 1996. The Company's employees are not represented by any collective bargaining organization and the Company has never experienced a work stoppage. The Company's philosophy is to reward employees for outstanding performance and continued service to the Company. The Company believes that its relationships with its employees are good.

PROPERTIES

The Company's principal executive offices are located in Greenwich, Connecticut. The Company maintains redundant mainframe computer centers at its Greenwich facility and at a facility in New York City. The Greenwich facility consists of approximately 37,000 square feet of office and computer center space, 11,000 square feet of which the Company acquired in late 1995 and is in the process of renovating. The Company also maintains offices in San Mateo, California, London, England and Tokyo, Japan. The Company is currently expanding its facilities in San Mateo. The Company leases all of its facilities.

LEGAL PROCEEDINGS

The Company is not a party to any material legal proceedings.

DIRECTORS, EXECUTIVE OFFICERS AND ADDITIONAL KEY PERSONNEL

Set forth below is information concerning the current executive officers and directors of the Company. The Board of Directors currently has three members, one of whom is not also an employee of the Company. The Company anticipates that it will add two additional outside directors shortly after the Offering.

NAME	AGE	POSITION WITH THE COMPANY
Howard E. Wille	68	Chairman of the Board of Directors, Chief Executive Officer and Director
Charles J. Snyder	53	President, Chief Technology Officer and Director
Ernest S. Wong	41	Vice President and Chief Financial Officer
Joseph E. Laird, Jr	50	Director

Set forth below is information concerning certain other key additional personnel of the Company.

NAME	AGE	POSITION WITH THE COMPANY
Timothy J. Aune	33	Director of Pacific Rim Operations and President of FactSet Pacific Inc.
Jon D. Carlson	29	Director of PC Software Development
Nathanial B. Day	58	Senior Sales Executive
Michael F. DiChristina	33	Director of Engineering
William F. Faulkner	40	Director of Product Development
Philip A. Hadley	33	Director of Sales and Marketing
Edward A. Martin	31	Director of Information Research
Kristen L. McCutcheon	29	Director of Technical Support
Adelaide P. McManus	40	Chief Administrative Officer
Townsend Thomas	32	Director of Systems Engineering
Susan L. Warzek	33	Director of Communications
Merle E. Yoder	37	Director of European Operations and Managing Director of FactSet Limited

Howard E. Wille, Chairman of the Board of Directors, Chief Executive Officer and Director. Mr. Wille was a founder of the Company in 1978 and has held his current positions with the Company since that time. From 1966 to 1977, Mr. Wille was a partner and Director of Research at Faulkner Dawkins & Sullivan, a Wall Street investment firm, and held a managerial position with Shearson Hayden Stone after its acquisition of Faulkner Dawkins & Sullivan in 1977. He was President and Chief Investment Officer of Piedmont Advisory Corporation from 1961 to 1966 and, prior to that time, served as a securities analyst, investment manager and investment counselor for several firms. Mr. Wille received a B.A. in Philosophy from the City College of New York. Mr. Wille has been a director of the Company since its formation.

Charles J. Snyder, President, Chief Technology Officer and Director. Mr. Snyder was a founder of the Company in 1978 and has held his current positions with the Company since that time. From 1964 to 1977, Mr. Snyder worked for Faulkner Dawkins & Sullivan, eventually becoming Director of Computer Research, a position he retained with Shearson Hayden Stone after its acquisition of Faulkner Dawkins & Sullivan in 1977. Mr. Snyder received a B.S.E. in Electrical Engineering from Princeton University and an M.S. in Mathematics from New York University. Mr. Snyder has been a director of the Company since its formation.

Ernest S. Wong, Vice President and Chief Financial Officer. Mr. Wong joined the Company as Vice President and Chief Financial Officer in June 1996. Between 1991 and 1996, he held several

positions with Montedison, S.P.A., including Vice President, Finance and Treasurer of Montedison U.S.A. and Director of Corporate Finance of Montedison Corporation of America. Mr. Wong received a B.A. in Social Psychology from Cornell University and an M.B.A. in Finance from Columbia University Graduate School of Business.

Joseph E. Laird, Jr., Director. Mr. Laird has been a Managing Director of Veronis, Suhler & Associates, the leading specialty investment bank exclusively serving the media and information industries, since 1989. From 1982 to 1989, he was an institutional equity salesman and a senior securities analyst of database information services for Hambrecht & Quist. From 1975 to 1982, Mr. Laird was an institutional equity salesman and then investment strategist for Paine Webber Mitchell Hutchins. Mr. Laird has been a director of the Company since 1993.

Timothy J. Aune, Director of Pacific Rim Operations and President of FactSet Pacific Inc. Mr. Aune joined the Company in 1987 as a sales representative and has held his current positions since 1995. Prior to joining the Company, he was a sales engineer with Tektronix, Inc. Mr. Aune received a B.S. in Electrical Engineering from the Massachusetts Institute of Technology.

Jon D. Carlson, Director of PC Software Development. Mr. Carlson joined the Company in 1988 as a technical consultant and has been Director of PC Software Development since 1992. He received a B.S. in Mechanical Engineering from Stanford University.

Nathanial B. Day, Senior Sales Executive. Mr. Day joined the Company in 1981 and has held his current position since 1988. Previously, he was an institutional securities salesman with Faulkner Dawkins & Sullivan, prior to which he was a member of the New York Stock Exchange between 1966 and 1969. Mr. Day received a B.A. in Marketing from Lehigh University.

Michael F. DiChristina, Director of Engineering. Mr. DiChristina joined the Company in 1986 and has held his current position since 1991. Prior to joining the Company, he was a software engineer at Morgan Stanley & Co. Mr. DiChristina received a B.S. in Electrical Engineering from the Massachusetts Institute of Technology.

William F. Faulkner, Director of Product Development. Mr. Faulkner joined the Company in 1986 and has held his current position since 1990. Previously, he served as an analyst at Delafield Harvey Tabell, an investment management firm. Mr. Faulkner received a B.A. in Psychology from Boston University and an M.S. in Biopsychology from Rutgers University.

Philip A. Hadley, Director of Sales and Marketing. Mr. Hadley joined the Company in 1985 and has held his current position since 1989. Prior to joining the Company, he was a staff auditor for Cargill Corporation. Mr. Hadley received a B.B.A. in Accounting from the University of Iowa and is a Chartered Financial Analyst.

Edward A. Martin, Director of Information Research. Mr. Martin joined the Company as a systems programmer in 1988 and has held his current position since 1995. Previously, he was a staff scientist at the Massachusetts Institute of Technology's Lincoln Laboratory. Mr. Martin received a B.S. and an M.S. in Digital Signal Processing from the Massachusetts Institute of Technology.

Kristen M. McCutcheon, Director of Technical Support. Ms. McCutcheon joined the Company in 1992 and has held her current position since 1993. Previously, she served as a financial analyst at Capricorn Management and as a research analyst at Chemical Bank. Ms. McCutcheon received a B.A. in Economics from the State University of New York at Binghamton and an M.B.A from the University of Connecticut.

Adelaide P. McManus, Chief Administrative Officer. Ms. McManus joined the Company in 1980 and has held her current position since 1985. She received a B.A. in Economics from Marymount College and an M.B.A in Finance from Fordham University.

Townsend Thomas, Director of Systems Engineering. Mr. Thomas joined the Company in 1985 and has held his current position since 1991. He received a B.S. in Electrical Engineering from the Massachusetts Institute of Technology.

Susan L. Warzek, Director of Communications. Ms. Warzek joined the Company in 1989 and has held her current position since 1993. Prior to joining the Company, she was a research associate with Wheat First, Butcher & Singer, where she followed the retail and consumer products industries and published a weekly analyst commentary for institutional clients. Ms. Warzek received an A.B. in Government & Law from Lafayette College.

Merle E. Yoder, Director of European Operations and Managing Director of FactSet Limited. Mr. Yoder joined the Company in 1983 as a Sales Representative and has held his current positions since 1993. He received a B.S. in Electrical Engineering from Purdue University.

ELECTION AND COMPENSATION OF DIRECTORS

The Board of Directors is divided into three classes, each class as nearly equal in number as possible. The term of office of one class of directors expires each year in rotation so that one class is elected at each annual meeting of stockholders for a full three year term. Directors may be removed only for cause by the affirmative vote of the holders of a majority of the outstanding shares of the Company then entitled to vote generally in the election of directors, voting as a single group at a meeting of the stockholders called and held for that purpose. See "Description of Capital Stock."

Directors who are also employees of the Company are not separately compensated for serving on the Board of Directors. Following the Offering, non-employee directors will be compensated through cash payments for attendance at Board and committee meetings and will be reimbursed for related travel expenses. Non-employee directors will receive an annual retainer of $15,000 plus $1,000 for attending each meeting of a committee of the Board of Directors ($500 for participating by telephone). In addition, committee chairmen will receive an annual fee of $2,500. Mr. Laird has not in the past received any cash compensation for his services as a director of the Company. However, Mr. Laird's firm, Veronis, Suhler & Associates ("Veronis") has received FactSet services for which it has not been separately charged. In 1995, the value of such services was $93,973. In connection with the Offering, the Company is entering into a consulting agreement with Veronis pursuant to which Veronis will receive up to $100,000 per year of FactSet services, as requested by Veronis. In return, the Company will be entitled to receive certain consulting and investment banking services from Veronis.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During the fiscal year ended August 31, 1995, the Company had no separate compensation committee or other committee performing similar functions. Decisions concerning compensation of executive officers were made by the Board of Directors which, in fiscal 1995, consisted of Messrs. Wille, Snyder and Laird. It is expected that following the Offering, the Board of Directors will establish a compensation committee, a majority of the members of which will consist of outside directors.

COMPENSATION OF EXECUTIVE OFFICERS

The following table summarizes the compensation paid by the Company to its executive officers for the fiscal year ended August 31, 1995.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION SALARY	BONUS	OTHER ANNUAL COMPENSATION(1)	SECURITIES UNDERLYING COMPANY OPTIONS/SAR GRANTS	ALL OTHER COMPENSATION
Howard E. Wille, Chairman and Chief Executive Officer	1995	$607,500	--	$ 71,163	--	$452,000(2)
Charles J. Snyder, President and Chief Technology Officer	1995	545,000	--	20,516	--	40,000(3)
John S. Gross, former Chief Financial Officer(4)	1995	141,346	$ 25,000	11,925	--	--

(1) Represents (i) tax payments made by the Company on behalf of Messrs. Wille and Snyder and (ii) ESOP contributions of $41,325 on behalf of all executive officers.

(2) Includes compensation of $340,000, gross of related taxes, paid by the Company to Mr. Wille to pay interest payable on a note due to the Company (see Note 5 to the Company's Consolidated Financial Statements) and approximately $112,000 representing premiums paid by the Company on key man life insurance policies for Mr. Wille.

(3) Represents approximately $40,000 of premiums paid by the Company on key man life insurance policies for Mr. Snyder.

(4) Effective January 3, 1995, Mr. Gross was granted options representing 30,000 shares of Common Stock under the Company's 1994 Stock Option Plan. In February, 1996, Mr. Gross resigned from the Company, at which time he exercised the vested portion of his options (representing 6,000 shares) and forfeited the unvested portion (representing 24,000 shares).

Option Exercises and Holdings. The following table sets forth certain information as of August 31, 1995 concerning exercisable and unexercisable stock options held by the Company's executive officers. There were no option exercises in fiscal 1995 by such executive officer.

	FISCAL YEAR-END OPTION VALUES			
	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FISCAL YEAR END		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FISCAL YEAR END(1)	
NAME	EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNEXERCISABLE
John S. Gross	--	30,000	$--	$ 399,000

(1) The value of "in-the-money" options represents the difference between the exercise price of such option and the assumed initial public offering price of $16.00 per share of the Common Stock.

EMPLOYMENT AGREEMENTS

The Company has entered into employment contracts with Howard E. Wille, the Company's Chairman and Chief Executive Officer, and Charles J. Snyder, the Company's President and Chief Technology Officer. Under the agreements, Messrs. Wille and Snyder will be employed in their current positions for three year terms that renew annually and are terminable by the Company or the executive on one year's notice. The agreements provide for annual base salaries of $300,000

for Mr. Wille and $300,000 for Mr. Snyder and entitle each to participate in any bonus or employee benefit plans and arrangements from time to time in effect. In the event the employment of Mr. Wille or Mr. Snyder is terminated by the Company for reasons other than their disability or Cause, as defined in the

agreements, Mr. Wille or Mr. Snyder, as the case may be, will be entitled to receive (i) a lump sum payment of three times the sum of his base salary and the average bonus paid to him over the prior three calendar years, (ii) three years of continuing participation in the Company's benefit plans (or, if not possible for any reason, comparable arrangements providing substantially similar benefits) and (iii) in the event such termination of employment is in connection with a change of control (within the meaning of Section 280G of the Internal Revenue Code of 1986) of the Company reimbursement for any excise taxes incurred as a result of the termination payments described herein. Also under the agreements, Messrs. Wille and Snyder will agree not to engage in certain activities in competition with the Company, including directly or indirectly owning, managing, operating, joining, controlling, employment by or participation in or consulting for any business which is similar to or competes with the Company or its subsidiaries, during the term of their respective employment with the Company and for two years thereafter.

The Company has also entered into a letter agreement with Ernest S. Wong, the Company's new Vice President and Chief Financial Officer, relating to the terms of his employment. Under the agreement, Mr. Wong will receive a base salary of $175,000 per year and a minimum bonus of $50,000 following his first full year of employment. In future years, Mr. Wong's bonus will be at the discretion of the Board of Directors. Mr. Wong will also receive a one-time sign-on bonus of $25,000, payable in July 1997, as well as options to purchase up to 40,000 shares of Common Stock. In addition, in the event Mr. Wong is terminated by the Company at any time for reasons other than good cause, as set forth in the agreement, the Company will continue to pay his base salary and standard employment benefits for twelve months following the date of such termination. In the event Mr. Wong is terminated for any reason within one year following a change in control of the Company, as defined in the agreement, Mr. Wong will be entitled to continue receiving his base salary and standard employment benefits for two years from the date of such termination.

COMPANY STOCK OPTION PLANS

The Company's 1994 Stock Option Plan (the "1994 Plan") was adopted by the Board of Directors on December 21, 1994 and approved by the Company's stockholders on December 22, 1994. Under the 1994 Plan, incentive stock options ("ISOs") and non-qualified stock options to purchase up to 1,481,000 shares of Common Stock were granted to employees of the Company. Options granted under the 1994 Plan expire not more than 10 years from the date of grant and generally vest at a rate of 20% per year beginning one year after the grant date. As of February 29, 1996, options to purchase 1,451,000 shares of Common Stock were outstanding under the 1994 Plan.

The 1994 Plan is administered by the Board of Directors. Options granted under the plan are not transferrable or assignable other than by will or the laws of decent and distribution and may be exercised, during the grantee's lifetime, only by the grantee. In addition, most grantees under the 1994 Plan are subject to a noncompetition provision prohibiting the grantee from engaging in certain acts in competition with the Company during the grantee's employment and for two years thereafter or, if longer, such period as the grantee continues to own stock acquired pursuant to the exercise of an option granted under the 1994 Plan.

Prior to the Offering, the Company will adopt the 1996 Stock Option Plan (the "1996 Plan"). The 1996 Plan will be substantially similar to the 1994 Plan and will provide for the issuance of options to purchase up to 950,000 shares of Common Stock at the market price of the shares on the date such options are granted. The 40,000 options to be granted pursuant to the employment agreement between the Company and Ernest S. Wong, the Company's Vice President and Chief Financial Officer, will be granted under the 1996 Plan.

EMPLOYEE STOCK OWNERSHIP PLAN

The FactSet Employee Stock Ownership Plan ("ESOP") was adopted in 1985 for the purpose of enabling eligible employees of the Company and its subsidiaries to acquire a proprietary interest in the Company and to provide economic benefits to such employees upon their retirement or disability or to their beneficiaries upon their death. Employees who have completed one "Year of Service" (as defined in the plan) with the Company are eligible to participate in the ESOP. As of February 29, 1996, there were 75 participants.

The ESOP, which is administered by a Plan Committee appointed by the Board of Directors, is a defined contribution plan designed to invest primarily in the Common Stock of the Company. Under the plan, an account is established for each participant. The Company may contribute to the ESOP, in any "Plan Year" (defined as the twelve-month period beginning on September 1, and ending on August 31, i.e. the fiscal year of the Company), cash, securities of the Company or other property of any kind as and when determined by the Board of Directors. Amounts contributed by the Company are initially held in a trust fund (the "Trust Fund") established by a trust agreement between the Company and a Trustee appointed by the Board of Directors.

Company contributions to the Trust Fund with respect to any Plan Year are allocated, as of the last day of such Plan Year, among individual accounts of eligible participants. Such allocations are made pro rata in the proportion that each eligible participant's compensation bears to the aggregate compensation of all eligible participants during such Plan Year. Dividends, distributions and other income and earnings received during a Plan Year on shares of Common Stock or other assets credited to a participant's account are invested in shares of Common Stock and allocated as of the last day of such Plan Year to each participant's account in proportion to the respective balances in such accounts as of the first day of the Plan Year, after giving effect to distributions from such accounts made during such Plan Year.

Each participant's account generally vests in accordance with such participant's number of years of service, with full vesting after seven years of service. ESOP participants who leave employment with the Company prior to complete vesting of their accounts forfeit amounts allocated to their accounts that are not yet vested. Forfeited amounts are reallocated pro rata among other ESOP participants based on their respective compensation amounts.

The vested interests of plan participants and former participants are distributed in a lump sum upon such participant reaching the age of 65. A participant who reaches the age of 65 but remains employed by the Company may elect to receive the distribution of his or her vested interest as of the last day in any subsequent Plan Year, provided that the distribution shall begin no later than April 1 following the calendar year in which the participant attains the age of 70 1/2. In the event of the death of a participant or former participant prior to distribution, the entire balance in the participant's account or the vested interest in a former participant's account, as of the last day of the Plan Year in which the death occurs is distributed to the participant's or former participant's beneficiary. In the event of the Disability (as defined in the plan) of a participant or former participant, the entire balance in the participant's account or the vested interest in a former participant's account as of the last day of the Plan Year in which the disability occurs is distributed to such participant or former participant. Distributions of benefits under the plan may be made in whole shares of Common Stock or in cash, or in a combination thereof, provided that a participant or former participant has the right to demand that the distribution be made in Common Stock.

The ESOP is intended to constitute a "qualified plan" within the meaning of Sections 401(a) and 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and to qualify as an "employee stock ownership plan" under Section 4975(e)(7) of the Code.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth certain information regarding the beneficial ownership of the Company's Common Stock as of February 29, 1996 and as adjusted to reflect the sale of the shares offered hereby by (i) each person who is known by the Company to own beneficially more than 5% of the outstanding shares of the Common Stock, (ii) each director and the Named Executive Officers of the Company, (iii) all directors and executive officers of the Company as a group and (iv) each Selling Stockholder.

NAME	BENEFICIAL OWNERSHIP PRIOR TO OFFERINGS		SHARES BEING OFFERED	BENEFICIAL OWNERSHIP AFTER OFFERINGS	
	SHARES	PERCENT		SHARES	PERCENT
Howard E. Wille(1)(2)	3,863,300	40.6%	1,562,500	2,300,800	24.2%
Charles J. Snyder(1)(3)	3,670,800	38.5	1,562,500	2,108,300	22.1
FactSet Research Systems Inc. Employee Stock Ownership Plan(1)	787,824	8.3	--	787,824	8.3
All directors and executive officers of the Company as a Group	7,534,100	79.1	3,125,000	4,409,100	46.3

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(1) The address for each of these beneficial owners is FactSet Research Systems Inc., One Greenwich Plaza, Greenwich, CT 06830.

(2) In addition to the shares of Common Stock held beneficially by Mr. Wille, Mr. Wille's adult children own beneficially an aggregate of 306,700 shares of Common Stock and Adelaide P. McManus, Mr. Wille's spouse and the Company's Chief Administrative Officer, holds options to purchase 60,000 shares of Common Stock. Mr. Wille disclaims beneficial ownership of such shares.

(3) In addition to the shares of Common Stock held beneficially by Mr. Snyder, Mr. Snyder's adult children own beneficially an aggregate of 499,200 shares of Common Stock. Mr. Snyder disclaims beneficial ownership of such shares.

REGISTRATION RIGHTS

Pursuant to a registration rights agreement between the Selling Stockholders and the Company (the "Registration Agreement"), the Selling Stockholders and certain transferees (the "Sellers") have the right to require that the Company register under the Securities Act or qualify for sale (in either case, a "demand registration") any securities of the Company that they own, including shares of Common Stock, and the Company is required to use reasonable efforts to cause such registration to occur, subject to certain limitations and conditions, including that the Company shall not be obligated to register or qualify such securities more than two times in any 12 month period and then only if the request is to register at least 3% of the total number of shares of Common Stock at the time issued and outstanding. In addition, if the Company proposes to register shares of Common Stock under the Securities Act, the Sellers have the right to request the inclusion of their securities in such registration statement, subject to certain limitations and conditions, among them the right of the underwriters of such registered offering to exclude or limit the number of their shares included in such offering. The Company will bear the entire cost of the first three demand registrations attributable to each Selling Stockholder and the Sellers will each bear one-half of the costs of any subsequent demand registrations. These costs include legal fees and expenses of counsel for the Company, registration fees, printing expenses and other related costs. The Sellers will pay any underwriting discounts and commissions associated with the sale of their securities and the fees and expenses of their counsel.

The Company has agreed that in the event of any registration of securities pursuant to the Registration Agreement, it will indemnify the Sellers against certain liabilities incurred in connection with such registration, including liabilities under the Securities Act. The Sellers will provide a similar indemnity for liabilities incurred as a result of information jointly identified in writing by the Company and the Sellers as concerning the Sellers and their security holdings in the Company and as identified for use in such registrations statement by the Sellers.

Subject to certain limitations and conditions, the registration rights held by the Selling Stockholders may be transferred with their securities. The Registration Agreement also contains various covenants imposing certain obligations upon the Company in connection with its performance under such agreement including, among other things, furnishing copies of any prospectus to the Selling Stockholders, entering into an underwriting agreement, listing the securities as requested and taking such other necessary actions.

LOANS TO SELLING STOCKHOLDER

As of February 29, 1996, the Company had loans outstanding to Howard E. Wille, the Chairman of the Board and Chief Executive Officer of the Company and one of the Selling Stockholders, in the aggregate amount of $3,846,703. These loans, in the form of a promissory note in the amount of $3,250,000 bearing interest at a rate of 5.8% per anum and a non-interest-bearing advance in the amount of $596,703, will be repaid in full promptly following the completion of the Offering. See Note 5 to the Company's Consolidated Financial Statements.

RELATIONSHIP BETWEEN THE COMPANY AND CERTAIN UNDERWRITERS

Certain affiliates of Donaldson, Lufkin & Jenrette Securities Corporation ("DLJ") and Alex. Brown & Sons Incorporated ("Alex. Brown"), who are acting as representatives for the underwriters in connection with the Offering, are, have been and after the Offering will continue to be clients of the Company. Affiliates of DLJ and Alex. Brown paid $313,767 and $57,500, respectively, in subscription fees to the Company in the fiscal year ended August 31, 1995. Certain of the other underwriters who will participate in the Offering or their affiliates may also be clients of the Company.

DESCRIPTION OF CAPITAL STOCK

The authorized capital stock of the Company consists of 10,000,000 shares of Preferred Stock, $.01 par value per share, and 40,000,000 shares of Common Stock, $.01 par value per share. After the Offering there will be no shares of Preferred Stock and 9,526,300 shares of Common Stock outstanding. In addition, 1,451,000 shares of Common Stock are reserved for issuance upon the exercise of existing options granted under the Company's 1994 Stock Option Plan. After the offering, the Selling Stockholders will hold 4,409,100 shares, or 46.3%, of the outstanding Common Stock (3,940,350 shares, or 41.4%, if the Underwriters' over-allotment option is exercised in full). See "Risk Factors--Control by Selling Stockholders" and "Principal and Selling Stockholders." In addition, 950,000 shares will be reserved for issuance in connection with options that may be granted under the Company's 1996 Stock Option Plan. Holders of Common Stock are entitled to one vote per share.

COMMON STOCK

DIVIDENDS

Each share of Common Stock is entitled to receive dividends if, as and when declared by the Board of Directors of the Company. Under the Delaware General Corporation Law, the Company may declare and pay dividends only out of its surplus, or in case there shall be no such surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding year. Under the Delaware General Corporation Law, surplus is defined as the excess, if any, at any given time, of the net assets of the Company over the amount determined to be capital. Capital represents the aggregate par value of the Company's capital stock. No dividends may be declared, however, if the capital of the Company has been diminished by depreciation, losses or otherwise to an amount less than the aggregate amount of capital represented by any issued and outstanding stock having a preference on distribution. The Company does not presently intend to pay any dividends on the Common Stock in the foreseeable future.

OTHER PROVISIONS

There are no preemptive rights to subscribe for any additional securities which the Company may issue, and there are no redemption provisions or sinking fund provisions applicable to the Common Stock subject to calls or assessments by the Company. All outstanding shares are, and all shares to be outstanding upon completion of the Offerings will be, legally issued, fully paid and nonassessable.

PREFERRED STOCK

The Board of Directors has the authority to issue 10,000,000 shares of preferred stock in one or more series and to fix the preferences, limitations and relative rights of the shares of each such series, including dividend rates, conversion rights, voting rights, terms of redemption and liquidation preferences, and the number of shares constituting each such series, without any further vote or action by the shareholders. The issuance of preferred stock could decrease the amount of earnings and assets available for distribution to holders of Common stock or adversely affect the rights and powers, including voting rights, of the holder of Common Stock.

RESTATED CERTIFICATE OF INCORPORATION AND BY-LAWS: CERTAIN ANTI-TAKEOVER PROVISIONS

Certain provisions of the Restated Certificate of Incorporation and the By-laws may have the effect, either alone or in combination with each other, of making more difficult or discouraging a tender offer or takeover attempt that is opposed by the Company's Board of Directors but that a stockholder might consider to be in its best interest. See "Risk Factors--Certain Anti-Takeover Provisions." The Company believes that such provisions are necessary to enable the Company to develop its business in a

manner that will foster its long-term growth without disruption caused by the threat of a takeover not deemed by the Board of Directors to be in the best interests of the Company and its stockholders. These provisions are summarized in the following paragraphs.

CLASSIFIED BOARD

The Restated Certificate of Incorporation and the By-laws provide that the Board of Directors will be divided into three classes of directors, each class to be as nearly equal in number as possible. The term of office of one class of directors expires each year in rotation so that one class is elected at each annual meeting of stockholders for a full three year term.

NUMBER OF DIRECTORS; REMOVAL OF DIRECTORS; VACANCIES

The By-laws provide that the number of directors of the Company shall be a number between three and 15 which shall be fixed by resolution adopted by two thirds of the entire Board of Directors. The Restated Certificate of Incorporation and the By-laws also provide that directors may be removed only for cause by the affirmative vote of the holders of a majority of the outstanding shares of the Company then entitled to vote generally in the election of directors, voting as a single voting group at a meeting of the stockholders called and held for that purpose.

ACTION BY WRITTEN CONSENT

The Restated Certificate of Incorporation and the By-laws provide that an action required or permitted to be taken at an annual or special meeting of shareholders may be taken with the written consent, setting forth the action so taken, signed by the holders of at least 80% of the outstanding shares entitled to vote thereon.

SPECIAL MEETING OF STOCKHOLDERS

The By-laws provide that special meetings of shareholders may be called only by the Chairman of the Board, the President of the Company or a majority of the Board.

SUPERMAJORITY VOTING

The Restated Certificate of Incorporation and the By-laws require the approval of the holders of at least 80% of the voting power of all of the shares entitled to vote to alter, amend, repeal or adopt any provision inconsistent with or limiting the effect of provisions of certain enumerated anti-takeover provisions in the Restated Certificate of Incorporation and By-laws. The Board of Directors may amend, supplement or repeal the By-laws at any time, except as limited by law.

AUTHORIZED BUT UNISSUED PREFERRED STOCK

The Restated Certificate of Incorporation grants the Board of Directors broad power to establish the rights and preferences of authorized and unissued preferred stock. Currently, the Board of Directors has the authority to issue 10,000,000 such shares of preferred stock in one or more series and to fix the preferences, limitations and relative rights of the shares of each such series. The issuance of preferred stock could decrease the amount of earnings and assets available for distribution to holders of Common Stock or adversely affect the rights and powers, including the voting rights, of the holders of Common Stock. The issuance of preferred stock could have the effect of delaying, deferring or preventing a change in control of the Company without further action by the shareholders. The Company has no present plans to issue any preferred stock.

DELAWARE GENERAL CORPORATION LAW

Certain transactions with the Company may be subject to Section 203 of the Delaware General Corporation Law. Section 203 prohibits certain "business combinations" between an "interested

stockholder" and a corporation for three years after a stockholder becomes interested, unless one of the statute's exceptions applies. Section 203(c)(5) defines an interested stockholder as a person, broadly defined to include a group, who owns at least 15% of a company's outstanding voting stock. The statute defines business combinations expansively to include any merger or consolidation of, with, or caused by the interested stockholder. Section 203(a) provides three exceptions to the business combination prohibition. First, there is no constraint if the interested stockholder obtains prior board approval for the business combination or the transaction resulting in ownership of 15% of the target's voting stock. Second, the statute does not apply if, in completing the transaction that crosses the 15% threshold, the stockholder becomes the owner of 85% of the corporation's voting stock outstanding as of the time the transaction commenced. Any shares owned by directors who are officers, and shares owned by certain stock option plans are excluded from the calculation. This exception applies most particularly to a tender offeror who has less than 15% of the target's stock and receives tenders that satisfy the 85% requirement. Finally, the statute does not apply if the interested stockholder's business combination is approved by the board of directors and affirmed by at least 66 2/3% of the outstanding voting stock not owned by the interested stockholder.

LISTING

The Common Stock has been approved for listing on the NYSE under the symbol "FDS."

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Stock is The Bank of New York.

SHARES ELIGIBLE FOR FUTURE SALE

The shares of Common Stock sold in the Offering will be freely tradable without restriction under the Securities Act.

The shares of Common Stock that will continue to be held by the Selling Stockholders, certain executive officers of the Company and the Company ESOP after the Offering constitute "restricted securities" within the meaning of Rule 144 under the Securities Act ("Rule 144") and will be eligible for sale in the open market after the Offering, subject to the applicable requirements of Rule 144 described below. Generally, Rule 144 provides that a person who has beneficially owned "restricted" shares of Common Stock for at least two years will be entitled to sell on the open market in brokers' transactions within any three-month period a number of shares that does not exceed the greater of (1) 1% of the then outstanding shares of Common Stock, or (2) the average weekly trading volume in the Common Stock on the open market during the four calendar weeks preceding such sale. Sales under Rule 144 are also subject to certain notice requirements and the availability of current public information about the Company. A person who has beneficially owned "restricted" shares of Common Stock for at least three years (other than affiliates) can freely trade such shares without restriction under the Securities Act. The SEC has proposed to reduce the holding period requirements of Rule 144 to permit sales in accordance with such rule after two years and one year, respectively, as opposed to the three year and two year periods currently permitted, as referenced above.

The Selling Stockholders will be able to cause the Company to register Common Stock owned by them under the Securities Act pursuant to the Registration Agreement described above under "Certain Transaction and Relationships," in which event the Selling Stockholders will be able to sell such shares upon the effectiveness of any such registration. The Selling Stockholders, the Company, the ESOP and certain executive officers and key personnel of the Company have agreed that, for a period of 180 days after the date of this Prospectus, they will not offer, sell or otherwise dispose of any shares of Common Stock, in the open market or otherwise, without the prior consent of DLJ.

UNDERWRITING

Subject to the terms and conditions contained in the Underwriting Agreement (the "Underwriting Agreement"), the underwriters named below (the "Underwriters"), for whom Donaldson, Lufkin & Jenrette Securities Corporation and Alex. Brown & Sons Incorporated are acting as representatives (the "Representatives"), have severally agreed to purchase from the Selling Stockholders an aggregate of 3,125,000 shares of Common Stock. The number of shares of Common Stock that each Underwriter has agreed to purchase is set forth opposite its name below:

UNDERWRITERS	NUMBER OF SHARES
Donaldson, Lufkin & Jenrette Securities Corporation.....	
Alex. Brown & Sons Incorporated.....	
Total.....	3,125,000

The Underwriting Agreement provides that the obligations of the several Underwriters to purchase and accept delivery of the shares of Common Stock offered hereby are subject to approval of certain legal matters by counsel and to certain other conditions. If any shares of Common Stock are purchased by the Underwriters pursuant to the Underwriting Agreement, all such shares (other than shares covered by the over-allotment option described below) must be purchased.

Prior to the Offering, there has been no established trading market for the Common Stock. The initial price to the public for the shares of Common Stock offered hereby will be determined by negotiation among the Selling Stockholders and the Representatives. The factors considered in determining the initial price to the public include the history of and the prospects for the industry in which the Company competes, the past and present operations of the Company, the historical results of operations of the Company, the prospects for future earnings of the Company, the recent market prices of securities of generally comparable companies and the general condition of the securities markets at the time of the Offering.

The Company and the Selling Stockholders have agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the Underwriters may be required to make in respect thereof.

The Underwriters have advised the Company and the Selling Stockholders that they propose to offer the shares of Common Stock to the public initially at a price to the public set forth on the cover page of this Prospectus and to certain dealers (who may include the Underwriters) at such price less a concession not to exceed $ per share. The Underwriters may allow, and such dealers may reallow, discounts not in excess of $ per share to any other Underwriter and certain other dealers.

The Selling Stockholders have granted to the Underwriters an option to purchase up to an aggregate of 468,750 additional shares of Common Stock, at the initial public offering price net of underwriting discounts and commissions, solely to cover over-allotments. Such option may be exercised at any time within 30 days after the date of this Prospectus. To the extent that the Underwriters exercise such option, each of the Underwriters will be committed, subject to certain conditions, to purchase a number of option shares proportionate to such Underwriter's initial commitment as indicated in the preceding table.

At the request of the Company, the Underwriters have reserved 100,000 shares of Common Stock for sale to employees of the Company at the public offering price set forth on the cover page of this Prospectus. Any shares not so purchased will be offered to the public at such price.

Subject to certain exceptions, the Selling Stockholders, the Company, the ESOP and certain executive officers and key personnel of the Company have agreed not to sell any shares of Common Stock (except for the shares offered hereby) for a period of either 180 days after the date of this Prospectus without the prior written consent of DLJ. See "Shares Eligible for Future Sale."

Certain affiliates of DLJ and Alex. Brown are, have been and after the Offering will continue to be clients of the Company. Affiliates of DLJ and Alex. Brown paid $313,767 and $57,500, respectively, in subscription fees to the Company in the fiscal year ended August 31, 1995. Certain of the other underwriters who will participate in the Offering or their affiliates may also be clients of the Company.

LEGAL MATTERS

The validity of the shares of Common Stock will be passed upon for the Company by Cravath, Swaine & Moore, New York, New York. Certain legal matters will be passed upon for the Underwriters by Davis Polk & Wardwell, New York, New York.

EXPERTS

The consolidated financial statements as of August 31, 1994 and 1995 and for each of the three years in the period ended August 31, 1995 and as of February 28, 1995 and February 29, 1996 and for each of the six month periods then ended, included in this Prospectus, have been so included in reliance on the report of Price Waterhouse LLP, independent accountants, appearing elsewhere herein, given upon the authority of said firm as experts in auditing and accounting.

AVAILABLE INFORMATION

The Company has filed with the Commission a registration statement (the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the securities offered hereby. This Prospectus, which constitutes a part of the Registration Statement, does not contain all of the information set forth in the Registration Statement, certain items of which are contained in schedules and exhibits to the Registration Statement as permitted by the rules and regulations of the Commission. While all material terms of the Company's material contracts and agreements are summarized in this Prospectus, statements made in this Prospectus as to the contents of any contract, agreement or other document referred to are not necessarily complete. With respect to each such contract, agreement or other document filed as an exhibit to the Registration Statement, reference is made to the exhibit for a more complete description of the matter involved, and each such statement shall be deemed qualified in its entirety by such reference. Items of information omitted from this Prospectus but contained in the Registration Statement may be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the regional offices of the Commission located at Seven World Trade Center, 13th Floor, New York, New York 10048 and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such material may also be obtained from the Public Reference Section of the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates.

INDEX TO FINANCIAL STATEMENTS
FACTSET RESEARCH SYSTEMS INC.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors
and Stockholders of
FactSet Research Systems Inc.

In our opinion, the accompanying consolidated statement of financial condition and the related consolidated statements of income, changes in stockholders' equity and cash flows present fairly, in all material respects, the financial position of FactSet Research Systems Inc. and its subsidiaries at August 31, 1994 and 1995, and February 29, 1996, and the results of their operations and their cash flows for each of the three years ended August 31, 1993, 1994 and 1995 and each of the six month periods ended February 28, 1995 and February 29, 1996 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PRICE WATERHOUSE LLP

New York, New York
April 26, 1996, except as to Note 2
which is as of June 4, 1996

FACTSET RESEARCH SYSTEMS INC.
CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

	AUGUST 31, 1994	AUGUST 31, 1995	FEBRUARY 29, 1996
ASSETS			
Current assets			
Cash and cash equivalents	$ 5,264,792	$11,587,919	$ 10,350,216
Investments	2,274,698	1,136,723	1,270,926
Receivable from clients and clearing brokers	3,659,048	4,101,945	4,589,763
Receivable from officers and employees	3,771,038	4,182,116	4,163,728
Prepaid expenses	29,802	131,922	196,735
Prepaid taxes	131,425	-	1,288,204
Deferred taxes	1,426,085	1,599,892	1,294,286
Other assets	8,862	-	100,206
Total current assets	16,565,750	22,740,517	23,254,064
Furniture, equipment and leasehold improvements, net	5,264,635	4,945,947	6,140,686
Deferred taxes	329,900	379,442	361,395
Other assets	185,060	597,450	974,751
TOTAL ASSETS	$22,345,345	$28,663,356	$ 30,730,896
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued expenses	$ 1,552,734	$ 1,628,908	$ 1,867,223
Accrued compensation payable	425,000	980,000	505,000
Accrued ESOP contribution	400,000	480,000	290,000
Deferred fees and commissions	3,333,018	2,850,847	2,550,956
Current taxes payable	-	768,420	-
Deferred rent	110,178	118,219	118,219
Total current liabilities	5,820,930	6,826,394	5,331,398
Deferred taxes	-	-	35,412
Deferred rent	491,348	464,202	397,581
TOTAL LIABILITIES	6,312,278	7,290,596	5,764,391
Commitments (Note 10)			
Stockholders' equity			
Preferred stock, par value $.01--10,000,000 shares authorized, none issued			
Common stock, par value $.01--40,000,000 shares authorized; 9,385,000, 9,479,788 and 9,578,088 shares issued; and 9,337,600, 9,428,552 and 9,526,300 shares outstanding at August 31, 1994, August 31, 1995 and February 29, 1996, respectively	93,850	94,798	95,781
Capital in excess of par value	836,150	1,235,202	1,730,419
Retained earnings	15,249,036	20,187,802	23,209,862
Unrealized gain on investments, net of taxes	-	16,538	94,344
	16,179,036	21,534,340	25,130,406
Treasury stock--47,400, 51,236 and 51,788 shares at August 31, 1994, August 31, 1995 and February 29, 1996, respectively, at cost	145,969	161,580	163,901
TOTAL STOCKHOLDERS' EQUITY	16,033,067	21,372,760	24,966,505
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$22,345,345	$28,663,356	$ 30,730,896

The accompanying notes are an integral part of these consolidated financial statements.

FACTSET RESEARCH SYSTEMS INC.
CONSOLIDATED STATEMENT OF INCOME

	FOR THE YEARS ENDED			FOR THE SIX MONTHS ENDED	
	AUGUST 31, 1993	AUGUST 31, 1994	AUGUST 31, 1995	FEBRUARY 28, 1995	FEBRUARY 29, 1996
SUBSCRIPTION REVENUE					
Commissions	$15,992,099	$17,744,572	$21,558,829	$ 10,698,714	$ 11,240,771
Fees	7,952,523	11,274,444	14,628,903	6,898,413	9,457,368
	23,944,622	29,019,016	36,187,732	17,597,127	20,698,139
EXPENSES					
Employee compensation and benefits	6,667,070	11,115,311	11,027,318	5,377,179	6,461,570
Clearing fees	3,158,066	3,421,863	4,270,126	2,097,660	2,111,892
Data costs	2,325,818	2,443,297	3,070,588	1,510,467	1,605,365
Communication costs	1,320,568	2,029,466	2,431,463	1,226,746	1,428,703
Computer equipment	1,582,455	2,296,777	2,195,256	1,085,312	1,290,313
Occupancy	1,615,757	1,898,391	2,052,009	976,799	1,119,901
Promotional costs	1,384,128	1,384,217	1,870,218	823,707	999,850
Other expenses	939,541	986,592	1,171,254	485,981	823,786
TOTAL EXPENSES	18,993,403	25,575,914	28,088,232	13,583,851	15,841,380
OPERATING INCOME	4,951,219	3,443,102	8,099,500	4,013,276	4,856,759
Other income	208,445	251,333	570,588	241,138	430,702
INCOME BEFORE INCOME TAXES	5,159,664	3,694,435	8,670,088	4,254,414	5,287,461
Income taxes	2,281,217	1,747,483	3,731,322	1,809,988	2,265,401
NET INCOME	$ 2,878,447	$ 1,946,952	$ 4,938,766	$ 2,444,426	$ 3,022,060
Earnings per common share	$ 0.31	$ 0.21	$ 0.48	$ 0.25	$ 0.28
Weighted average common shares used in computing earnings per common share	9,269,900	9,341,925	10,253,647	9,843,515	10,755,407

The accompanying notes are an integral part of these consolidated financial statements.

FACTSET RESEARCH SYSTEMS INC.
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED AUGUST 31, 1993, 1994, 1995
AND THE SIX MONTHS ENDED FEBRUARY 29, 1996

	COMMON STOCK SHARES	COMMON STOCK AMOUNT	CAPITAL IN EXCESS OF PAR VALUE	UNREALIZED GAIN ON INVESTMENTS	RETAINED EARNINGS	TREASURY STOCK SHARES	TREASURY STOCK AMOUNT	TOTAL STOCKHOLDERS' EQUITY
Balance at August 31, 1992	9,300,000	$93,000	$ 497,000	$ -	$10,423,637	30,100	$ (83,879)	$ 10,929,758
Net income	-	-	-	-	2,878,447	-	-	2,878,447
Balance at August 31, 1993	9,300,000	93,000	497,000	-	13,302,084	30,100	(83,879)	13,808,205
Additional stock issued for ESOP	85,000	850	339,150	-	-	-	-	340,000
Repurchase of common stock	-	-	-	-	-	17,300	(62,090)	(62,090)
Net income	-	-	-	-	1,946,952	-	-	1,946,952
Balance at August 31, 1994	9,385,000	93,850	836,150	-	15,249,036	47,400	(145,969)	16,033,067
Additional stock issued for ESOP	94,788	948	399,052	-	-	-	-	400,000
Repurchase of common stock	-	-	-	-	-	3,836	(15,611)	(15,611)
Unrealized gain on investments	-	-	-	16,538	-	-	-	16,538
Net income	-	-	-	-	4,938,766	-	-	4,938,766
Balance at August 31, 1995	9,479,788	94,798	1,235,202	16,538	20,187,802	51,236	(161,580)	21,372,760
Additional stock issued for ESOP	92,300	923	479,077	-	-	-	-	480,000
Repurchase of common stock	-	-	-	-	-	552	(2,321)	(2,321)
Exercise of stock options	6,000	60	16,140	-	-	-	-	16,200
Change in net unrealized gain on investments	-	-	-	77,806	-	-	-	77,806
Net income	-	-	-	-	3,022,060	-	-	3,022,060
Balance at February 29, 1996	9,578,088	$95,781	$1,730,419	$ 94,344	$23,209,862	51,788	$(163,901)	$ 24,966,505

The accompanying notes are an integral part of these consolidated financial statements.

FACTSET RESEARCH SYSTEMS INC.
CONSOLIDATED STATEMENT OF CASH FLOWS

	FOR THE YEARS ENDED			FOR THE SIX MONTHS ENDED	
	AUGUST 31, 1993	AUGUST 31, 1994	AUGUST 31, 1995	FEBRUARY 28, 1995	FEBRUARY 29, 1996
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income	$ 2,878,447	$ 1,946,952	$ 4,938,766	$ 2,444,426	$ 3,022,060
Adjustments to reconcile net income to net cash provided by operating activities					
Depreciation and amortization	1,831,317	2,196,421	2,420,830	1,246,307	1,407,106
Deferred tax expense	(1,182,189)	(204,531)	(223,349)	(411,522)	371,537
(Gain) loss on investments	--	98,321	(18,106)	--	--
(Gain) loss on disposal of equipment	--	144,855	42,295	42,295	(103,536)
NET INCOME ADJUSTED FOR NON-CASH ITEMS	3,527,575	4,182,018	7,160,436	3,321,506	4,697,167
(Increase) decrease in assets:					
Receivable from clients and clearing brokers	(2,278,705)	(225,511)	(442,897)	80,865	(487,818)
Receivable from officers and employees	(3,407,638)	279,297	(411,078)	(209,661)	18,388
Prepaid expenses	(18,896)	21,529	(102,120)	(155,033)	(64,813)
Prepaid taxes	--	(131,425)	131,425	131,425	(1,288,204)
Other assets	(16,087)	(172,439)	(403,528)	(490,374)	(477,507)
Increase (decrease) in liabilities:					
Accounts payable and accrued expenses	646,269	866,405	556,174	571,192	528,315
Accrued compensation payable	(36,000)	331,000	555,000	(105,000)	(475,000)
Deferred fees and commissions	2,775,116	333,497	(482,171)	(1,555,472)	(299,891)
Current taxes payable	523,062	(1,481,367)	768,420	(140,180)	(768,420)
Deferred rent	(59,041)	(24,378)	(19,105)	(12,190)	(66,621)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,655,655	3,978,626	7,310,556	1,437,078	1,315,596
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of investments	(1,780,223)	(2,118,142)	(870,595)	(870,595)	(191,689)
Proceeds from sales or maturities of investments	746,270	779,076	2,043,215	1,789,794	198,399
Purchases of furniture, equipment and leasehold improvements	(3,003,962)	(2,523,689)	(2,314,539)	(1,044,108)	(2,813,888)
Proceeds from disposal of equipment	--	72,060	170,101	170,101	240,000
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(4,037,915)	(3,790,695)	(971,818)	45,192	(2,567,178)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repurchase of common stock from employees	--	(62,090)	(15,611)	(6,203)	(2,321)
Proceeds from exercise of stock options	--	--	--	--	16,200
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	--	(62,090)	(15,611)	(6,203)	13,879
Net increase (decrease) in cash and cash equivalents	(2,382,260)	125,841	6,323,127	1,476,067	(1,237,703)
Cash and cash equivalents at beginning of period	7,521,211	5,138,951	5,264,792	5,264,792	11,587,919
Cash and cash equivalents at end of period	$ 5,138,951	$ 5,264,792	$11,587,919	$ 6,740,859	$ 10,350,216
Supplemental disclosures of cash flow information					
Cash paid during the period for income taxes	$ 2,962,025	$ 3,563,226	$ 3,067,302	$ 1,393,295	$ 4,021,658
Supplemental disclosures of non-cash flow information					
Issuance of stock for purchase of shares for ESOP	$ --	$ 340,000	$ 400,000	$ 400,000	$ 480,000

The accompanying notes are an integral part of these consolidated financial statements.

1. ORGANIZATION AND NATURE OF BUSINESS

FactSet Research Systems Inc. (the "Company") provides on-line integrated database services to the financial community. The Company's revenue is derived from subscription charges. Solely at the option of each client, these charges may be paid either in commissions on securities transaction (in which case subscription revenue is recorded as Commissions) or on a cash basis (in which case subscription revenue is recorded as Fees).

To facilitate the receipt of subscription revenue on a commission basis, the Company's wholly owned subsidiary, FactSet Data Systems Inc. ("FDS"), is a member of the National Association of Securities Dealers, Inc. and is a registered broker-dealer under Section 15 of the Securities Exchange Act of 1934. FDS's only function is to facilitate the receipt of payments in respect of subscription charges and it does not otherwise engage in the securities business.

Subscription revenue paid in commissions is based on securities transactions introduced and cleared on a fully disclosed basis through two clearing brokers. That is, a client paying subscription charges on a commission basis directs the clearing broker, at the time the client executes a securities transaction, to credit the commission on the transaction to FDS's account.

As stated above, each client has the option to pay subscription charges either in the form of commissions on securities transactions or on a cash basis, regardless of the nature or amount of the services provided by FactSet to such client. When a client elects to pay subscription charges in the form of commissions, the dollar amount payable is higher than the fee that would be payable for the same services on a cash basis because of the associated clearing fees payable by the Company to the clearing broker on such transactions. However, commissions net of related clearing fees are approximately equal to the fees that would be paid by a client on a cash basis.

FactSet Pacific Inc. and FactSet Limited are wholly owned subsidiaries of the Company and are U.S. corporations with branches in Tokyo and London, respectively.

Effective June 12, 1995, the Company changed its name from FactSet Research Corporation.

2. ACCOUNTING POLICIES

The significant accounting policies of the Company and subsidiaries are summarized below.

FINANCIAL STATEMENT PRESENTATION

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany activity and balances have been eliminated from the consolidated financial statements.

During fiscal 1995, the Company increased the number of shares of common stock authorized from one million to five million, and on December 21, 1994, effected a twenty-five for one stock split. Furthermore, on June 4, 1996, the Company increased the number of shares of common stock authorized from five million to forty million, authorized 10,000,000 shares of Preferred Stock issuable in series and effected a four for one stock split with respect to the Common Stock. In connection with the stock splits, the par value of the common stock was reduced from $1.00 to $.01 per share. For purposes

2. ACCOUNTING POLICIES--(CONTINUED)

of these financial statements, all common stock and per share amounts have been restated to reflect the stock splits.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

REVENUE RECOGNITION

Subscription charges are quoted to clients on an annual basis, but are earned as services are provided on a month to month basis. Subscription revenue recorded as commissions and subscription revenue recorded as fees are each recorded as earned each month, based on one-twelfth of the annual subscription charge quoted to each client. Amounts that have been earned but not yet paid through the receipt of commissions on securities transactions or through cash payments are reflected on the consolidated statement of financial condition as receivable from clients. Amounts that have been received through commissions on securities transactions or through cash payments that are in excess of a client's earned subscription revenue are reflected on the consolidated statement of financial condition as deferred fees and commissions.

CLEARING FEES

When subscription charges are paid on a commission basis, the Company incurs clearing fees, which are the charges imposed by the clearing brokers used to execute and settle trades. Clearing fees for executed transactions are recorded on a trade date basis as securities transactions occur. Clearing fees related to accounts receivable--commissions (a component of receivable from clients) are recorded simultaneously with the related receivable.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash, money-market investments and certificates of deposit with original maturities of three months or less.

INVESTMENTS

Effective September 1, 1994, the Company adopted Statement of Financial Accounting Standards No. 115 ("SFAS 115"), Accounting for Certain Investments in Debt and Equity Securities.

Investment securities are classified as available-for-sale securities in accordance with SFAS 115 and are reported at market value or fair value as determined by management. Unrealized gains and losses on available-for-sale securities are recognized as a separate component of stockholders' equity.

Prior to the adoption of SFAS 115, investment securities were recorded at lower of cost or market.

2. ACCOUNTING POLICIES--(CONTINUED)
FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of financial instruments on the statement of financial condition approximates fair value as determined by management of the Company.

FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Depreciation of computers and related equipment acquired before September 1, 1994 is computed using the double declining balance method over estimated useful lives of five years. Computer and related equipment acquired after September 1, 1994 is provided on a straight-line basis over estimated useful lives of three years. Depreciation of furniture and fixtures is computed using the double declining balance method over estimated useful lives of five years. Leasehold improvements are amortized on a straight-line basis over the terms of the related leases or estimated useful lives of the improvements, whichever period is shorter.

EARNINGS PER SHARE

The computation of earnings per share in each year is based on the weighted average number of shares outstanding. The weighted average number of shares outstanding includes shares issued to the ESOP at the date authorized by the Board of Directors. Stock options are included as share equivalents using the treasury stock method.

3. RECEIVABLE FROM CLIENTS AND CLEARING BROKERS

Receivable from clients and clearing brokers consists of the following:

	AUGUST 31, 1994	AUGUST 31, 1995	FEBRUARY 29, 1996
Accounts receivable--fees	$1,166,523	$1,207,240	$ 2,362,907
Accounts receivable--commissions	1,829,496	2,364,529	1,756,856
Receivable from clearing brokers	663,029	530,176	470,000
	$3,659,048	$4,101,945	$ 4,589,763

Accounts receivable--fees and accounts receivable--commissions are reflected net of aggregate allowances for doubtful accounts of $0, $250,000 and $250,000, respectively, at August 31, 1994, August 31, 1995 and February 29, 1996.

4. INVESTMENTS

Investments, classified as available-for-sale securities, consist of the following:

	COST BASIS	FAIR VALUE	GROSS UNREALIZED GAINS
AT AUGUST 31, 1995			
Time deposits with bank, due 12/7/95	$ 110,869	$ 110,869	$ -
Investment limited partnership	912,767	941,781	29,014
Investment in treasury bills, due 12/14/95	84,073	84,073	-
	$1,107,709	$1,136,723	$ 29,014
AT FEBRUARY 29, 1996			
Time deposits with bank, due 12/7/96	$ 113,772	$ 113,772	$ -
Investment limited partnership	912,767	1,078,286	165,519
Investment in treasury bills, due 12/14/96	78,868	78,868	-
	$1,105,407	$1,270,926	$ 165,519

The investment limited partnership invests primarily in convertible bonds and preferred stocks.

At August 31, 1995 and February 29, 1996, there were net unrealized gains of $16,538 and $94,344 after related deferred income taxes of $12,476 and $71,175, respectively, which are included as a separate valuation component of stockholders' equity.

Investments at August 31, 1994, which were recorded at lower of cost or market, are as follows:

Time deposits with bank, due 12/7/94	$ 216,992
Investment limited partnership	912,767
Investment in municipal bond portfolio	1,066,015
Investment in treasury bills, due 12/19/94	78,924
	$2,274,698

5. RECEIVABLE FROM OFFICERS AND EMPLOYEES

Receivable from officers and employees consists of the following interest bearing and noninterest-bearing promissory notes and advances to officers and employees of the Company:

	AUGUST 31, 1994	AUGUST 31, 1995	FEBRUARY 29, 1996
5.8% promissory note from principal stockholder	$3,250,000	$3,250,000	$ 3,250,000
Noninterest-bearing advances to principal stockholder	423,488	626,703	596,703
Noninterest-bearing promissory demand notes and advances to employees	97,550	305,413	317,025
	$3,771,038	$4,182,116	$ 4,163,728

5. RECEIVABLE FROM OFFICERS AND EMPLOYEES--(CONTINUED)

The notes and advances outstanding to the principal stockholder are expected to be paid in full promptly following the completion of a public offering of a portion of the common stock owned by such stockholder from a portion of the proceeds thereof.

6. FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Furniture, equipment and leasehold improvements consist of the following:

	AUGUST 31, 1994	AUGUST 31, 1995	FEBRUARY 29, 1996
Computers and related equipment	$ 9,063,394	$ 9,877,855	$ 11,859,249
Leasehold improvements	2,363,600	2,499,217	2,538,738
Furniture, fixtures and other	2,506,053	2,773,740	2,890,509
	13,933,047	15,150,812	17,288,496
Less--Accumulated depreciation and amortization	(8,668,412)	(10,204,865)	(11,147,810)
	$ 5,264,635	$ 4,945,947	$ 6,140,686

7. DEFERRED FEES AND COMMISSIONS

Deferred fees and commissions consist of the following:

	AUGUST 31, 1994	AUGUST 31, 1995	FEBRUARY 29, 1996
Deferred fees	$ 415,657	$ 568,129	$ 487,886
Deferred commissions	2,917,361	2,282,718	2,063,070
	$3,333,018	$2,850,847	$ 2,550,956

8. INCOME TAXES

The provision for income taxes was as follows:

	FOR THE YEARS ENDED			FOR THE SIX MONTHS ENDED	
	AUGUST 31, 1993	AUGUST 31, 1994	AUGUST 31, 1995	FEBRUARY 28, 1995	FEBRUARY 29, 1996
Current tax expense					
U.S. federal	$2,385,239	$1,330,515	$2,788,446	$ 954,371	$ 1,382,210
State and local	1,078,167	621,499	1,178,701	422,935	582,825
Total current	3,463,406	1,952,014	3,967,147	1,377,306	1,965,035
Deferred tax expense (benefit)					
U.S. federal	(829,059)	(147,877)	(173,007)	296,149	208,526
State and local	(353,130)	(56,654)	(62,818)	136,533	91,840
Total deferred	(1,182,189)	(204,531)	(235,825)	432,682	300,366
Total provision	$2,281,217	$1,747,483	$3,731,322	$ 1,809,988	$ 2,265,401

8. INCOME TAXES--(CONTINUED)

Deferred tax assets (liabilities) are comprised of the following:

	AUGUST 31, 1994	AUGUST 31, 1995	FEBRUARY 29, 1996
Deferred tax assets:			
Current:			
Deferred commission income	$1,248,240	$ 953,341	$ 873,770
Deferred fee income	177,845	237,270	206,634
Accrued bonuses	-	409,281	213,882
Total current deferred taxes	1,426,085	1,599,892	1,294,286
Noncurrent:			
Depreciation/amortization	224,502	236,837	261,357
Deferred rent	95,441	113,495	100,038
Other	9,957	29,110	-
Total noncurrent deferred taxes	329,900	379,442	361,395
Gross deferred tax assets	1,755,985	1,979,334	1,655,681
Deferred tax liabilities:			
Other	-	-	(35,412)
Deferred tax assets valuation allowance	-	-	-
	$1,755,985	$1,979,334	$ 1,620,269

The provisions for income taxes differ from the amount of income tax determined by applying the applicable U.S. statutory federal income tax rate to pretax income as a result of the following differences:

	FOR THE YEARS ENDED			FOR THE SIX MONTHS ENDED	
	AUGUST 31, 1993	AUGUST 31, 1994	AUGUST 31, 1995	FEBRUARY 28, 1995	FEBRUARY 29, 1996
Tax at statutory U.S. tax rates	$1,754,286	$1,256,108	$2,947,830	$ 1,446,501	$ 1,797,736
Increase (decrease) in taxes resulting from:					
State and local taxes, net	478,525	372,798	736,483	369,249	445,279
Other	48,406	118,577	47,009	(5,762)	22,386
Tax at effective tax rates	$2,281,217	$1,747,483	$3,731,322	$ 1,809,988	$ 2,265,401

9. NET CAPITAL

As a registered broker-dealer, FDS is subject to Rule 15c3-1 under the Securities Exchange Act of 1934, which requires that FDS maintain minimum net capital equal to the greater of $5,000 or 6.67% of aggregate indebtedness and a ratio of aggregate indebtedness to net capital of not more than 15 to 1. FDS may be prohibited from paying cash dividends to the Company if such dividends would result in its net capital falling below the minimum requirement or its ratio of aggregate indebtedness to net capital exceeding 15 to 1.

9. NET CAPITAL--(CONTINUED)

At all times during the periods presented, FDS had net capital in excess of its minimum net capital requirements. At February 29, 1996, FDS had net capital of $2,104,657, which was $1,788,716 in excess of its minimum net capital requirement of $315,941. The ratio of aggregate indebtedness to net capital was 2.25 to 1.

10. COMMITMENTS

The Company leases office space in Greenwich, Connecticut under a lease agreement which expires in August 2000 and which contains certain escalation clauses. The Company is required to pay minimum annual rental of $1,186,866 through the end of the lease. The total minimum rental payments associated with the lease are being recorded as occupancy costs on a straight-line basis over the period commencing with the occupancy of the premises in August 1990 through the end of the lease. Deferred rent at August 31, 1994, August 31, 1995 and February 29, 1996 includes $228,728, $271,756, and $236,202, respectively, for recorded occupancy expenses which will be paid in future years.

The cost of certain leasehold improvements, above and beyond normal improvements, was reimbursed to the Company by the lessor. These leasehold improvements are included in deferred rent and are being amortized to occupancy costs on a straight-line basis over the term of the lease. The unamortized balance of such leasehold improvements was $372,798, $310,665 and $279,598 at August 31, 1994, August 31, 1995 and February 29, 1996, respectively.

The Company, through its subsidiaries, has lease agreements for other office space which expire at various dates through the period ended December 2003.

At February 29, 1996, the Company's lease commitments for office space under leases having noncancelable lease terms in excess of one year provide for the following minimum annual rentals:

For the six months ending August 31, 1996	$ 1,068,783
For the years ending August 31,	
1997	1,517,152
1998	1,474,000
1999	1,481,891
2000	1,379,025
Thereafter	606,484
Minimum lease payments	$ 7,527,335

At February 29, 1996, the Company has standby letters of credit aggregating approximately $261,916, which serve as security deposits for leased premises.

11. EMPLOYEE STOCK OWNERSHIP PLAN

The Company sponsors an Employee Stock Ownership Plan (the "Plan" or "ESOP"). The Company may make optional annual contributions for the benefit of participating employees in such amount or amounts as designated by the Board of Directors. The Company made contributions in the amounts of $340,000, $400,000 and $480,000 for the years ended August 31, 1993, 1994 and 1995, respectively. Such contributions are recorded in compensation expense and accrued liabilities at the

11. EMPLOYEE STOCK OWNERSHIP PLAN--(CONTINUED)
time they are authorized; issuance of the related shares occurs shortly thereafter, generally in the following fiscal year. The principal stockholders of the Company are the Trustees of the Plan.

Employees of the Company and its subsidiaries who have performed at least 1,000 hours of service during the year are generally able to participate in the Plan. The Company contribution allocated to an individual account begins to vest upon completion of the employee's third year of service at the rate of 20% each successive year of service. Forfeited non-vested interests in the Plan are allocated to the other participants' accounts.

The Plan owned 607,000, 696,024, and 787,824 shares of the Company's common stock at August 31, 1994, August 31, 1995 and February 29, 1996, respectively.

The consolidated statement of financial condition at February 29, 1996 includes an accrual of $290,000 for the proportional estimate of a contribution for the current fiscal year. Any such contribution is subject to approval of the Board of Directors.

12. STOCK OPTION PLAN

The Company's 1994 Stock Option Plan (the "1994 Plan") was adopted by the Board of Directors on December 21, 1994 and approved by the Company's stockholders on December 22, 1994. Under the 1994 Plan, effective January 3, 1995 incentive stock options ("ISOs") and non-qualified stock options to purchase up to 1,481,000 shares of common stock at prices which range from $2.50 to $2.70 per share have been granted to employees of the Company. Options granted under the 1994 Plan expire not more than 10 years from the date of grant and, in most cases, vest at a rate of 20% per year beginning one year after the grant date.

The 1994 Plan is administered by the Compensation Committee of the Board of Directors. Options granted under the plan are not transferrable or assignable other than by will or the laws of decent and distribution and may be exercised, during the grantee's lifetime, only by the grantee.

As of August 31, 1995, no options had been exercised under the 1994 Plan. During the six months ended February 29, 1996, options representing 6,000 shares of common stock were exercised, at which time unvested options representing 24,000 shares of common stock were forfeited. At February 29, 1996, options to purchase up to 1,451,000 shares remained outstanding.

13. OFF-BALANCE SHEET RISK AND CONCENTRATIONS OF CREDIT RISK

In the normal course of business, securities transactions of customers of FDS are introduced and cleared through correspondent brokers. Pursuant to agreements between FDS and its correspondent brokers, the correspondents have the right to charge FDS for unsecured losses that result from a customer's failure to complete such transactions. The Company seeks to control the credit risk of nonperformance by its customers by evaluating the creditworthiness of its customers and by reviewing their trading activity on a periodic basis.

Receivable from clearing brokers represents a concentration of credit risk and relates to securities transactions cleared through two correspondent brokers.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THIS OFFERING BEING MADE HEREBY NOT CONTAINED IN THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, THE UNDERWRITERS OR ANY OTHER PERSON. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OFFERED HEREBY IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

TABLE OF CONTENTS

UNTIL , 1996 (25 DAYS AFTER THE DATE OF THIS PROSPECTUS), ALL DEALERS EFFECTING TRANSACTIONS IN THE REGISTERED SECURITIES, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS IS IN ADDITION TO THE OBLIGATION OF DEALERS TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

3,125,000 SHARES

FACTSET RESEARCH SYSTEMS INC.

COMMON STOCK

[FACTSET LOGO]

PROSPECTUS

DONALDSON, LUFKIN & JENRETTE SECURITIES CORPORATION

ALEX. BROWN & SONS INCORPORATED

, 1996

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the expenses incurred in connection with the sale and distribution of the securities being registered which will be paid solely by the Company. All the amounts shown are estimates, except the Commission registration fee, the listing fee and the NASD filing fee.

Commission registration fee	$ 20,690
NASD filing fee	6,500
NYSE listing fee	102,100
Blue sky fees and expenses	20,000
Transfer agent and registrar fees and expenses	7,500
Accounting fees and expenses	185,000
Legal fees and expenses	350,000
Printing and engraving expenses	175,000
Miscellaneous expenses	3,210
Total	$870,000

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the General Corporation Law of the State of Delaware provides that under certain circumstances a corporation may indemnify any person who or is a party or is threatened to be made a party any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director, officer, employee or agent of the corporation or is or was serving at its request in such capacity in another corporation or business association, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

The Certificate and By-laws of the registrant provide that (a) the registrant shall indemnify to the full extent permitted by law any person made, or threatened to be made, a party to any action, suit or proceeding (whether civil, criminal, administrative or investigative) by reason of the fact that he is or was a director, officer or employee of the registrant serving at its request as a director, officer, employee, trustee or agent of another enterprise and (b) the registrant shall pay the expenses, including attorney's fees, incurred by a director or officer in defending or investigating a threatened or pending action, suit or proceeding, in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount by the registrant. The Certificate of Incorporation also provides that, to the extent permitted by law, the directors of the registrant shall have no liability to the registrant or its stockholders for monetary damages for breach of fiduciary duty as a director.

The Company intends to purchase policies of insurance under which the registrant's directors and officers are insured, within the limits and subject to the limitations of the policies, against certain expenses in connection with the defense of actions, suits or proceedings, and certain liabilities which might be imposed as a result of such actions, suits or proceedings, to which they are parties by reason of being or having been such directors or officers.

The form of Underwriting Agreement filed a Exhibit 1.1 provides for the indemnification of the registrant, its controlling persons, its directors and certain of its officers by the Underwriters against certain liabilities under the Securities Act.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

In February 1996, the Company sold 1,500 shares of Common Stock to John S. Gross, the Company's former Chief Financial Officer, upon his exercise of employee stock options granted pursuant to the Company's 1994 Stock Option Plan. Such sale was not registered under the Securities Act of 1933 (the "Act") in reliance upon the exemption from registration contained in Section 3(b) of the Act and Rule 701 promulgated thereunder.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits

1.1	Form of Underwriting Agreement
3.1	Restated Certificate of Incorporation
3.2	By-laws
4.1	Form of Certificate for Common Stock*
5.1	Opinion of Cravath, Swaine & Moore*
10.1	Form of Registration Rights Agreement among the Company, Howard E. Wille and Charles J. Snyder
10.2	Form of Employment Agreement between the Company and Howard E. Wille and the Company and Charles J. Snyder
10.3	Letter Agreement between the Company and Ernest S. Wong
10.4	Company Employee Stock Ownership Plan
10.5	1994 Stock Option Plan
10.6	Form of Stock Option Agreement under 1994 Stock Option Plan
10.7	Form of 1996 Stock Option Plan
21.1	Subsidiaries of the Company**
23.1	Consent of Price Waterhouse LLP
23.2	Consent of Cravath, Swaine & Moore (appears in Exhibit 5.1)*
24.1	Powers of Attorney**

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* To be filed by amendment

** Filed previously.

ITEM 17. UNDERTAKINGS

(1) The undersigned Registrant hereby undertakes to provide to the Underwriters at the closing specified in the Underwriting Agreement, certificates in such denominations and registered in such names as required by the Underwriters to permit prompt delivery to each purchaser.

(2) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a

court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by a final adjudication of such issue.

(3) The undersigned Registrant hereby undertakes that:

(a) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in the form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(b) For the purpose of determining liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Greenwich, Connecticut, on June 4, 1996.

FACTSET RESEARCH SYSTEMS INC.

By: /s/ HOWARD E. WILLE
Howard E. Wille
Chairman of the Board of Directors
and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURES	TITLES	DATES
/s/ HOWARD E. WILLE Howard E. Wille	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	June 4, 1996
* Charles J. Snyder	President and Director	June , 1996
/s/ ERNEST S. WONG Ernest S. Wong	Chief Financial Officer (Principal Accounting Officer)	June 4, 1996
* Joseph E. Laird, Jr.	Director	June , 1996

* By: /s/ HOWARD E. WILLE
Howard E. Wille
Attorney-in-fact

INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION	PAGE
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* To be filed by amendment

** Filed previously.

[FORM OF UNDERWRITING AGREEMENT]

3,125,000 Shares

FACTSET RESEARCH SYSTEMS, INC.

Common Stock

UNDERWRITING AGREEMENT

July ___, 1996

DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION
ALEX. BROWN & SONS INCORPORATED
As representatives of the
several underwriters
named in Schedule I hereto
c/o Donaldson, Lufkin & Jenrette
Securities Corporation
277 Park Avenue
New York, New York 10172

Dear Sirs:

Certain stockholders of FactSet Research Systems, Inc., a Delaware corporation (the "Company"), named in Schedule II hereto, (the "Selling Stockholders"), severally propose to sell an aggregate of 3,125,000 shares of Common Stock, $.01 par value per share of the Company (the "Firm Shares"), to the several underwriters named in Schedule I hereto (the "Underwriters"). The Selling Stockholders also propose to sell to the several Underwriters not more than 468,750 additional shares of Common Stock, $.01 par value per share, of the Company (the "Additional Shares"), if requested by the Underwriters as provided in Section 2 hereof. The Firm Shares and the Additional Shares are herein collectively called the Shares. The shares of common stock of the Company to be outstanding after giving effect to the sales contemplated hereby are hereinafter referred to as the Common Stock.

1. Registration Statement and Prospectus. The Company has prepared and filed with the Securities and Exchange Commission (the "Commission") in accordance with the provisions of the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder (collectively called the "Act"), a registration statement on Form S-1 including a prospectus relating to the Shares, which may be amended. The registration statement as amended at the time when it becomes effective, including information (if any) deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 430A under the Act, is hereinafter referred to as the Registration Statement; and the prospectus in the form first used to confirm sales of Shares is hereinafter referred as the Prospectus.

2. Agreements to Sell and Purchase. On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, (i) each Selling Stockholder agrees, severally and not jointly, to sell the number of Firm Shares set forth opposite such Selling Stockholder's name in Schedule II hereto and (ii) each Underwriter agrees, severally and not jointly, to purchase from each Selling Stockholder at a price per share of $_____ (the "Purchase Price") the number of Firm Shares (subject to such adjustments to eliminate fractional shares as you may determine) which bears the same proportion to the total number of Firm Shares to be sold by such Selling Stockholder as the number of Firm Shares set forth opposite the name of such Underwriter in Schedule I hereto bears to the total number of Firm Shares.

On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, (i) each Selling Stockholder agrees, severally and not jointly, to sell up to 468,750 Additional Shares and (ii) the Underwriters shall have the right to purchase, severally and not jointly, up to an aggregate 468,750 Additional Shares at the Purchase Price. Additional Shares may be purchased solely for the purpose of covering over-allotments made in connection with the offering of the Firm Shares. The Underwriters may exercise their right to purchase Additional Shares in whole or in part from time to time by giving written notice thereof to the Selling Stockholders within 30 days after the date of this Agreement. You shall give any such notice on behalf of the Underwriters and such notice shall specify the aggregate number of Additional Shares to be purchased pursuant to such exercise and the date for payment and delivery thereof. The date specified in any such notice shall be a business day (i) no earlier than the Closing Date (as hereinafter defined), (ii) no later than ten business days after such notice has been given and (iii) no earlier than two business days after such notice has been given. If any Additional Shares are to be purchased, each Underwriter, severally and not jointly, agrees to purchase from the Company the number of Additional Shares (subject to such adjustments to eliminate fractional shares as you may determine) which bears the same proportion to the total number of Additional Shares to be purchased from the Company as the number of Firm Shares set forth opposite the name of such Underwriter in Schedule I bears to the total number of Firm Shares.

The Company and the Selling Stockholders hereby agree, severally and not jointly, and the Company shall, concurrently with the execution of this Agreement, deliver an agreement executed by (i) each of the directors and officers of the Company who is not a Selling Stockholder and (ii) each stockholder listed on Annex I hereto, pursuant to which each such person agrees not to offer, sell, contract to sell, grant any option to purchase, or otherwise dispose of any common stock of the Company or any securities convertible into or exercisable or exchangeable for such common stock, or in any other manner transfer all or a

portion of the economic consequences associated with the ownership of any such common stock, except to the Underwriters pursuant to this Agreement, for a period of 180 days after the date of the Prospectus without the prior written consent of Donaldson, Lufkin & Jenrette Securities Corporation. Notwithstanding the foregoing, during such period (i) the Company may grant stock options or other stock awards pursuant to the stock option and other incentive stock plans maintained by the Company in the ordinary course of business, (ii) the Company may issue shares of its common stock upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof and (iii) the Company may sell shares of common stock to the Company's Employee Stock Ownership Plan.

3. Terms of Public Offering. The Company and the Selling Stockholders are advised by you that the Underwriters propose (i) to make a public offering of their respective portions of the Shares as soon after the effective date of the Registration Statement as in your judgment is advisable and (ii) initially to offer the Shares upon the terms set forth in the Prospectus.

4. Delivery and Payment. Delivery to the Underwriters of and payment for the Firm Shares shall be made at 10:00 A.M., New York City time, on the third business day (the "Closing Date") following the date of the initial public offering, at such place outside the State of New York as you shall designate. The Closing Date and the location of delivery of and the form of payment for the Firm Shares may be varied by agreement between you and the Selling Stockholders.

Delivery to the Underwriters of and payment for any Additional Shares to be purchased by the Underwriters shall be made at such place as you shall designate at 10:00 A.M., New York City time, on the date specified in the applicable exercise notice given by you pursuant to Section 2 (an "Option Closing Date"). Any such Option Closing Date and the location of delivery of and the form of payment for such Additional Shares may be varied by agreement between you and the Selling Stockholders.

Certificates for the Shares shall be registered in such names and issued in such denominations as you shall request in writing not later than two full business days prior to the Closing Date or an Option Closing Date, as the case may be. Such certificates shall be made available to you for inspection not later than 9:30 A.M., New York City time, on the business day next preceding the Closing Date or an Option Closing Date, as the case may be. Certificates in definitive form evidencing the Shares shall be delivered to you on the Closing Date or an Option Closing Date, as the case may be, with any transfer taxes thereon duly paid by the respective Selling Stockholders, for the respective accounts of the several Underwriters, against payment of the Purchase Price therefor by certified or official bank checks payable in immediately available funds to the order of the applicable Selling Stockholders.

5. Agreements of the Company and the Selling Stockholders. The Company, and where specified, each Selling Stockholder, agree with you as follows:

(a) The Company will use its best efforts to cause the Registration Statement to become effective at the earliest possible time.

(b) The Company (and with respect to item (iv) below, each Selling Stockholder) will advise you promptly and, if requested by you, confirm such advice in writing, (i) when the Registration Statement has become effective and when any post-effective amendment to it becomes effective, (ii) of any request by the Commission for amendments to the Registration Statement or amendments or supplements to the Prospectus or for additional information, (iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of the suspension of qualification of the Shares for offering or sale in any jurisdiction, or the initiation of any proceeding for such purposes, and (iv) of the happening of any event during the period referred to in paragraph (e) below which makes any statement of a material fact made in the Registration Statement or the Prospectus

untrue or which requires the making of any additions to or changes in the Registration Statement or the Prospectus in order to make the statements therein not misleading. If at any time the Commission shall issue any stop order suspending the effectiveness of the Registration Statement, the Company will make every reasonable effort to obtain the withdrawal or lifting of such order at the earliest possible time.

(c) The Company will furnish to you, without charge, three signed copies of the Registration Statement as first filed with the Commission and of each amendment to it, including all exhibits, and to furnish to you and each Underwriter designated by you such number of conformed copies of the Registration Statement as so filed and of each amendment to it, without exhibits, as you may reasonably request.

(d) The Company will not file any amendment or supplement to the Registration Statement, whether before or after the time when it becomes effective, or make any amendment or supplement to the Prospectus of which you shall not previously have been advised or to which you shall reasonably object; and to prepare and file with the Commission, promptly upon your reasonable request, any amendment to the Registration Statement or supplement to the Prospectus which may be necessary or advisable in connection with the distribution of the Shares by you, and to use its best efforts to cause the same to become promptly effective.

(e) Promptly after the Registration Statement becomes effective, and from time to time thereafter for such period as in the opinion of counsel for the Underwriters a prospectus is required by law to be delivered in connection with sales by an Underwriter or a dealer, the Company will furnish to each Underwriter and dealer as many copies of the Prospectus (and of any amendment or supplement to the Prospectus) as such Underwriter or dealer may reasonably request.

(f) If during the period specified in paragraph (e) any event shall occur as a result of which, in the

opinion of counsel for the Underwriters it becomes necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered to a purchaser, not misleading, or if it is necessary to amend or supplement the Prospectus to comply with any law, the Company will forthwith prepare and file with the Commission an appropriate amendment or supplement to the Prospectus so that the statements in the Prospectus, as so amended or supplemented, will not in the light of the circumstances when it is so delivered, be misleading, or so that the Prospectus will comply with law, and to furnish to each Underwriter and to such dealers as you shall specify, such number of copies thereof as such Underwriter or dealers may reasonably request.

(g) Prior to any public offering of the Shares, the Company will cooperate with you and counsel for the Underwriters in connection with the registration or qualification of the Shares for offer and sale by the several Underwriters and by dealers under the state securities or Blue Sky laws of such jurisdictions as you may request, to continue such qualification in effect so long as required for distribution of the Shares and to file such consents to service of process or other documents as may be necessary in order to effect such registration or qualification.

(h) The Company will mail and make generally available to its stockholders as soon as reasonably practicable an earnings statement covering a period of at least twelve months after the effective date of the Registration Statement (but in no event commencing later than 90 days after such date) which shall satisfy the provisions of Section 11(a) of the Act, and to advise you in writing when such statement has been so made available (it being understood that compliance with Rule 158 under the Act shall be deemed to be in compliance with this paragraph).

(i) During the period of five years after the date of this Agreement, the Company will (i) mail as soon as reasonably practicable after the end of each fiscal year to the record holders of its Common Stock a financial report of the Company and its subsidiaries on a consolidated basis (and a similar financial report of all unconsolidated subsidiaries, if any), all such financial reports to include a consolidated balance sheet, a consolidated statement of operations, a consolidated statement of cash flows and a consolidated statement of shareholders' equity as of the end of and for such fiscal year, together with comparable information as of the end of and for the preceding year, certified by independent certified public accountants, and (ii) mail and make generally available as soon as practicable after the end of each quarterly period (except for the last quarterly period of each fiscal year) to such holders, a consolidated balance sheet, a consolidated statement of operations and a consolidated statement of cash flows (and similar financial reports of all unconsolidated subsidiaries, if any) as of the end of and for such period, and for the period from the beginning of such year to the close of such quarterly period, together with comparable information for the corresponding periods of the preceding year.

(j) During the period referred to in paragraph (i), the Company will furnish to you as soon as available a copy of each report or other publicly available information of the Company mailed to the holders of Common Stock or filed with the Commission and such other publicly available information concerning the Company and its subsidiaries as you may reasonably request.

(k) The Company will pay one-third (1/3) and the Selling Stockholders will pay or reimburse the Company for two-thirds (2/3) of all costs, expenses, fees and taxes incident to (i) the preparation, printing, filing and distribution under the Act of the Registration Statement (including financial statements and

exhibits), each preliminary prospectus and all amendments and supplements to any of them prior to or during the period specified in paragraph (e), (ii) the printing and delivery of the Prospectus and all amendments or supplements to it during the period specified in paragraph (e), (iii) the printing and delivery of this Agreement, the Preliminary and Supplemental Blue Sky Memoranda and all other agreements, memoranda, correspondence and other documents printed and delivered in connection with the offering of the Shares (including in each case any disbursements of counsel for the Underwriters relating to such printing and delivery), (iv) the registration or qualification of the Shares for offer and sale under the securities or Blue Sky laws of the several states (including in each case the fees and disbursements of counsel for the Underwriters relating to such registration or qualification and memoranda relating thereto), (v) filings and clearance with the National Association of Securities Dealers, Inc. in connection with the offering, (vi) the listing of the Shares on the New York Stock Exchange, (vii) furnishing such copies of the Registration Statement, the Prospectus and all amendments and supplements thereto as may be requested for use in connection with the offering or sale of the Shares by the Underwriters or by dealers to whom Shares may be sold and (viii) the performance by the Selling Stockholders of their other obligations under this Agreement.

(l) The Company will use all reasonable efforts to maintain the listing of the Common Stock on the New York Stock Exchange (or on another national securities exchange or the NASDAQ National Market System) for a period of five years after the effective date of the Registration Statement.

(m) The Company will use its best efforts to do and perform all things required or necessary to be done and performed under this Agreement by the Company prior to the Closing Date or any Option Closing Date, as the

case may be, and to satisfy all conditions precedent to the delivery of the Shares.

6. Representations and Warranties of the Company and the Selling Stockholders. Each of the Company and the Selling Stockholders severally represents and warrants to each Underwriter that:

(a) The Registration Statement has become effective; no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose are pending before or threatened by the Commission.

(b) (i) Each part of the Registration Statement, when such part became effective, did not contain and each such part, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Registration Statement and the Prospectus comply and, as amended or supplemented, if applicable, will comply in all material respects with the Act and (iii) the Prospectus does not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph (b) do not apply to statements or omissions in the Registration Statement or the Prospectus based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein.

(c) Each preliminary prospectus filed as part of the registration statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the Act, complied when so filed in all material respects with the Act; and did not contain an

untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) The Company and each of its subsidiaries has been duly incorporated, is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation and has the corporate power and authority to carry on its business as it is currently being conducted and to own, lease and operate its properties, and each is duly qualified and is in good standing as a foreign corporation authorized to do business in each jurisdiction in which the nature of its business or its ownership or leasing of property requires such qualification, except where the failure to be so qualified would not have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(e) FactSet Data Systems Inc. ("FDS") is duly registered and in good standing as a broker-dealer under Section 15 of the Securities Exchange Act of 1934 (the "Exchange Act") and is in full compliance with the Exchange Act and the rules and regulations of the Commission thereunder, including, but not limited to, net capital requirements.

(f) All of the outstanding shares of capital stock of, or other ownership interests in, each of the Company's subsidiaries have been duly authorized and validly issued and are fully paid and non-assessable, and are owned by the Company, free and clear of any security interest, claim, lien, encumbrance or adverse interest of any nature.

(g) All the outstanding shares of capital stock of the Company (including the Shares to be sold by the Selling Stockholders) have been duly authorized and validly issued and are fully paid, non-assessable and not subject to any preemptive or similar rights.

(h) The authorized capital stock of the Company, including the Common Stock, conforms as to legal matters to the description thereof contained in the Prospectus.

(i) Neither the Company nor any of its subsidiaries is in violation of its respective charter or by-laws or in default in the performance of any obligation, agreement or condition contained in any bond, debenture, note or any other evidence of indebtedness or in any other agreement, indenture or instrument material to the conduct of the business of the Company and its subsidiaries, taken as a whole, to which the Company or any of its subsidiaries is a party or by which it or any of its subsidiaries or their respective property is bound.

(j) This Agreement has been duly authorized, executed and delivered by or on behalf of the Company and is the valid and binding agreement of the Company, enforceable in accordance with its terms (except that rights to indemnity and contribution thereunder may be limited by applicable law).

(k) The execution, delivery and performance of this Agreement, compliance by the Company with all the provisions hereof and the consummation of the transactions contemplated hereby will not require any consent, approval, authorization or other order of any court, regulatory body, administrative agency or other governmental body (except as such may be required under the securities or Blue Sky laws of the various states) and will not conflict with or constitute a breach of any of the terms or provisions of, or a default under, the charter or by-laws of the Company or any of its subsidiaries or any agreement, indenture or other instrument to which it or any of its subsidiaries is a party or by which it or any of its subsidiaries or their respective property is bound, or violate or conflict with any laws, administrative regulations or rulings or court decrees applicable to the Company, any of its subsidiaries or their respective property,

except where the failure to comply with such laws, administrative regulations or rulings or court decrees would not have a material adverse effect on the operations of the Company.

(l) Except as otherwise set forth in the Prospectus, there are no material legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any of their respective property is the subject, and, to the best of the Company's knowledge, no such proceedings are threatened or contemplated. No contract or document of a character required to be described in the Registration Statement or the Prospectus or to be filed as an exhibit to the Registration Statement is not so described or filed as required.

(m) To the knowledge of the Company or the Selling Stockholders, neither the Company nor any of its subsidiaries has violated any foreign, federal, state or local law or regulation relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws"), nor any federal or state law relating to discrimination in the hiring, promotion or pay of employees nor any applicable federal or state wages and hours laws, nor any provisions of the Employee Retirement Income Security Act or the rules and regulations promulgated thereunder, which in each case might result in any material adverse change in the business, prospects, financial condition or results of operation of the Company and its subsidiaries, taken as a whole.

(n) Except as otherwise set forth in the Prospectus or such as are not material to the business, prospects, financial condition or results of operation of the Company and its subsidiaries, taken as a whole, the Company and each of its subsidiaries has good and marketable title, free and clear of all liens, claims, encumbrances and restrictions except liens for taxes not yet due and payable, to all property and assets

described in the Registration Statement as being owned by it. All leases to which the Company or any of its subsidiaries is a party are valid and binding and no default has occurred or is continuing thereunder, which might result in any material adverse change in the business, prospects, financial condition or results of operation of the Company and its subsidiaries taken as a whole, and the Company and its subsidiaries enjoy peaceful and undisturbed possession under all such leases to which any of them is a party as lessee with such exceptions as do not materially interfere with the use made by the Company or such subsidiary.

(o) The Company and each of its subsidiaries maintains reasonably adequate insurance.

(p) Price Waterhouse LLP are independent public accountants with respect to the Company as required by the Act.

(q) The financial statements, together with related schedules and notes forming part of the Registration Statement and the Prospectus (and any amendment or supplement thereto), present fairly the consolidated financial position, results of operations and changes in financial position of the Company and its subsidiaries on the basis stated in the Registration Statement at the respective dates or for the respective periods to which they apply; such statements and related schedules and notes have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved, except as disclosed therein; and the other financial and statistical information and data set forth in the Registration Statement and the Prospectus (and any amendment or supplement thereto) is, in all material respects, accurately presented and prepared on a basis consistent with such financial statements and the books and records of the Company.

(r) The Company and each of its subsidiaries has such permits, licenses, franchises and authorizations

of governmental or regulatory authorities ("permits") as are necessary to own, lease and operate its respective properties and to conduct its business in the manner described in the Prospectus, subject to such qualifications as may be set forth in the Prospectus and except where the failure to have such permits, licenses, franchises and authorizations of governmental or regulatory authorities, would not have a material adverse effect on the operations of the Company; the Company and each of its subsidiaries has fulfilled and performed all of its material obligations with respect to such permits and no event has occurred which allows, or after notice or lapse of time would allow, revocation or termination thereof or results in any other material impairment of the rights of the holder of any such permit, subject in each case to such qualification as may be set forth in the Prospectus; and, except as described in the Prospectus, such permits contain no restrictions that are materially burdensome to the Company or any of its subsidiaries.

(s) The Company and each of its subsidiaries has such licenses, trademarks, patents, agreements or authorizations with respect to the usage of technology and information ("intellectual property rights"), proprietary and otherwise, as are necessary to own, lease and operate its respective properties and to conduct its business in the manner described in the Prospectus, subject to such qualifications as may be set forth in the Prospectus; the Company and each of its subsidiaries has fulfilled and performed all of its material obligations with respect to such intellectual property rights and no event has occurred which allows, or after notice or lapse of time would allow, revocation or termination of any such rights as to technology or information that is proprietary to the Company or results in any other material impairment thereof, subject in each case to such qualification as may be set forth in the Prospectus and except as would not have a material adverse effect on the operations of the Company; and, except as described in the Prospectus, the Company's intellectual property rights

contain no restrictions that are materially burdensome to the Company or any of its subsidiaries.

(t) The Company is not an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(u) With the exception of the Selling Stockholders, no holder of any security of the Company has any right to require registration of shares of Common Stock or any other security of the Company.

(v) The Company has complied with all provisions of Section 517.075, Florida Statutes (Chapter 92-198, Laws of Florida).

7. Additional Representations and Warranties of the Selling Stockholders. Each Selling Stockholder severally represents and warrants to each Underwriter and the Company that:

(a) Such Selling Stockholder is the lawful owner of the Shares to be sold by such Selling Stockholder pursuant to this Agreement and has, and on the Closing Date (and Option Closing Date, if applicable) will have, good and clear title to such Shares, free of all restrictions on transfer, liens, encumbrances, security interests and claims whatsoever.

(b) Upon delivery of and payment for such Shares pursuant to this Agreement, good and clear title to such Shares will pass to the Underwriters, free of all restrictions on transfer, liens, encumbrances, security interests and claims whatsoever.

(c) Such Selling Stockholder has, and on the Closing Date (and Option Closing Date, if applicable) will have, full legal right, power and authority to enter into this Agreement and to sell, assign, transfer and deliver such Shares in the manner provided herein and this Agreement has been duly authorized, executed

and delivered by such Selling Stockholder and is a valid and binding agreement of such Selling Stockholder enforceable in accordance with its terms, except as rights to indemnity and contribution hereunder may be limited by applicable law.

(d) Such Selling Stockholder has not taken, and will not take, directly or indirectly, any action designed to, or which might reasonably be expected to, cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares pursuant to the distribution contemplated by this Agreement, and other than as permitted by the Act, the Selling Stockholder has not distributed and will not distribute any prospectus or other offering material in connection with the offering and sale of the Shares.

8. Indemnification. (a) The Company and each Selling Stockholder, jointly and severally, agree to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages, liabilities and judgments caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the Prospectus (as amended or supplemented if the Company shall have furnished any amendments or supplements thereto) or any preliminary prospectus, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities or judgments are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to any Underwriters furnished in writing to the Company by or on behalf of any Underwriter through you expressly for use therein. Notwithstanding the foregoing, the aggregate liability of any Selling Stockholder pursuant to the provisions of this paragraph shall be limited to an amount equal to the aggregate purchase price received by such Selling

Stockholder pursuant to Section 2 hereof, from the sale of such Selling Stockholder's Shares hereunder.

(b) In case any action shall be brought against any Underwriter or any person controlling such Underwriter, based upon any preliminary prospectus, the Registration Statement or the Prospectus or any amendment or supplement thereto and with respect to which indemnity may be sought against the Company, the Selling Stockholders, or both, such Underwriter shall promptly notify the Company, the Selling Stockholders, or both, as the case may be, in writing and the Company, the Selling Stockholders, or both, as the case may be, shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such indemnified party and payment of all fees and expenses. Any Underwriter or any such controlling person shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Underwriter or such controlling person unless (i) the employment of such counsel has been specifically authorized in writing by the Company, the Selling Stockholders, or both, as the case may be, (ii) the Company, the Selling Stockholders, or both, as the case may be, shall have failed to assume the defense and employ counsel or (iii) the named parties to any such action (including any impleaded parties) include both such Underwriter or such controlling person and the Company or any Selling Stockholder, as the case may be, and such Underwriter or such controlling person shall have been advised by such counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Company or the Selling Stockholders, as the case may be, (in which case the Company, the Selling Stockholders, or both, as the case may be, shall not have the right to assume the defense of such action on behalf of such Underwriter or such controlling person, it being understood, however, that the Company, the Selling Stockholders, or both, as the case may be, shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more

than one separate firm of attorneys (in addition to any local counsel) for all such Underwriters and controlling persons, which firm shall be designated in writing by Donaldson, Lufkin & Jenrette Securities Corporation and that all such fees and expenses shall be reimbursed as they are incurred). The Company or any Selling Stockholder, as the case may be, shall not be liable for any settlement of any such action effected without the written consent of the Company or such Selling Stockholder but if settled with the written consent of such Selling Stockholder, such Selling Stockholder agrees to indemnify and hold harmless any Underwriter and any such controlling person from and against any loss or liability by reason of such settlement. Notwithstanding the immediately preceding sentence, if in any case where the fees and expenses of counsel are at the expense of the indemnifying party and an indemnified party shall have requested the indemnifying party to reimburse the indemnified party for such fees and expenses of counsel as incurred, such indemnifying party agrees that it shall be liable for any settlement of any action effected without its written consent if (i) such settlement is entered into more than 30 business days after the receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall have failed to reimburse the indemnified party in accordance with such request for reimbursement prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding. The Company agrees to indemnify and hold harmless each Selling Stockholder from and against any and all losses, claims, damages, liabilities and judgments arising hereunder.

(c) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers who sign the Registration Statement, any person controlling the Company within the meaning of

Section 15 of the Act or Section 20 of the Exchange Act, each Selling Stockholder and each person, if any, controlling such Selling Stockholder within the meaning of Section 15 of the Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company and the Selling Stockholders to each Underwriter but only with reference to information relating to such Underwriter furnished in writing by or on behalf of such Underwriter through you expressly for use in the Registration Statement, the Prospectus or any preliminary prospectus. In case any action shall be brought against the Company, any of its directors, any such officer or any person controlling the Company or any Selling Stockholder or any person controlling such Selling Stockholder based on the Registration Statement, the Prospectus or any preliminary prospectus and in respect of which indemnity may be sought against any Underwriter, the Underwriter shall have the rights and duties given to the Company and the Selling Stockholders (except that if the Company or any Selling Stockholder shall have assumed the defense thereof) such Underwriter shall not be required to do so, but may employ separate counsel therein and participate in the defense thereof but the fees and expenses of such counsel shall be at the expense of such Underwriter), and the Company, its directors, any such officers and any person controlling the Company and the Selling Stockholders and any person controlling such Selling Stockholders shall have the rights and duties given to the Underwriter, by Section 8(b) hereof.

(d) If the indemnification provided for in this Section 8 is unavailable to an indemnified party in respect of any losses, claims, damages, liabilities or judgments referred to therein, then each indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities and judgments (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other hand from the offering of the Shares or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion

as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Selling Stockholders on the one hand and the Underwriters on the other hand in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or judgments, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Stockholders, on the one hand, and the Underwriters, on the other hand, shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Selling Stockholders, and the total underwriting discounts and commissions received by the Underwriters, bear to the total price to the public of the Shares, in each case as set forth in the table on the cover page of the Prospectus. The relative fault of the Company, the Selling Stockholders and the Underwriters shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Company, the Selling Stockholders or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company, the Selling Stockholders and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 8(d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages, liabilities or judgments referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price

at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to this Section 8(d) are several in proportion to the respective number of Shares purchased by each of the Underwriters hereunder and not joint.

(e) Each Selling Stockholder and the Company hereby designates CT Corporation System, 1633 Broadway, 23rd Floor, New York, New York, 10019 (a Delaware corporation), as its authorized agent, upon which process may be served in any action, suit or proceeding which may be instituted in any state or federal court in the State of New York by any Underwriter or person controlling an Underwriter asserting a claim for indemnification or contribution under or pursuant to this Section 8, and each Selling Stockholder and the Company will accept the jurisdiction of such court in such action, and waives, to the fullest extent permitted by applicable law, any defense based upon lack of personal jurisdiction or venue. A copy of any such process shall be sent or given to each Selling Stockholder and the Company, at the address for notices specified in Section 13 hereof.

9. Conditions of Underwriters' Obligations. The several obligations of the Underwriters to purchase the Firm Shares under this Agreement are subject to the satisfaction of each of the following conditions:

(a) All the representations and warranties of the Company contained in this Agreement shall be true and correct on the Closing Date with the same force and effect as if made on and as of the Closing Date.

(b) The Registration Statement shall have become effective not later than 5:00 P.M., New York City time, on the date of this Agreement or at such later date and

time as you may approve in writing, and at the Closing Date no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been commenced or shall be pending before or contemplated by the Commission.

(c)(i) Since the date of the latest balance sheet included in the Registration Statement and the Prospectus, there shall not have been any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, affairs or business prospects, whether or not arising in the ordinary course of business, of the Company, (ii) since the date of the latest balance sheet included in the Registration Statement and the Prospectus there shall not have been any material adverse change, or any development involving a prospective material adverse change, in the capital stock or in the long-term debt of the Company from that set forth in the Registration Statement and Prospectus, (iii) the Company and its subsidiaries shall have no liability or obligation, direct or contingent, which is material to the Company and its subsidiaries, taken as a whole, other than those reflected in the Registration Statement and the Prospectus and (iv) on the Closing Date you shall have received a certificate dated the Closing Date, signed by Howard E. Wille and Charles J. Snyder, in their capacities as the Chairman of the Board of Directors, Chief Executive Officer and Director and President, Chief Technology Officer and Director of the Company, confirming the matters set forth in paragraphs (a), (b), and (c) of this Section 9.

(d) All the representations and warranties of the Selling Stockholders contained in this Agreement shall be true and correct on the Closing Date with the same force and effect as if made on and as of the Closing Date and you shall have received a certificate to such effect, dated the Closing Date, from each Selling Stockholder.

(e) You shall have received on the Closing Date an opinion (satisfactory to you and counsel for the Underwriters), dated the Closing Date, of Cravath, Swaine & Moore counsel for the Company and the Selling Stockholders, to the effect that:

(i) the Company and each of its subsidiaries has been duly incorporated, is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation and has the corporate power and authority required to carry on its business as it is currently being conducted and to own, lease and operate its properties;

(ii) the Company and each of its subsidiaries is duly qualified and is in good standing as a foreign corporation authorized to do business in each jurisdiction in the United States in which the nature of its business or its ownership or leasing of property requires such qualification, except where the failure to be so qualified would not have a material adverse effect on the Company and its subsidiaries, taken as a whole;

(iii) all of the outstanding shares of capital stock of, or other ownership interests in, each of the Company's subsidiaries have been duly and validly authorized and issued and are fully paid and non-assessable, and are owned by the Company, free and clear of any security interest, claim, lien, encumbrance or adverse interest of any nature;

(iv) all the outstanding shares of Common Stock (including the Shares to be sold by the Selling Stockholders) have been duly authorized and validly issued and are fully paid, non-assessable and not subject to any preemptive or similar rights;

(v) this Agreement has been duly authorized, executed and delivered by the Company and each of

the Selling Stockholders and is a valid and binding agreement of the Company and each Selling Stockholder;

(vi) the authorized capital stock of the Company, including the Common Stock, conforms as to legal matters to the description thereof contained in the Prospectus;

(vii) the Registration Statement has become effective under the Act, and, to the knowledge of such counsel, no stop order suspending its effectiveness has been issued and no proceedings for that purpose are pending before or contemplated by the Commission;

(viii) the statements under the captions "Business-Government Regulation", "Management", "Certain Transactions and Relationships", "Description of Capital Stock" and "Shares Eligible For Future Sale" in the Prospectus and Items 14 and 15 of Part II of the Registration Statement, insofar as such statements constitute a summary of legal matters, documents or proceedings referred to therein, fairly present the information called for with respect to such legal matters, documents and proceedings;

(ix) neither the Company nor any of its subsidiaries is in violation of its respective charter or by-laws and, to the best of such counsel's knowledge, neither the Company nor any of its subsidiaries is in default in the performance of any obligation, agreement or condition contained in any bond, debenture, note or any other evidence of indebtedness or in any other agreement, indenture or instrument material to the conduct of the business of the Company and its subsidiaries, taken as a whole, to which the Company or any of its subsidiaries is a party or by which it or any of its subsidiaries or their respective property is bound;

(x) the execution, delivery and performance of this Agreement by the Company and each Selling Stockholder, compliance by the Company and each Selling Stockholder with all the provisions hereof and the consummation of the transactions contemplated hereby will not require any consent, approval, authorization or other order of any court, regulatory body, administrative agency or other governmental body (except as such may be required under the Act or other securities or Blue Sky laws) and will not conflict with or constitute a breach of any of the terms or provisions of, or a default under, any agreement, indenture or other instrument to which the Company or any of its subsidiaries or any Selling Stockholder is a party or by which the Company or any of its subsidiaries or any Selling Stockholder or their respective properties are bound and which is listed as an exhibit to the Registration Statement, or violate or conflict with any law, rule or regulation of the United States or the State of New York or the General Corporation Law of the State of Delaware or, to such counsel's knowledge, court decrees applicable to the Company or any of its subsidiaries or any Selling Stockholder or their respective properties;

(xi) to such counsel's knowledge, there is no legal or governmental proceeding pending or threatened to which the Company or any of its subsidiaries is a party or to which any of their respective property is subject which is required to be described in the Registration Statement or the Prospectus and is not so described, or of any contract or other document which is required to be described in the Registration Statement or the Prospectus or is required to be filed as an exhibit to the Registration Statement which is not described or filed as required;

(xii) the Company is not an "investment company" or a company "controlled" by an

"investment company" within the meaning of the Investment Company Act of 1940, as amended;

(xiii) to such counsel's knowledge, no holder of any security of the Company (other than the Selling Stockholders) has any right to require registration of shares of Common Stock or any other security of the Company;

(xiv) although counsel has made certain inquiries and investigations in connection with the preparation of the Registration Statement and the Prospectus, the limitations inherent in the role of outside counsel are such that counsel cannot and does not assume responsibility for the accuracy or completeness of the statements made in the Registration Statement and Prospectus, except insofar as such statements relate to us and except to the extent set forth in paragraph (e)(viii) above. Subject to the foregoing, however, such counsel will advise you that their work in connection with this matter did not disclose any information that gave us reason to believe that: (i) the Registration Statement, at the time the Registration Statement became effective, or the Prospectus, as of the date hereof (except the financial statements and other information of a statistical, accounting or financial nature included therein, as to which we can not express any view), was not appropriately responsive in all material respects to the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder, or (ii) the Registration Statement, at the time the Registration Statement became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) that the Prospectus, at the date hereof, includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the

statements therein, in the light of the circumstances under which they were made, not misleading (in each case except for the financial statement and other information of a statistical, accounting, or financial nature included therein as to which we do not express any view).

(xv) immediately prior to the consummation of the transactions described in this agreement, the Selling Stockholders were the sole record holders of the Shares. Upon delivery of the Shares to the Underwriters, payment therefore by the Underwriters and registration of the certificates evidencing the Shares in the name of the Underwriters or a nominee thereof, the Underwriters will acquire ownership of the Shares free from any adverse claims (as such term is defined in Section 8-302 of the Uniform Commercial Code in the State of New York), assuming that each of the Underwriters is acting in good faith and has no notice of any adverse claim.

(xvi) FDS is duly registered and in good standing as a broker-dealer under Section 15 of the Exchange Act and, to such counsel's knowledge, is in full compliance with the Exchange Act and the rules and regulations of the Commission thereunder, including, but not limited to, net capital requirements.

In giving such opinion with respect to the matters covered by clause (xvi) such counsel may state that their opinion and belief are based upon their participation in the preparation of the Registration Statement and Prospectus and any amendments or supplements thereto and review and discussion of the contents thereof, but are without independent check or verification except as specified.

The opinion of Cravath, Swaine & Moore described in paragraph (e) above shall be rendered to you at the request of the Company or one or more of the Selling

Stockholders, as the case may be, and shall so state therein.

(f) You shall have received on the Closing Date an opinion, dated the Closing Date, of Davis Polk & Wardwell, counsel for the Underwriters, as to the matters referred to in clauses (v) (but only with respect to the Company), (vii), (viii) (but only with respect to the statements under the captions "Description of Capital Stock" and "Underwriting") and (xiv) of the foregoing paragraph (e). In giving such opinion with respect to the matters covered by clause (xiv) such counsel may state that their opinion and belief are based upon their participation in the preparation of the Registration Statement and Prospectus and any amendments or supplements thereto and review and discussion of the contents thereof, but are without independent check or verification except as specified.

(g) You shall have received a letter on and as of the Closing Date, in form and substance satisfactory to you, from Price Waterhouse LLP, independent public accountants, with respect to the financial statements and certain financial information contained in the Registration Statement and the Prospectus and substantially in the form and substance of the letter delivered to you by Price Waterhouse on the date of this Agreement.

(h) The Company and the Selling Stockholders shall not have failed at or prior to the Closing Date to perform or comply with any of the agreements herein contained and required to be performed or complied with by the Company at or prior to the Closing Date.

The several obligations of the Underwriters to purchase any Additional Shares hereunder are subject to the delivery to you on the applicable Option Closing Date of such documents as you may reasonably request with respect to the good standing of the Company, the due authorization and issuance

of such Additional Shares and other matters related to the issuance and sale of such Additional Shares.

10. Effective Date of Agreement and Termination. This Agreement shall become effective upon the later of (i) execution of this Agreement and (ii) when notification of the effectiveness of the Registration Statement has been released by the Commission.

This Agreement may be terminated at any time prior to the Closing Date by you by written notice to the Selling Stockholders and the Company if any of the following has occurred: (i) since the respective dates as of which information is given in the Registration Statement and the Prospectus, any adverse change or development involving a prospective adverse change in the condition, financial or otherwise, of the Company or any of its subsidiaries or the earnings, affairs, or business prospects of the Company or any of its subsidiaries, whether or not arising in the ordinary course of business, which would, in your judgment, make it impracticable to market the Shares on the terms and in the manner contemplated in the Prospectus, (ii) any outbreak or escalation of hostilities or other national or international calamity or crisis or change in economic conditions or in the financial markets of the United States or elsewhere that, in your judgment, is material and adverse and would, in your judgment, make it impracticable to market the Shares on the terms and in the manner contemplated in the Prospectus, (iii) the suspension or material limitation of trading in securities on the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System or limitation on prices for securities on any such exchange or National Market System, (iv) the enactment, publication, decree or other promulgation of any federal or state statute, regulation, rule or order of any court or other governmental authority which in your opinion materially and adversely affects, or will materially and adversely affect, the business or operations of the Company or any Subsidiary, (v) the declaration of a banking moratorium by either federal or New York State authorities or (vi) the taking of any action by any federal, state or local government or agency in respect of its monetary or fiscal affairs which in

your opinion has a material adverse effect on the financial markets in the United States.

If on the Closing Date or on an Option Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase the Firm Shares or Additional Shares, as the case may be, which it or they have agreed to purchase hereunder on such date and the aggregate number of Firm Shares or Additional Shares, as the case may be, which such defaulting Underwriter or Underwriters, as the case may be, agreed but failed or refused to purchase is not more than one-tenth of the total number of Shares to be purchased on such date by all Underwriters, each non-defaulting Underwriter shall be obligated severally, in the proportion which the number of Firm Shares set forth opposite its name in Schedule I bears to the total number of Firm Shares which all the non-defaulting Underwriters, as the case may be, have agreed to purchase, or in such other proportion as you may specify, to purchase the Firm Shares or Additional Shares, as the case may be, which such defaulting Underwriter or Underwriters, as the case may be, agreed but failed or refused to purchase on such date; provided that in no event shall the number of Firm Shares or
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Additional Shares, as the case may be, which any Underwriter has agreed to purchase pursuant to Section 2 hereof be increased pursuant to this Section 10 by an amount in excess of one-ninth of such number of Firm Shares or Additional Shares, as the case may be, without the written consent of such Underwriter. If on the Closing Date or on an Option Closing Date, as the case may be, any Underwriter or Underwriters shall fail or refuse to purchase Firm Shares, or Additional Shares, as the case may be, and the aggregate number of Firm Shares or Additional Shares, as the case may be, with respect to which such default occurs is more than one-tenth of the aggregate number of Shares to be purchased on such date by all Underwriters and arrangements satisfactory to you, the Company and the applicable Selling Stockholders for purchase of such Shares are not made within 48 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter, the Company and the applicable Selling Stockholders. In any such case which

does not result in termination of this Agreement, either you, the Company or the Selling Stockholders shall have the right to postpone the Closing Date or the applicable Option Closing Date, as the case may be, but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement and the Prospectus or any other documents or arrangements may be effected. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of any such Underwriter under this Agreement.

11. Agreements of the Selling Stockholders. Each Selling Stockholder severally agrees with you and the Company:

(a) To pay or to cause to be paid all transfer taxes with respect to the Shares to be sold by such Selling Stockholder; and

(b) To take all reasonable actions in cooperation with the Company and the Underwriters to cause the Registration Statement to become effective at the earliest possible time, to do and perform all things to be done and performed under this Agreement prior to the Closing Date and to satisfy all conditions precedent to the delivery of the Shares pursuant to this Agreement.

12. Miscellaneous. Notices given pursuant to any provision of this Agreement shall be addressed as follows: (a) if to the Company or any Selling Stockholder, to such person at FactSet Research Systems, Inc., One Greenwich Plaza, Greenwich, Connecticut 06830, Attn: Howard E. Wille and (b) Underwriter or to you, to you c/o Donaldson, Lufkin & Jenrette Securities Corporation, 277 Park Avenue, New York, New York 10172, Attention: Syndicate Department, or in any case to such other address as the person to be notified may have requested in writing.

The respective indemnities, contribution agreements, representations, warranties and other statements of the Selling Stockholders, the Company, its officers and directors and of the several Underwriters set forth in or

made pursuant to this Agreement shall remain operative and in full force and effect, and will survive delivery of and payment for the Shares, regardless of (i) any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter or by or on behalf of the Company, the Selling Stockholders or the officers or directors of the Company, (ii) acceptance of the Shares and payment for them hereunder and (iii) termination of this Agreement.

If this Agreement shall be terminated by the Underwriters because of any failure or refusal on the part of the Selling Stockholders to comply with the terms or to fulfill any of the conditions of this Agreement, the Selling Stockholders agree to reimburse the several Underwriters for all out-of-pocket expenses (including the fees and disbursements of counsel) reasonably incurred by them.

If this Agreement shall be terminated by the Underwriters because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement, the Company agrees to reimburse the several Underwriters for all out-of-pocket expenses (including the fees and disbursements of counsel) reasonably incurred by them.

Except as otherwise provided, this Agreement has been and is made solely for the benefit of and shall be binding upon the Selling Stockholders or the Company, the Underwriters, any controlling persons referred to herein and their respective successors and assigns, all as and to the extent provided in this Agreement, and no other person shall acquire or have any right under or by virtue of this Agreement. The term "successors and assigns" shall not include a purchaser of any of the Shares from any of the several Underwriters merely because of such purchase.

This Agreement shall be governed and construed in accordance with the laws of the State of New York.

This Agreement may be signed in various counterparts which together shall constitute one and the same instrument.

Please confirm that the foregoing correctly sets forth the agreement between the Company, the Selling Stockholders and the several Underwriters.

Very truly yours,

FACTSET RESEARCH SYSTEMS,INC.

By_____
Title:

SELLING STOCKHOLDERS:

_____
Howard E. Wille

_____
Charles J. Snyder

DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION
ALEX. BROWN & SONS INCORPORATED

Acting severally on behalf of
themselves and the several
Underwriters named in
Schedule I hereto

By DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION

By_____

SCHEDULE I

Underwriters	Number of Firm Shares to be Purchased
Donaldson, Lufkin & Jenrette Securities Corporation	
Alex. Brown & Sons Incorporated	
Total	

SCHEDULE II

Selling Stockholders

Name	Number of Firm Shares Being Sold
Howard E. Wille	
Charles J. Snyder	
Total	

ANNEX I

Required Stockholder Lock-ups

Employee Stock Ownership Plan
Timothy J. Anne
Jon D. Carlson
Nathanial B. Day
Michael F. DiChristina
William F. Faulkner
Philip A. Hadley
Edward A. Martin
Kristen L. McCutcheon
Adelaide P. McManus
Townsend Thomas
Susan L. Warzek
Merle E. Yoder

State of Delaware

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "FACTSET RESEARCH CORPORATION", FILED IN THIS OFFICE ON THE THIRD DAY OF DECEMBER, A.D. 1987, AT 9 O'CLOCK A.M.

[STATE OF DELAWARE SEAL]

/s/ Edward J. Freel,

Edward J. Freel, Secretary of State

RESTATED CERTIFICATE OF INCORPORATION

OF

FACTSET RESEARCH CORPORATION

(Pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware)

WE, THE UNDERSIGNED, CHARLES J. SNYDER and HOWARD E. WILLE, being the Executive Vice President and Secretary, respectively, of FACTSET RESEARCH CORPORATION, do hereby CERTIFY as follows:

1. The present name of the corporation is FACTSET RESEARCH CORPORATION (hereinafter called the "Corporation"), which is the name under which the Corporation was originally incorporated; and the date of filing the original Certificate of Incorporation of the Corporation with the Secretary of State of the State of Delaware is January 25, 1984.

2. The Certificate of incorporation of the Corporation is hereby amended to, among other things, (a) provide for the classification of directors, (b) increase the stockholder vote requirement for approval of certain mergers, sales of assets and other transactions, (c) limit the ability of stockholders to take action without a meeting, (d) implement Delaware law to limit directors' liability, and (e) provide for the indemnification of directors and officers.

3. The provisions of the Certificate of Incorporation as hereby and heretofore amended are hereby restated and integrated into a single instrument as herein-after set forth which is entitled Restated Certificate of Incorporation of FactSet Research Corporation.

4. The amendment and restatement of the Certificate of Incorporation herein certified have been duly proposed by the Board of Directors and adopted by the stockholders in accordance with the provisions of Sections 228, 242, and 245 of the General Corporation Law of the State of Delaware, in the form set forth as follows:

RESTATED CERTIFICATE OF INCORPORATION

OF

FACTSET RESEARCH CORPORATION

(a Delaware corporation)

FIRST: The name of the Corporation is FACTSET RESEARCH CORPORATION.

SECOND: The address of its registered office in the State of Delaware is No. 229 South State Street, in the City of Dover, Kent Count. The name of its registered agent at such address is United States Corporation Company.

THIRD: The nature of the business of the Corporation and the purposes to be conducted or promoted are:

1. To perform research in information systems and information technology.

2. To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

3. In general, to possess and exercise all the powers and privileges granted by the General Corporation Law of Delaware or by any other law of Delaware or by this Certificate of Incorporation together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion, or attainment of the business or purposes of the Corporation.

FOURTH: The Corporation shall have authority to issue one million (1,000,000) shares of common stock of the par value of $1.00 per share.

FIFTH: Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or an:, class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for the Corporation under the provisions of section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of section 279 of Title B of the Delaware Code, order a meeting of the creditors or class of creditors, and/or of the stockholders of class of stockholders of the Corporation, as the case may be, to be summoned in such manner as

the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders of the Corporation, as the case may be, and also on the Corporation.

SIXTH: In furtherance and not in limitation of the powers conferred by statute and except as provided here-in, the Board of Directors is expressly authorized to make, alter or repeal the by-laws of the Corporation.

SEVENTH: The Corporation shall have perpetual existence.

EIGHTH: No holder of stock of the Corporation shall, as such holder, have any right to purchase or subscribe for any shares of stock of the corporation of any class, now or hereafter authorized, or any obligations or instruments which the corporation may issue or sell that shall be convertible into or exchangeable for or entitle the

holders thereof to subscribe for or purchase any shares of stock of the Corporation of any class, now or hereafter authorized, other than such rights, if any, as the Board of Directors, in its sole discretion, may determine.

NINTH: Election of directors need not by written ballot, unless the By-laws so require.

TENTH: The Corporation reserves the right to amend, alter of repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed by the laws of Delaware, and all rights and powers conferred on directors and stockholders herein are granted subject to this reservation.

ELEVENTH: A. The number of directors of the corporation shall be such as from time to time shall be fixed by, or in the manner provided in, the By-Laws. From and after the annual meeting of stockholders in 1987, the Board of Directors shall be divided into three classes as nearly equal in number as possible, with the term of office of one class expiring each year. The terms of office of the directors elected at the annual meeting of stockholders in 1987 and initially classified shall be as follows: directors of the first class shall hold office for a term expiring at the next succeeding annual meeting, directors of the second class hold office for term expiring at the second

succeeding annual meeting and directors of the third class shall hold office for a term expiring at the third succeeding annual meeting. At each annual meeting of stockholders after the annual meeting in 1987, directors elected to succeed the class of directors whose terms expire at such annual meeting shall be elected to hold office for a term expiring at the third succeeding annual meeting after their election. During the intervals between annual meetings of stockholders, any vacancies occurring in the board of directors and any newly created directorships resulting from an increase in the number of directors shall be filled by a majority vote of the directors then in office, whether or not a quorum, or by a sole remaining director, except as otherwise provided by law. Each director chosen to fill a vacancy shall hold office for the unexpired term in respect of which such vacancy occurred. Each director chosen to fill a newly created directorship shall hold office for a term expiring at the annual meeting at which the terms of the directors of the class to which such director shall have been elected expire. when the number of directors is changed, any newly created directorships or any decrease in directorships shall be so apportioned among the classes as to make all classes as nearly equal in number as possible. Each director shall hold office for the specified term and

until a successor shall be duly elected and qualified, except in the event of death, resignation or removal. A director may be removed from office at any time, but only for cause, by the affirmative vote of the holders of a majority of the outstanding shares of stock entitled to vote for the election of directors at a meeting of the stockholders called for that purpose.

B. Notwithstanding anything to the contrary contained in Article SIXTH of this Certificate of Incorporation, the provisions of the By-Laws of the Corporation with respect to the number, qualifications, election, classification, terms of office, removal of directors and the filling of vacancies and newly created directorships, and the amendment thereof, that is, sections 2, 10 and 11 of Article III and Article XII of the By-Laws may be amended or repealed or new By-Laws affecting such provisions may be adopted only by resolution adopted unanimously by the entire Board of Directors or by the affirmative vote of the holders of at least 80% of the outstanding shares of stock of the Corporation entitled to vote in elections of directors (except that if such proposed amendment or repeal or adoption of new By-Laws shall be submitted to the stockholders with the unanimous recommendation of the entire Board of Directors, such provisions may be amended or repealed or such new

By-Laws may be adopted by affirmative vote of the holders of a majority of such stock).

C. No amendment of this Certificate of Incorporation, directly or indirectly by merger, consolidation or otherwise, shall amend, alter, change or repeal any of the provisions oB.P. this Article ELEVENTH, unless the amendment effecting such amendment, alteration, change or repeal shall receive the affirmative vote of at least 80% of the outstanding shares of stock of the Corporation entitled to vote in elections of directors; provided that this paragraph C shall not apply to any such amendment if such amendment is submitted to the stockholders for adoption with the unanimous recommendation of the entire Board of Directors.

TWELFTH: A. Notwithstanding any other provision of this Certificate of Incorporation and except as set forth in paragraph B of this Article TWELFTH, the affirmative vote of the holders of at least 80% of the outstanding shares of voting stock (as defined in paragraph E of this Article TWELFTH) shall be required

(1) for the adoption of any agreement for the merger or consolidation of the Corporation or any Subsidiary (as defined in paragraph E of this Article TWELFTH) with or into any other person (as defined in paragraph E of this Article TWELFTH), or

(2) to authorize any sale, lease, transfer or exchange of, or any mortgage or pledge of or the granting of any other security interest in, or any other disposition of, all or any substantial part of the assets of the Corporation or any Subsidiary to or with any other

person (in a single transaction or in a series of related transactions), or

(3) to authorize the issuance or transfer by the Corporation or any Subsidiary of any securities of the Corporation or any Subsidiary (except securities issued or transferred pursuant to a stock option, purchase, bonus or other plan or arrangement, for natural persons who are directors, employees, consultants and/or agents of the Corporation or a Subsidiary, or securities issued or transferred upon exercise of any conversion rights, warrants or options which shall have been outstanding at the time of adoption of this Article TWELFTH or which shall have been issued or transferred in a transaction not in contravention of the provisions of this Article TWELFTH) to any other person in exchange for cash, securities or other assets or a combination thereof,

if, in the case of any of the foregoing transactions, (as of the date of any action taken by the Board of Directors with respect to any such proposed transaction, or as of the record date for the determination of stockholders entitled to notice of and to vote on any such proposed transaction or immediately prior to the consummation of any such proposed transaction) such other person is, or at any time within the preceding 12 months has been, the beneficial owner, directly or indirectly, of 5% or more of the outstanding shares of voting stock of the Corporation.

B. The provisions of paragraph A of this Article TWELFTH shall not apply to (i) any transaction described in such paragraph A if the Board of Directors of the Corporation shall by resolution have approved a memorandum of agreement with such person setting forth the principal terms

of such transaction and such transaction is substantially consistent therewith, provided that a majority of those directors voting in favor of such resolution are Continuing Directors (as defined in paragraph E of this Article TWELFTH), (2) any transaction described in such paragraph A if the other party to such transaction is a Major Subsidiary (as defined in paragraph E of this Article TWELFTH) or (3) any transaction described in such paragraph A (other than a merger or consolidation to which the Corporation would be a party) if the fair value of the securities, assets or other consideration proposed to be issued or transferred,in any way disposed of, or received, by the Corporation or any Subsidiary in connection with any such transaction or any series of such transactions which are related is less than $2,000,000.

C. Notwithstanding any other provisions of this Certificate of Incorporation and except as set forth in paragraph D of this Article TWELFTH, the affirmative vote of the holders of at least 80% of the outstanding shares of voting stock of the corporation shall be required

(1) to authorize a liquidation or dissolution of the Corporation, or

(2) to authorize any offer by the Corporation to purchase shares of its outstanding voting stock (except pursuant to redemption provisions of any preferred stock of the Corporation), or

(3) to authorize any reclassification of securities of the Corporation, any recapitalization or any other transaction in each case designed to decrease the number of holders of the Corporation's voting stock,

if (as of the date of any action taken by the Board of Directors with respect to any such proposed transaction, or as of the record date for the determination of stockholders entitled to notice of and to vote on any such proposed transaction or immediately prior to the consummation of. any such proposed transaction) any other person is the beneficial owner, directly or indirectly, of 5% or more of the outstanding voting stock of the Corporation.

D. The provisions of paragraph C of this Article TWELFTH shall not apply to any transaction described in such paragraph C if the Board of Directors of the Corporation shall by resolution have approved a memorandum setting forth the principal terms of such transaction and such transaction is substantially consistent therewith, provided that a majority of those directors voting in favor of such resolution are Continuing Directors.

E. For the purposes of this Article TWELFTH,

(1) The "voting stock' of any corporation shall mean stock of all classes Of such corporation entitled to vote in elections of directors, considered as one class.

(2) Any person shall be deemed to be the "beneficial owner" of any shares of stock of the Corporation (i) which it owns, directly or indirectly, whether of record or not, or which it has the right to acquire pursuant to any agreement, or upon exercise of conver-

sion rights, warrants or options, or otherwise, or (ii) which are beneficially owned, directly or indirectly (including shares deemed owned through application of clause (i) above), by any other person which is its affiliate or associate (as defined in this paragraph E) or with which it or any of its affiliates or associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of stock of the Corporation. The outstanding shares of any class of stock of the Corporation shall be deemed to include shares deemed owned, through application of clauses (i) and (ii) above, but shall not include any other shares which may be issuable pursuant to any agreement, or upon exercise of conversion rights, warrants or options, or otherwise.

(3) An "affiliate" of a specified person is any person that, directly or indirectly, controls or is controlled by, or is under common control with, the person specified. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the specified person, whether through the ownership of voting securities or by contract or otherwise.

(4) The term "associate" used to indicate a relationship with any specified person means (i) any person in which such specified person has a significant financial interest or as to which such specified person's relationship is such that such specified person substantially influences its management and policies or any person having a significant financial interest in such specified person or which substantially influences the management and policies of such specified person, and without limitation to the foregoing, (ii) any person of which such specified person is an officer, director or partner or is, directly or indirectly, the beneficial owner of 5% or more of any class of equity securities, (iii) any trust or other estate in which such specified person has a substantial beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity, and (iv)any relative or spouse of such specified person, or any relative of such spouse, who has the same home as such specified person or who is a director or officer of such specified person or any corporation which controls or is controlled by such specified person.

(5) A "person" is any individual, corporation or other entity.

(6) The term "securities" shall include without limitation any stocks, bonds, debentures, notes and evidences of indebtedness, and any warrants, options and other rights to subscribe to or purchase any of the foregoing.

(7) A "Subsidiary" is any corporation of which at least a majority of the outstanding shares of equity stock is owned of record or beneficially by the Corporation and/or its Subsidiaries. A "Major Subsidiary" is any corporation of which at least 80% of the outstanding shares of equity stock is owned of record or beneficially by the Corporation and/or its Major Subsidiaries.

(8) The term "Continuing Director" shall mean a person who was a duly elected and acting director of the Corporation at the time of the adoption of this Article TWELFTH or became a duly elected and acting director of the Corporation prior to the time that, for the purposes of paragraphs B or D, as the case may be, of this Article TWELFTH, such other person became a beneficial owner, directly or indirectly, of 5% or more of the voting stock of the Corporation, or a person designated (whether before or after election as a director) to be a Continuing Director by a majority of the Continuing Directors.

F. A majority of the Continuing Directors shall have the power and duty to determine for the purposes of this Article TWELFTH, on the basis of information known to them, whether a proposed transaction is subject to the provisions of paragraph A or C of this Article TWELFTH, and in particular and without limitation, whether (1) any person beneficially owns 5% or more of the outstanding shares of voting stock of the Corporation, (2) any person is an "affiliate" or "associate" of any other person, (3) any person

has an agreement, arrangement or understanding with any other person, (4) any proposed transaction involves a substantial part of the assets of the Corporation or any Subsidiary, (5) the fair value of securities, assets or other consideration referred to in paragraph B of this Article TWELFTH is less than $2,000,000, (6) any series of transactions are related, and (7) the memorandum referred to in paragraph B or paragraph D of this Article TWELFTH is substantially consistent with the transaction to which it relates. Any such determination shall be conclusive and binding for all purposes of this Article TWELFTH.

G. The affirmative vote of stockholders required by this Article TWELFTH shall be in lieu of any lesser vote or consent of the holders of the stock of the Corporation otherwise required by law or in any agreement to which the Corporation is a party, and shall be in addition to any voting requirements imposed by law or any other provisions of the Certificate of Incorporation of the Corporation, including resolutions providing for the issuance of a class or series of stock adopted by the Board of Directors pursuant to authority vested in it by the provisions of the Certificate of incorporation in favor of certain classes of stock.

H. No amendment to this Certificate of Incorporation, directly or indirectly by merger, consolidation or otherwise, shall amend, alter, change or repeal any of the provisions of this Article TWELFTH, unless the amendment effecting such amendment, alteration, change or repeal shall receive the affirmative vote of the holders of at least 80% of the outstanding shares of stock of the Corporation entitled to vote in elections of directors; provided that this paragraph H shall not apply to any such amendment if such amendment is submitted to the stockholders for adoption with the unanimous recommendation of the entire Board of Directors.

THIRTEENTH: A. NO action required to be taken or which may be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, except on written consent, setting forth the action so taken, signed by the holders of record of all outstanding shares entitled to vote thereon.

B. No amendment to this Certificate of incorporation, directly or indirectly by merger, consolidation or otherwise, shall amend, alter, change or repeal any of the provisions of this Article THIRTEENTH, Unless the amendment effecting such amendment, alteration, change or repeal shall receive the affirmative vote of the holders of at least 80%

of the outstanding shares of stock of the Corporation entitled to vote in elections of directors; provided that this paragraph B shall not apply to any such amendment if such amendment is submitted to the stockholders for adoption with the unanimous recommendation of the entire Board of Directors.

FOURTEENTH: A. To the fullest extent that the General Corporation Law of the State of Delaware as it exists on the date hereof or as it may hereafter be amended permits the limitation or elimination of the liability of directors, no director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. No amendment to this Certificate of Incorporation, directly or indirectly by merger, consolidation or otherwise, having the effect of amending, altering, changing or repealing any of the provisions of this paragraph A shall apply re- or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal, unless such amendment shall have the effect of further limiting or eliminating such liability.

B. 1. The Corporation shall, to the fullest extent permitted by applicable law as then in effect, indemnify any

person (the "indemnitee") who was or is involved in any manner (including, without limitation, as a party or a witness) or was or is threatened to be made so involved in any threatened, pending or completed investigation, claim, action, suit or proceeding, whether civil, criminal, administrative or investigative (including, without limitation, any action, suit or proceeding by or in the right of the Corporation to procure a judgment in its favor) (a "proceeding") by reason of the fact that he is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, or of a partnership, joint venture, trust or other enterprise (including, without limitation, service with respect to any employee benefit plan), whether the basis of any such proceeding is alleged action in an official capacity as a director or officer or in any other capacity while serving as a director or officer, against all expenses, liability add loss (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) actually and reasonably incurred by him in connection with such proceeding. Such indemnification shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of his heirs and legal repre-

sentatives. The right to indemnification conferred in this Article FOURTEENTH shall include the right to receive payment in advance of any expenses incurred by the indemnitee in connection with such proceeding, consistent with applicable law as then in effect, and shall be a contract right. The Corporation may, by action of its Board of Directors, provide indemnification for employees, agents, attorneys and representatives of the Corporation with up to the same scope and extent as hereinabove provided for officers and directors. No amendment to this Certificate of Incorporation having the effect of amending, altering, changing or repealing any of the provisions of the sections of this paragraph B shall remove, abridge or adversely affect any right to indemnification or other benefits under the sections of this paragraph B with respect to any acts or omissions occurring prior to such amendment or repeal.

2. The right of indemnification, including the right. to receive payment in advance of expenses, conferred in this Article FOURTEENTH shall not be exclusive of any other rights to which any person seeking indemnification may otherwise be entitled under any provision of the Certificate of Incorporation, By-law or agreement or otherwise.

3. In any action or proceeding relating to the right to indemnification conferred in this Article FOUR-

TEENTH, the Corporation shall have the burden of proof that the indemnitee has not met any standard of conduct or belief which may be required by applicable law to be applied in connection with a determination of whether the indemnitee is entitled to indemnity, or otherwise is not entitled to indemnity, and neither a failure to make such a determination nor an adverse determination of entitlement to indemnity shall be a defense of the Corporation in such an action or proceeding or create any presumption that the indemnitee has not met any such standard of conduct or belief or is otherwise not entitled to indemnity. If successful in whole or in part in such an action or proceeding, the indemnitee shall be entitled to be indemnified by the Corporation for the expenses actually and reasonably incurred by him in connection with such action or proceeding.

C. No amendment to this Certificate of Incorporation, directly or indirectly by merger, consolidation or otherwise, shall amend, alter, change or repeal any of the provisions of this Article FOURTEENTH, unless the amendment effecting such amendment, alteration, change or repeal shall receive the affirmative vote of the holders of at least 80 percent of the outstanding shares of stock of the Corporation entitled to vote in elections of directors, provided that this paragraph C shall not apply to any such amendment

if such amendment is submitted to the stockholders for adoption with the unanimous recommendation of the entire Board of Directors.

IN WITNESS WHEREOF, FACTSET RESEARCH CORPORATION has caused this Certificate to be signed by Charles J. Snyder, its Executive Vice President, and attested by Howard E. Wills, its Secretary, this 15th day of July 1987.

By: /s/ Charles Snyder

Executive Vice President

Attest

By: /s/ Howard E. Wille

Secretary

State of Delaware

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "FACTSET RESEARCH CORPORATION", FILED IN THIS OFFICE ON THE TWENTY-SIXTH DAY OF APRIL, A.D. 1995, AT 4:15 O'CLOCK P.M.

[STATE OF DELAWARE SEAL]

/s/ Edward J. Freel

Edward J. Freel, Secretary of State

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
FACTSET RESEARCH CORPORATION

I, the undersigned, Chairman of the Board of FACTSET RESEARCH CORPORATION, a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in order to amend the Certificate of Incorporation of the Corporation, do hereby certify as follows:

1. The name of the Corporation is FACTSET RESEARCH CORPORATION.

2. The Certificate of Incorporation of the Corporation is hereby amended by deleting Article "FOURTH" in its entirety and substituting in lieu thereof the following:

FOURTH: The Corporation shall have authority to issue five million (5,000,000) shares of common stock of the par value of $1.00 per share.

3. The Certificate of Incorporation of the Corporation is hereby amended by deleting Paragraph A of Article "THIRTEENTH" in its entirety and substituting in lieu thereof the following:

THIRTEENTH: A. No action required to be taken or which may be taken at any annual or special meeting of

stockholders of the Corporation may be taken without a meeting, except on written consent, setting forth the action so taken, signed by the holders of record of at least 80% of the outstanding shares entitled to vote thereon.

3. The amendment of the Certificate of Incorporation herein certified has been duly adopted in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, this Certificate has been signed and affirmed as true under penalties of perjury by the undersigned on this 26th day of April, 1995.

/s/ Howard E. Wille

Howard E. Wille Chairman

Attest:

/s/ Howard E. Wille

Howard E. Wille Secretary

State of Delaware

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "FACTSET RESEARCH CORPORATION", CHANGING ITS NAME FROM "FACTSET RESEARCH CORPORATION" TO "FACTSET RESEARCH SYSTEMS INC.", FILED IN THIS OFFICE ON THE TWELFTH DAY OF JUNE, A.D. 1995, AT 12:15 O'CLOCK P.M.

[STATE OF DELAWARE SEAL]

/s/ Edward J. Freel

Edward J. Freel, Secretary of State

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
FACTSET RESEARCH CORPORATION

I, the Undersigned, Chairman of the Board of FACTSET RESEARCH CORPORATION, a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in order to amend the certificate of Incorporation of the Corporation, do hereby certify as follows:

1. The name of the corporation is FACTSET RESEARCH CORPORATION.

2. The Certificate of Incorporation of the Corporation is hereby amended by deleting Article "FIRST" in its entirety and substituting in lieu thereof the following:

FIRST: The name of the Corporation is FACTSET RESEARCH SYSTEMS INC.

3. The amendment of the Certificate of Incorporation herein certified has been duly adopted in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, this Certificate has been signed and affirmed as true under penalties of perjury by the undersigned on this 6th day of June , 1995

/s/ Howard E. Wille

Howard E. Wille Chairman

Attest

/s/ Howard E. Wille

Howard E. Wille Secretary

State of Delaware

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "FACTSET RESEARCH SYSTEMS INC.", FILED IN THIS OFFICE ON THE TENTH DAY OF JANUARY, A.D. 1996, AT 1:30 O'CLOCK P.M.

[STATE OF DELAWARE SEAL]

/s/ Edward J. Freel

Edward J. Freel, Secretary of State

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
FACTSET RESEARCH SYSTEMS INC.

I, the undersigned, Chairman of the Board of FACTSET RESEARCH SYSTEMS INC, a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), in order to amend the Certificate of Incorporation of the Corporation, do hereby certify as follows:

1. The name of the Corporation is FACTSET RESEARCH SYSTEMS INC.

2. The Certificate of Incorporation of the corporation is hereby amended by deleting Article "FOURTH" in its entirety and substituting in lieu thereof the following:

FOURTH: The Corporation shall have the authority to issue five million (5,000,000) shares of common stock of the par value of $.04 per Share.

3. The amendment of the Certificate of Incorporation herein certified has been duly adopted in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, this Certificate has been signed and affirmed as true under penalties of perjury by the undersigned on this 8th, day of December, 1995.

/s/ Howard E. Wille

Howard E. Wille Chairman

Attest;

/s/ Howard E. Wille
- ---
Howard E. Wille Secretary

State of Delaware

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "FACTSET RESEARCH CORPORATION", FILED IN THIS OFFICE ON THE THIRD DAY OF DECEMBER, A.D. 1987, AT 9 O'CLOCK A.M.

[STATE OF DELAWARE SEAL]

/s/ Edward J. Freel

Edward J. Freel, Secretary of State

RESTATED CERTIFICATE OF INCORPORATION

OF

FACTSET RESEARCH CORPORATION

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

WE, THE UNDERSIGNED, CHARLES J. SNYDER and HOWARD E. WILLE, being the Executive Vice President and Secretary, respectively, of FACTSET RESEARCH CORPORATION, do hereby CERTIFY as follows:

1. The present name of the corporation is FACTSET RESEARCH CORPORATION (hereinafter called the "Corporation"), which is the name under which the Corporation was originally incorporated; and the date of filing the original Certificate of Incorporation of the Corporation with the Secretary of State of the State of Delaware is January 25, !984.

2. The Certificate of Incorporation of the Corporation is hereby amended to, among other things, (a) provide for the classification of directors, (b) increase the stockholder vote requirement for approval of certain mergers, sales of assets and other transactions, (c) limit the ability, of stockholders to take action without a meeting, (d) implement Delaware law to limit directors' liability, and (e) provide for the indemnification of directors and officers.

3. The provisions of the Certificate of Incorporation us hereby and heretofore amended are hereby restated and integrated into a single instrument as hereinafter set forth which is entitled Restated Certificate of Incorporation of FactSet Research Corporation.

4. The amendment and restatement of the Certificate of Incorporation herein certified have been duly proposed by the Board of Directors and adopted by the stockholders in accordance with the provisions of Sections 228, 242, and 245 of the General Corporation Law of the State of Delaware, in the form set forth as follows:

RESTATED CERTIFICATE OF INCORPORATION

OF

FACTSET RESEARCH CORPORATION

(a Delaware corporation)

FIRST: The name of the Corporation is FACTSET RESEARCH CORPORATION.

SECOND: The address of its registered office in the state of Delaware is No,229 South State Street, in the City of Dover, Kent Count. The name of its registered agent at such address is United States Corporation, Company.

THIRD: The nature of the business of the Corporation and the purposes to be conducted or promoted are:

1. To perform research in information systems and information technology.

2. To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

3. In general, to possess and exercise all the powers and privileges granted by the General Corporation Law of Delaware or by any other law of Delaware or by this Certificate of Incorporation together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion, or attainment of the business or purposes of the Corporation.

FOURTH: The Corporation shall have authority to issue one million (1,000,000) shares of common stock of the par value of $1.00 per share.

FIFTH: Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any, class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or cf any creditor or stockholder thereof or on the application of an.v receiver or receivers appointed for the Corporation under the provisions of section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of section 279 of Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors, and/or of the stockholders of class of stockholders of the Corporation, as the case may be, to be summoned in such manner as

the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders of the Corporation, as the case may be, and also on the Corporation.

SIXTH: In furtherance and not in limitation of the powers conferred by statute and except as provided here-in, the Board of Directors is expressly authorized to make, alter or repeal the by-laws of the Corporation.

SEVENTH: The Corporation shall have perpetual existence.

EIGHTH: No holder of stock of the Corporation shall, as such holder, have any right to purchase or subscribe for any shares of stock of the corporation of any class, now or hereafter authorized, or any obligations or instruments which the corporation may issue or sell that shall, be convertible into or exchangeable for or entitle the

State of Delaware

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "FACTSET RESEARCH SYSTEMS INC.", FILED IN THIS OFFICE ON THE FOURTH DAY OF JUNE, A.D. 1996, AT 12:30 O'CLOCK P.M.

A CERTIFIED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS FOR RECORDING.

/S/ Edward J. Freel

Edward J. Freel, Secretary of State

(seal)

AUTHENTICATION: 7971762

DATE: 06-04-96

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
FACTSET RESEARCH SYSTEMS INC.

I, the undersigned, Chairman of the Board of FACTSET SYSTEMS INC., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), in order to amend the Certificate of Incorporation of the Corporation, do hereby certify as follows:

1. The name of the Corporation is FACTSET RESEARCH SYSTEMS INC.

2. The Certificate of Incorporation of the Corporation is hereby amended by deleting Article "FOURTH" in its entirety and substituting in lieu thereof the following:

FOURTH: The Corporation shall have the authority to issue a total of fifty million (50,000,000) shares of capital stock, consisting of (i) forty million (40,000,000) shares of Common Stock, $ .01 par value per share, and (ii) ten million (10,000,000) shares of Preferred Stock, $ .01 par value per share. The Corporation's Board of Directors is expressly authorized to provide by resolution or resolutions from time to time for the issue of the Preferred Stock in one or more series, the shares of each of which series may have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereon, as shall be permitted under the General Corporation Law of the State of Delaware and as shall be stated in the resolution or resolutions providing for the issue of such stock adopted by the Board of Directors pursuant to the authority expressly vested in the Board of Directors hereby.

3. The amendment of the Certificate of Incorporation herein certified has been duly adopted in accordance with the provisions of Sections 228 and 242 of the General Corporations Law of the State of Delaware.

IN WITNESS WHEREOF, this Certificate has been signed and affirmed as true under penalties of perjury by the undersigned on this 3 day of June, 1996.

- ----

/s/ Howard E. Wille

Howard E. Wille
Chairman

Attest:

/s/
- ----------
Howard E. Wille
Secretary

FACTSET RESEARCH CORPORATION

BY-LAWS

ARTICLE I

Offices

Section 1. Registered Office. The location of the Corporation's registered office within the State of Delaware, the name of the registered agent of the Corporation at such office and the post office address to which the Secretary of State of the State of Delaware shall mail a copy of process in any action or proceeding against the Corporation that may be served upon him, shall be in each case as stated in the Certificate of Incorporation.

Section 2. Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

Meetings of Stockholders

Section 1. Annual Meeting. The annual meeting of the stockholders of the Corporation for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held on such date as may be fixed from time to time by resolution of the Board of Directors, at such place within or without the State of Delaware as shall be designated by the Board of Directors.

Section 2. Special Meeting. Special meetings of the stockholders, for any purpose or purposes, may be called at any time only by the Chairman of the Board or the President of the Corporation or the majority of the Board of Directors. Such meetings shall be held at such time and at such place within or without the State of Delaware as shall be specified in the notice of the meeting.

Section 3. Notice of Meetings. Notice Of the place, date and time of the holding of each annual and special meeting of the stockholders and the purpose or purposes thereof shall be given personally or by mail in a postage prepaid envelope to each stockholder entitled to vote at such meeting, not less than ten nor more than sixty days before the date of such meeting, and, if mailed, it shall be directed to such stockholder at his address as it appears on the records of the Corporation, unless he shall have filed with the Secretary of the Corporation a written request that notices to him be mailed to some other address, in which case it shall be directed to him at such other address. Any such notice for any meeting other than the annual meeting of stockholders shall indicate that it is being issued at the direction of the Chairman of the Board, President/or a majority of the Board of Directors, which notice shall not be required to be given to any stockholder who shall attend such meeting in person or by proxy and shall not, at the beginning of such meeting, object to the transaction of any business because the meeting is not lawfully called or convened, or who shall, either before or after the meeting, submit a signed waiver of notice, in person or by proxy. Unless the Board shall fix a new record date for an adjourned meeting, notice of such adjourned meeting need not be given if the time and place to which the meeting shall be adjourned were announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 4. Quorum. Except as otherwise required by law or the Certificate of Incorporation, at all meetings of the stockholders, the presence in person or by proxy of the holders of a majority of the shares of stock of the Corporation issued and outstanding and entitled to vote shall constitute a quorum for the transaction of any business. In the absence of a quorum, the holders of a majority of the shares of stock present in person or by proxy and entitled to vote, or if no stockholder entitled to vote is present, then any officer of the Corporation, may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum may be present, any business may be

transacted which might have been transacted at the meeting as originally called.

Section 5. Organization. At each meeting of the stockholders, the Chairman of the Board, if any, or in his absence or inability to act, the President, or in his absence or inability to act, any person chosen by a majority of those stockholders present or represented, shall act as chairman of the meeting. The Secretary, or, in his absence or inability to act, an Assistant Secretary or any other officer appointed by the chairman of the meeting, shall act as secretary of the meeting and keep the minutes thereof.

Section 6. Order of Business. The order of business at all meetings of the stockholders shall be as determined by the chairman of the meeting.

Section 7. Voting. Except as otherwise provided by statute or the Certificate of Incorporation, each holder of record of shares of stock of the Corporation having voting power shall be entitled at each meeting of the stockholders to one vote for every share of such stock standing in his name on the record of stockholders of the Corporation (a) on the date fixed by the Board of Directors as the record date for the determination of the stockholders who shall be entitled to notice of and to vote at such meeting; or (b) if such record date shall not have been so fixed, then at the close of business on the day next preceding the day on which notice thereof shall be given; or (c) if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. Each stockholder entitled to vote at any meeting of stockholders may authorize another person or persons to act for him by a proxy signed by such stockholder or his attorney-in-fact. Any such proxy shall be delivered to the secretary of such meeting at or prior to the time designated in the order of business for so delivering such proxies. No proxy shall be valid after the expiration of three years from the date thereof, unless the proxy provides for a longer period. Every proxy shall be revocable at the pleasure of the stockholder executing it, except in those cases where an irrevocable proxy is permitted by law. Except as otherwise required by law, the Certificate of Incorporation or these ByLaws, any corporate action to be taken by vote of the stockholders shall be authorized by a majority of the total votes cast at a meeting of stockholders by the holders of shares present in person or represented by proxy and entitled to vote on such action. Unless required by statute, or determined by the chairman of the meeting to be advisable, the vote on any question need not be by written ballot. On a vote by written ballot, each ballot shall be signed by the stockholder voting, or by his proxy, if there be such proxy, and shall state the number. of shares voted.

Section 8. List of Stockholders. The officer who has charge of the stock ledger of the Corporation shall prepare and make or cause to be prepared and made, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 9. Inspectors. The Board of Directors may, in advance of any meeting of stockholders, appoint one or more inspectors to act at such meeting or any adjournment thereof. If inspectors shall not be so appointed or if any of them shall fail to appear or act, the chairman of the meeting may, and on the request of any stockholder entitled to vote thereat shall, appoint one or more inspectors. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability. The inspectors shall determine the number of shares outstanding, the number of shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the chairman of the meeting or any stockholder entitled to vote there at, the inspectors shall make a report in writing of any challenge, request or matter determined by them and shall execute a certificate of any fact found by them. No director or candidate for the office of director shall act as inspector of an election of directors.. need not be stockholders.

RESOLVED, that Section 10 of Article II of the BY-laws of the Corporation be amended to read as follows:

Section 10. Action Without a Meeting by Written Consent. No action required to be taken or which may be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, except on written consent, setting forth the action so taken, signed by the holders of record of at least 80% of the outstanding shares entitled to vote thereon.

ARTICLE III

Board of Directors

Section 1. General Powers. The property, business and affairs of the Corporation shall be managed by the Board of Directors. The Board of Directors may exercise all such authority and powers of the Corporation and do all such lawful acts and things as are not by statute or the Certificate of Incorporation or these By-Laws directed or required to be exercised or done by the stockholders.

Section 2. Number, Classification, Term of Office, Qualifications and Election. The Board of Directors shall initially consist of two directors. Thereafter, the number of directors of the Corporation shall be determined by resolution approved by at least two-thirds of the then authorized number of directors, but after the annual meeting of stockholders in 1987, shall not be more than fifteen nor less than three. The Board of Directors shall be divided into three classes as nearly equal in number as possible, with the term of office of one class expiring each year. The terms of office of the directors elected at the annual meeting of stockholders in 1987 and initially classified shall be as follows: directors of the first class shall hold office for a term expiring at the next succeeding annual meeting; directors of the second class shall hold office for a term expiring at the second succeeding annual meeting; and directors of the third class shall hold office for a term expiring at the third succeeding annual meeting. At each annual meeting of stockholders after the annual meeting in 1987, directors elected to succeed the class of directors whose terms expire at such annual meeting shall be elected to hold office for a term expiring at the third succeeding annual meeting after their election. When the number of directors is changed,.any newly created director-ships or any decrease in directorships shall be so apportioned among the classes as to make all classes as nearly equal in number as possible. Each director shall hold of-fice for the specified term and until his successor shall be duly elected and qualified, or until his death, or until he shall have resigned or he shall have been removed, as hereinafter provided in these By-Laws, or as otherwise provided

by statute or by the Certificate of Incorporation. All the directors shall be of full age. Directors need not be stockholders. Except as otherwise required by statute or the Certificate of Incorporation or these By-Laws, directors to be elected at each annual meeting of stockholders shall be elected by a plurality of the votes cast at the meeting by the holders of shares present in person or represented by proxy and entitled to vote for the election of directors.

Section 3. Annual Meeting. The Board of Directors shall meet for the purpose of organization, the election of officers and the transaction of other business, as soon as practicable after each annual meeting of the stockholders, on the same day and at the same place where such annual meeting shall be held. Notice of such meeting need not be given. Such meeting may be held at any other time or place (within or without the State of Delaware) which shall be specified in a notice thereof given as hereinafter provided in section 6 of this Article III, or in a waiver of notice thereof.

Section 4. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places within or without the State of Delaware as the Board of Directors may from time to time by resolution determine. If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting which would otherwise be held on that day shall be held at the same hour on the next succeeding business day. Notice of regular meetings of the Board of Directors need not be given except as otherwise required by statute or these By-Laws.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called at any time by the Chairman of the Board, the President or any two directors of the Corporation and shall be held at such time and at such place within or without the State of Delaware as shall be specified in the notice of meeting or waiver thereof.

Section 6. Notice of Meetings. Notice of each special meeting o~ the Board of .Directors (and of each regular meeting for which notice shall be required) shall be given by the Secretary as hereinafter provided in this Section 6, in which notice shall be stated the time and place of the meeting. Notice of each such meeting shall be delivered to each director, either personally or by telephone, telegraph, cable, or wireless, at least twenty-four hours before the time at which such meeting is to be held, or

shall be mailed to each director by first-class mail postage prepaid, addressed to him at his residence or usual place of business, at least three days before the day on which such meeting is to be held. Notice of any such meeting need not be given to any director who shall, either before or after the meeting, submit a signed waiver of notice or who shall attend such meeting without objecting, at the beginning of such meeting, to the transaction of any business because the meeting is not lawfully called or convened. Except as otherwise specifically required by these By-Laws, a notice or waiver of notice of any regular or special meeting of the Board of Directors need not state the purpose or purposes of such meeting.

Section 7. Quorum and Manner of Acting. Except as provided in Section 5 of Article IX of these By-Laws, a majority of the directors shall be present in person at any meeting of the Board of Directors in order to constitute a quorum for the transaction of business at such meeting, and, except as otherwise expressly required by statute or the Certificate of Incorporation, the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum at any meeting of the Board of Directors, a majority of the directors present thereat, ,or if no director be present, the Secretary, may adjourn such meeting to another time and place, or such meeting, unless it be the annual meeting of the Board of DirectOrs, need not be held. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called. Except as provided in Section 11 of this Article III, Article IV and Section 4 of Article IX of these By-Laws and as otherwise specifically authorized by resolution of the Board of Directors, the directors shall act only as a Board of Directors and the individual directors shall have no power as such.

Section 8. Organization. At each meeting of the Board of Directors, the Chairman of the Board, if any, or, in his absence or inability to act, the President, or, in his absence or inability to act, another director chosen by a majority of the directors present, shall act as chairman of the meeting and preside thereat. The minutes of the meeting shall be recorded by any officer of the Corporation present and designated by the chairman.

Section 9. Resignations. Any director of the corporation may resign at any time by giving written notice of his resignation to the Board of Directors, the Chairman

of the Board, the President or the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein, or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 10. Removal of Directors. Except as otherwise provided in the Certificate of Incorporation or in these By-Laws, any director may be removed, but only for cause, at any time, by the affirmative vote of the holders of a majority of the outstanding shares of stock entitled to vote for the election of directors of the Company at a meeting of the stockholders called and held for that purpose.

Section 11. Vacancies. Except as otherwise required by statute or by the Certificate of Incorporation, during the intervals between annual meetings of stockholders, any vacancies and any newly-created directorships resulting from an increase in the authorized number of directors shall be filled by a majority vote of the directors then in office, whether or not a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next election of the class for which such directors shall have been chosen and until their successors shall be duly elected and qualified, unless sooner displaced. If there are no directors in office, then a special meeting of stockholders for the election of directors may be called and held in the manner provided by statute. When one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in this section in the filling of other vacancies.

Section 12. Compensation. The Board of Directors or a committee of the Board designated by it shall have authority to fix the compensation, including without limitation fees and r%imbursement of expenses, of directors for services to the Corporation in any capacity; provided, however, that no such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 13. Action without Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

Section 14. Participation in Meetings by Telephone and Other Equipment. Members of the Board of Directors or of any committee thereof may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

ARTICLE IV

Executive and Other Committees

Section 1. Executive and Other Committees. The Board of Directors may, by a resolution passed by a majority of the whole Board, designate an Executive Committee, to consist of three or more directors of the Corporation, and one or more other committees, each such other committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of any member of the Executive Committee or such other committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. The Executive Committee, while the Board of Directors is not in session, shall have and may exercise, and any such other committee to the extent provided in the resolution of the Board of Directors, shall have and may exercise, all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the Certificate of Incorporation, adopting an agreement of merger or con-

solidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution, or amending the By-Laws of the Corporation; and, unless the resolution or By-Laws expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock. Each committee shall keep written minutes of its proceedings and shall report such minutes to the Board of Directors when required. All such proceedings shall be subject to revision or alteration by the Board of Directors; provided, however, that rights of third parties shall not be prejudiced by such revision or alteration. The Board of Directors, by action of a majority of the entire Board, may at any time fill vacancies in, change the membership of, or dissolve any such committee.

Section 2. Executive Committee: General. Regular meetings of the Executive Committee shall be held at such times and places, within or without the State of Delaware, as a majority of such Committee may from time to time by resolution determine. Special meetings of the Executive Committee may be called at the request of any member thereof and may be held at such times and places, within or without the State of Delaware, as such Committee may from time to time by resolution determine or as shall be specified in the respective notices or waivers of notice thereof. Notice of regular meetings of such Committee need not be given except as otherwise required by statute or these By-Laws. Notice of each special meeting of such Committee shall be given to each member of such Committee in the manner provided for in Section 6 of Article III of these By-Laws. Subject to the provisions of this Article IV, the Executive Committee, by resolution of a majority of such Committee, shall fix its own rules of procedure. A majority of the Executive Committee shall be present in person at any meeting of the Executive Committee in order to constitute a quorum for the transaction of business at such meeting, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of the Executive Committee. The members of the Executive Committee shall act only as a committee, and the individual members shall have no power as such.

Section 3. Other Committees: General. A majority of any committee may fix its rules of procedure, determine its action, and fix the time and place, within or without the State of Delaware, of its meetings, unless the Board of

Directors shall otherwise by resolution provide. Notice of such meetings shall be given to each member of the committee in the manner provided for in Section 6 of Article III of these By-Laws. Nothing in this Article IV shall be deemed to prevent the Board of Directors from appointing one or more committees consisting in whole or in part of persons who are not directors of the Corporation; provided, however, that no such committee shall have or may exercise any authority of the Board.

ARTICLE V

Officers

Section 1. Number and Qualifications. The officers of the Corporation shall be a President, an Executive Vice President, one or more Vice Presidents, a Secretary and a Treasurer. Any two or more offices may be held by the same person. Such officers shall be elected from time to time by the Board of Directors, each to hold office until the meeting of the Board following the next annual meeting of the stockholders, or until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall have resigned or until he shall have been removed, as hereinafter provided in these By-Laws. The Board of Directors may from time to time appoint such other officers (including a Chairman of the Board and one or more Assistant Treasurers and Assistant Secretaries) and such agents as it may deem necessary or desirable for the business of the Corporation. The Board of Directors may from time to time authorize any principal officer or committee to appoint, and to prescribe the authority and duties of, any such subordinate officers or agents. Each of such other officers and agents shall have such authority, perform such duties, and hold office for such period, as are provided in these By-Laws or as may be prescribed by the Board of Directors or by the principal officer or committee appointing such officer or agent.

Section 2. Resignations. Any officer of the Corporation may resignat any time by giving written notice of his resignation to the Board of Directors, the Chairman of the Board, if any, the President or the Secretary. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3. Removal. Any officer or agent of the Corporation may be removed, either with or without cause, at any time, by the vote of the majority of the entire Board of Directors at any meeting of the Board, or, except in the case of an officer or agent elected or appointed by the Board, by any principal officer or committee upon whom such power of removal may be conferred by the Board.

Section 4. Vacancies. A vacancy in any office, whether arising from death, resignation, disqualification, removal or any other cause, may be filled for the unexpired portion of the term of the office which shall be vacant, in the manner prescribed in these By-Laws for the regular election or appointment to such office.

Section 5. Chairman of the Board. The chairman of the Board, if elected, shall, if present, preside at all meetings of the stockholders and the Board of Directors and shall be an ex officio member of all committees of the Board and, in general, shall have such other powers and perform such other duties as usually pertain to the office of the Chairman of the Board or as from time to time may be assigned to him by the Board of Directors. At the discretion of the Board of Directors, the Chairman of the Board, if elected,may be the chief executive officer of the Corporation and, if so appointed by the Board of Directors, shall have general and active supervision and direction over the business and affairs of the Corporation and over its officers, subject, however, to the control of the Board of Directors.

Section 6. The President. The President shall be the chief executive officer of the Corporation and shall have general and active supervision and direction over the business and affairs of the Corporation and over its officers, unless the Chairman of the Board, if any, is appointed to serve as chief executive officer, in which case the President shall be the chief operating officer of the Corporation and shall have general and active supervision and direction over the ordinary business operations and affairs of the Corporation and over its officers, subject, however, to the supervision and direction of the chairman of the Board, if any, who is also the chief executive officer of the Corporation, and to the control of. the Board of Directors. He shall, if present, in the absence or inability to act of the Chairman of the Board, preside at meetings of the stockholders and at meetings of the Board of Directors. In general, the President shall have such other powers and perform such other duties as usually pertain to the office of

the President and chief executive officer or chief operating officer, as the case may be, or as from time to time may be assigned to him by the Board of Directors or the Chairman of the Board, if any.

Section 7. Executive Vice President. The Executive Vice President shall have such powers and perform such duties as from time to time may be assigned to him by the Board of Directors, the Chairman of the Board, if any, or the President.

Section 8. Treasurer. The Treasurer shall:

(a) have charge and custody of, and be responsible for, all the funds and securities of the Corporation;

(b) keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and have control of all books of account of the Corporation;

(c) cause all moneys and other valuables to be deposited to the credit of the Corporation in such depositaries as may be designated by the Board of Directors;

(d) receive, and give receipts for, moneys due and payable to the Corporation from any source whatsoever;

(e) disburse the funds of the Corporation and supervise the investment of its funds as ordered or authorized by the Board of Directors, taking proper vouchers therefor;

(f) render to the Chairman of the Board, if any, the President, the Board or any committee thereof, whenever required, an account of the financial condition of the Corporation and of his transactions as Treasurer;

(g) in general, have such other powers and perform such other duties as usually pertain to the office of Treasurer or as from time to time may be assigned to him by the Board of Directors, the Chairman of the Board, if any, or by the President.

Section 9. Other Vice.Presidents. Each other Vice President shall have such powers and perform such duties as usually pertain to his office or as from time to time may be assigned to him by the Board of Directors, the Chairman of the Board, if any, or the President.

Section 10. Assistant Treasurers. At the request of the Treasurer or in case of the absence or inability to act of the Treasurer, the Assistant Treasurer, or if there be more than one, the Assistant Treasurer designated by the Board of Directors or, in the absence of such designation, by the Chairman of the Board, if any, or the President, shall perform all the duties of the Treasurer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer. In general, each Assistant Treasurer shall have such other powers and perform such other duties as from time to time may be assigned to him by the Board of Directors, the Chairman of the Board, if any, the President or the Treasurer.

Section 11. Secretary. The Secretary shall:

(a) keep, or cause to be kept, in one or more books provided for the purpose, the minutes of all meetings of the Board of Directors, of the committees of the Board and of the stockholders;

(b) see that all notices are duly given in accordance with the provisions of these By-Laws and as required by law;

(c) be custodian of the records and the seal of the Corporation and affix and attest the seal to all stock certificates of the Corporation (unless the seal of the Corporation on such certificates shall be a facsimile, as hereinafter provided) and affix and attest the seal to all other documents to be executed on behalf of the Corporation under its seal;

(d) see that the books, reports, statements, certificates and other documents and records required by law to be kept and filed are properly kept and filed; and

(e) in general, have such other powers and perform such other duties as usually pertain to the office of Secretary or as from time to time may be assigned to him by the Board of Directors, the Chairman of the Board, if any, or the President.

Section 12. Assistant Secretaries. At the request of the Secretary or in case of his absence or inability to act, the Assistant Secretary, or if there be more than one, the Assistant Secretary designated by the Board of Directors or, in the absence of such designation, by the Chairman of the Board, if any, or the President, shall perform all the

duties of the Secretary, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Secretary. In general, each Assistant Secretary shall have such other powers and perform such other duties as from time to time may be assigned to him by the Board of Directors, the Chairman of the Board, if any, the President or the Secretary.

Section 13. Officers' Bonds or Other Security. If required by the Board of Directors, any officer of the Corporation shall give a bond for the faithful performance of his duties and the return to the Corporation of any property in his possession or control which is the property of the Corporation, for such term and in such amount and with such surety or sureties as the Board may require.

Section 14. Compensation. The compensation of the officers of the Corporation for their services as such officers shall be fixed from time to time by the Board of Directors or a committee of the Board designated by it, and no officer of the Corporation shall be prevented from receiving compensation by reason of the fact that he is also a director of the Corporation.

ARTICLE VI

Checks, Drafts, Bank. Accounts, Etc.

Section 1. Checks, Drafts, etc. All checks, drafts, bills of exchange or other orders for the payment of money out of the funds of the Corporation, and all notes or other evidences of indebtedness of the Corporation shall be signed in the name and on behalf of the Corporation by such person or persons and in such manner as shall from time to time be authorized by the Board of Directors.

Section 2. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositaries as the Board of Directors may from time to time designate or as may be designated by any officer or officers of the Corporation to whom such power of designation may from time to time be delegated by the Board of Directors. For the purpose of deposit and for the purpose of collection for the account of the Corporation, checks, drafts and other orders for the payment of money which are payable to the order of the Corporation may be

endorsed, assigned and delivered by any officer or agent of the Corporation.

Section 3. General and Special Bank Accounts. The Board of Directors may from time to time authorize the opening and keeping of general and special bank accounts with such banks, trust companies or other depositaries as the Board may designate or as may be designated by any officer or officers of the Corporation to whom such power of designation may from time to time be delegated by the Board of Directors. The Board of Directors may make such special rules and regulations with respect to such bank accounts, not inconsistent with provisions of these By-Laws, as it may deem expedient.

Section 4. Proxies in Respect of Securities of Other Corporations. Unless otherwise provided by resolution adopted by the Board of Directors, the Chairman of the Board, if any, the President or any Vice President may from time to time appoint an attorney or attorneys or agent or agents of the Corporation in the name and on behalf of the Corporation to cast the votes which the Corporation may be entitled to cast as the holder of stock or other securities in any other corporation, any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporation, or to consent in writing in the name of the Corporation as such holder to any action by such other corporation, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal, or otherwise, all such written proxies or other instruments as he may deem necessary or proper in the premises.

ARTICLE VII

Shares and Their Transfer - Examination of Books

Section 1. Stock Certificates. Every holder of stock of the Corporation shall be entitled to have a certificate, in such form as shall be approved by the Board of Directors, certifying the number and class of shares of stock of the Corporation owned by him. The certificates representing shares of the respective classes of stock shall be numbered in order of their issue and shall be signed in the name of the Corporation by the Chairman of the Board, if any, or the President or a Vice President and by the Trea-

surer or an Assistant Treasurer or the Secretary or an Assistant Secretary, and sealed with the seal of the Corporation (which seal may be a facsimile, engraved or printed). Any or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 2. Books of Account and Record of Stockholders. The books and records of the Corporation may be kept at such places, within or without the State of Delaware, as the Board of Directors may from time to time determine. The stock record books and the blank stock certificate books shall be kept by the Secretary or by any other officer or agent designated by the Board of Directors.

Section 3. Transfers of Shares. Transfers of shares of stock of the Corporation shall be made on the stock records of the Corporation only upon authorization by the registered holder thereof, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary or with a transfer agent or transfer clerk, and on surrender of the certificate or certificates for such shares properly endorsed or accompanied by a duly executed stock transfer power and the payment of all taxes thereon. Except as otherwise provided by law, the Corporation shall be entitled to recognize the exclusive right of a person in whose name any share or shares stand on the record of stockholders as the owner of such share or shares for all purposes, including without limitation the rights to receive dividends or other distributions and to vote as such owner, and the Corporation may hold any such stockholder of record liable for calls and assessments and the Corporation shall not be bound to recognize any equitable or legal claim to or interest in any such share or shares on the part of any other person, whether or not it shall have express or other notice thereof. Whenever any transfers of shares shall be made for collateral security and not absolutely, and both the transferor and transferee request the Corporation to do so, such fact shall be stated in the entry of the transfer.

Section 4. Regulations. The Board of Directors may make such additional rules and regulations, not inconsistent with these By-Laws, as it may deem expedient concerning the issue, transfer and registration of certificates

for shares of stock of the Corporation. It may appoint, or authorize any officer or officers to appoint, one or more transfer agents or one or more transfer clerks and one or more registrars and may require all certificates for shares of stock to bear the signature or signatures of any of them.

Section 5. Lost, Destroyed or Mutilated Certificates. The holder of any certificate representing shares of stock of the Corporation shall immediately notify the Corporation of any loss, destruction or mutilation of such certificate, and the Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it which the owner thereof shall allege to have been lost, stolen or destroyed or which shall have been mutilated, and the Board of Directors may, in its discretion, require such owner or his legal representatives to give the Corporation and/or any agent of the Corporation designated by it a bond in such sum, limited or unlimited, and in such form and with such surety or sureties as the Board in its absolute discretion shall determine, to indemnify the Corporation and/or such agent against any claim that may be made against it on account of the alleged loss theft, or destruction of any such certificate, or the issuance of a new certificate. Anything herein to the contrary notwithstanding, the Board of Directors, in its absolute discretion, may refuse to issue any such new certificate, except pursuant to legal proceedings under the laws of the State of Delaware.

Section 6. Stockholder's Right of Inspection. Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours of business to inspect for any proper purpose the Corporation's stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the Corporation at its registered office in the State of Delaware or at its principal place of business.

Section 7. Fixing of Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any

adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall be not more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

ARTICLE VIII

Dividends

Subject to the provisions of the Certificate of Incorporation relating thereto, if any, dividends upon the capital stock of the Corporation may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Subject to the provisions of the Certificate of Incorporation, dividends may be paid in cash, in property or in shares of the capital stock of the Corporation.

Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose or purposes as the Board of Directors shall determine to be in the interest of the Corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE IX

Indemnification

Section 1. Right to Indemnification. The Corporation shall, to the fullest extent permitted by applicable

law as then in effect, indemnify any person (the "Indemnitee") who was or is involved in any manner (including, without limitation, as a party or a witness) or was or is threatened to be made so involved in any threatened, pending or completed investigation, claim, action, suit or proceeding, whether civil, criminal, administrative or investigative (including, without limitation, any action, suit or proceeding by or in the right of the Corporation to procure a judgement in its favor)(a "Proceeding") by reason of the fact that he is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation or of a partnership, joint venture, trust or other enterprise (including, without limitation, service with respect to any employee benefit plan), whether the basis of any such Proceeding is alleged action in an official capacity as a director or officer or in any other capacity while serving as a director or officer, against all expenses, liability and loss (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) actually and reasonably incurred by him in connection with such Proceeding. The right to indemnification conferred in this Article IX shall include the right to receive payment in advance of any expenses incurred by the Indemnitee in connection with such Proceeding, consistent with applicable law as then in effect. All right to indemnification conferred in this Article IX, including such right to advance payments and the evidentiary, procedural and other provisions of this Article IX, shall be a contract right. The Corporation may, by action of its Board of Directors, provide indemnification for employees, agents, attorneys and representatives of the Corporation with up to the same scope and extent as provided for officers and directors.

Section 2. Insurance, Contracts and Funding. The Corporation may purchase and maintain insurance to protect itself and any person who is, was or may become an officer, director, employee, agent, attorney or representative of the Corporation or, at the request of the Corporation, an officer, director, employee, agent, attorney or representative of another corporation or entity, against any expense, liability or loss asserted against.him or incurred by him in connection with any Proceeding an any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such expense, liability or loss under the provisions of this ArtiCle IX or otherwise. The Corporation may enter into contracts with any director, officer, employee, agent,

attorney or representative of the Corporation, or any person serving as such at the request of the Corporation for another corporation or entity, in furtherance of the provisions of Article TENTH of the Certificate of Incorporation or this Article IX and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification of any person entitled thereto.

Section 3. Indemnification; Not Exclusive Right. The right of indemnification provided in this Article IX shall not be exclusive of any other rights to which any person seeking indemnification may otherwise be entitled under any provision of the Certificate of Incorporation, Bylaw or agreement or otherwise. The provisions of this Article IX shall inure to the benefit of the heirs and legal representatives of any person entitled to indemnity under this Article IX and shall be applicable to all Proceedings, whether arising from acts or omissions occurring before or after the adoption of this Article IX. No amendment or repeal of any provision of this Article IX shall remove, abridge or adversely affect any right of indemnification or any other benefits of the Indemnitee under the provisions of this Article IX with respect to any Proceeding involving any act or omission which occurred prior to such amendment.

Section 4. Advancement of Expenses; Procedures; Presumptions and Effect of Certain Proceedings; Remedies. In furtherance, but not in limitation, of the provisions of the Certificate of Incorporation or the foregoing provisions of this Article IX, the following procedures, presumptions and remedies shall apply with respect to advancement of expenses and the right to indemnification under the Certificate of Incorporation or this Article IX:

(a) Advancement of Expenses. All reasonable expenses incurred by or on behalf of the Indemnitee in connection with any Proceeding shall be advanced to the Indemnitee by the Corporation within 20 days after the receipt by the Corporation of a statement or statements from the Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements reasonably shall evidence the expenses incurred by the Indemnitee and, if required by law at the time of such advance, shall include or be accompanied by an undertaking by or on behalf of the Indemnitee to repay the amounts advanced if it should ultimately be determined that the Indemnitee is not entitled

to be indemnified against such expense pursuant to this Article IX.

(b) Procedure for Determination of Entitlement to Indemnification.

(i) To obtain indemnification, an Indemnitee shall submit to the Chairman of the Board, if any, the President or Secretary of the Corporation a written request, including such documentation and information as is reasonably available to the Indemnitee and reasonably necessary to determine whether and to what extent the Indemnitee is entitled to indemnification (the "Supporting Documentation"). The determination of the Indemnitee's entitlement to indemnification shall be made not later than 60 days after receipt by the Corporation of the written request for indemnification together with the Supporting Documentation. The Chairman of the Board, if any, President or Secretary of the Corporation shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that the Indemnitee has requested indemnification.

(ii) The Indemnitee's entitlement to indemnification shall be determined in one of the following ways: (A) by a majority vote of the Disinterested Directors (as hereinafter defined) (or the Disinterested Director, if only one); (B) by a written opinion of Independent Counsel (as hereinafter defined) if (x) a Change of Control (as hereinafter defined) shall have occurred and the Indemnitee so requests or (y) there is no Disinterested Director or a majority of the Disinterested Directors (or the Disinterested Director, if only one) so directs; (C) by the stockholders of the Corporation (but only if a majority of the Disinterested Directors (or the Disinterested Director, if only one) determines that the issue of entitlement to indemnification should be submitted to the stockholders for their determination); or (D) as provided in Section 4(c) of this Article IX.

(iii) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 4(b)(ii) of this Article IX, a majority of the Disinterested Directors (or the Disinterested Director, if only one) shall select the Independent Counsel, but only an Independent Counsel to which the Indemnitee does not reasonably object; provided, however, that if a Change of control shall have occurred, the Indemnitee shall select such Independent

Counsel, but only an Independent Counsel to which the Board of Directors does not reasonably object.

(c) Presumptions and Effect of Certain Proceedings. Except as otherwise expressly provided in this Article IX, the Indemnitee shall be presumed to be entitled to indemnification upon submission of a request for indemnification together with the Supporting Documentation in accordance with Section 4(b)(i) of this Article IX, and thereafter the Corporation shall have the burden of proof to overcome that presumption in reaching a contrary determination. In any event, if the person or persons empowered under Section 4(b) of this Article IX to determine entitlement to indemnification shall not have been appointed or shall not have made a determination within 60 days after receipt by the Corporation of the request therefor together with the Supporting Documentation, the Indemnitee shall be deemed to be entitled to indemnification. With regard to the right to indemnification for expenses, if and to the extent that the Indemnitee has been successful on the merits or otherwise in any Proceeding, or if and to the extent that the Indemnitee was not a party to the Proceeding or if a Proceeding was terminated without a determination of liability on the part of the Indemnitee with respect to any claim, issue or matter therein or without any payments in settlement or compromise being made by the Indemnitee with respect to a claim, issue or matter therein, the Indemnitee shall be deemed to be entitled to indemnification, which entitlement shall not be diminished by any determination which may be made pursuant to Sections (4)(b)(ii)(A), (B) or (C). In either case, the Indemnitee shall be entitled to such indemnification, unless (A) the Indemnitee misrepresented or failed to disclose a material fact in making the request for indemnification or in the Supporting Documentation or (B) such indemnification is prohibited by law, in either case as finally determined by adjudication or, at the Indemnitee's sole option, arbitration (as provided in Section 4(d)(i) of this Article IX). The termination of any Proceeding described in Section 1 of this Article IX, or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, adversely affect the right of the Indemnitee to indemnification or create any presumption with respect to any standard of conduct or belief or any other matter which might form a basis for a determination that the Indemnitee is not entitled to indemnification.

(d) Remedies of Indemnitee.

(i) In the event that a determination is made pursuant to Section 4(b) of this Article IX that the Indemnitee is not entitled to indemnification under this Article IX, (A) the Indemnitee shall be entitled to seek an adjudication of his entitlement to such indemnification either, at the Indemnitee's sole option, in (x) an appropriate court of the State of Delaware or any other court of competent jurisdiction or (y) an arbitration to be conducted by three arbitrators (or, if the dispute involves less than $100,000, by a single arbitrator) pursuant to the rules of the American Arbitration Association; (B) any such judicial proceeding or arbitration shall be de novo and the Indemnitee shall not be prejudiced by reason of such adverse determination; and (C) in any such judicial proceeding or arbitration the Corporation shall have the burden of proof that the Indemnitee is not entitled to indemnification under this Article IX.

(ii) If a determination shall have been made or deemed to have been made, pursuant to Section 4(b) or (c) of this Article IX, that the Indemnitee is entitled to indemnification, the Corporation shall be obligated to pay the amounts constituting such indemnification within five days after such determination has been made or deemed to have been made and shall be conclusively bound by such determination, unless (A) the Indemnitee misrepresented or failed to disclose a material fact in making the request for indemnification or in the Supporting Documentation or (B) such indemnification is prohibited by law, in either case as finally determined by adjudication or, at the Indemnitee's sole option, arbitration (as provided in Section 4(d)(i) of this Article IX). In the event that (C) advancement of expenses is not timely made pursuant to Section 4(.a) of this Article IX or (D) payment of indemnification is not made within five days after a determination of entitlement to indemnification has been made or deemed to have been made pursuant to Section 4(b) or (c) of this Article IX, the Indemnitee shall be entitled to seek judicial enforcement of the Corporation's obligation to pay to the Indemnitee such advancement of expenses or indemnification. Notwithstanding the foregoing, the Corporation may bring an action, in an appropriate court in the State of Delaware or any other court of competent jurisdiction, contesting the right of the Indemnitee to receive indemnification hereunder due to the occurrence

of an event described in subclause (A) or (B) of this clause (ii) (a "Disqualifying Event"), provided, however, that if the Indemnitee shall elect, at his sole option, that such dispute shall be determined by arbitration (as provided in Section 4(d)(i) of this Article IX), the Corporation shall proceed by such arbitration. In any such enforcement or other proceeding or action in which whether a Disqualifying Event has occurred is an issue, the Corporation shall have the burden of proving the occurrence of such Disqualifying Event.

(iii) The Corporation shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 4(d) that the procedures and presumptions of this Article IX are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator or arbitrators that the Corporation is bound by all the provisions of this Article IX.

(iv) In the event that the Indemnitee, pursuant to this Article IX, seeks a judicial adjudication of or an award in arbitration to enforce his rights under, or to recover damages for breach of, this Article IX, or is otherwise involved in any adjudication or arbitration with respect to his right to indemnification, the Indemnitee shall be entitled to recover from the Corporation, and shall be indemnified by the Corporation against, any expenses actually and reasonably incurred by him if the Indemnitee prevails in such judicial adjudication or arbitration. If it shall be determined in such judicial adjudication or arbitration that the Indemnitee is entitled to receive part but not all of the indemnification or advancement of expenses sought, the expenses incurred by the Indemnitee in connection with such judicial adjudication or arbitration shall be prorated accordingly.

(e) Definitions. For purposes of this Section 4:

(i) "Change in Control" means a change in control of the Corporation of a nature that would be required to be reported in response to Item 5(f) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934 (the "Act"), whether or not the Corporation is then subject to such reporting requirement; provided that, without limitation, such a change in control shall be deemed to have occurred if (A) any "person" (as such term is used in Sections 13(d) and 14(d) of the Act) is

or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Corporation representing 20 percent or more of the combined voting power of the Corporation's then outstanding securities without the prior approval of at least two-thirds of the members of the Board of Directors in office immediately prior to such acquisition; (B) the Corporation is a party to a merger, consolidation, sale of assets or other reorganization, or a proxy contest, as a consequence of which members of the Board of Directors in office immediately prior to such transaction or event constitute less than a majority of the Board of Directors thereafter; or (C) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors (including for this purpose any new director whose election or nomination for election by the Corporation's stockholders was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board of Directors.

(ii) "Disinterested Director" means a director of the Corporation who is not or was not a material party to the Proceeding in respect of which indemnification is sought by the Indemnitee.

(iii) "Independent Counsel" means a law firm or a member of a law firm that neither presently is, nor in the past five years has been, retained to represent: (A) the Corporation or the Indemnitee in any matter or (B) any other party to the Proceeding giving rise to a claim for indemnification under this Article IX. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing under the law of the State of Delaware, would have a conflict of interest in representing either the Corporation or the Indemnitee in an action to determine the Indemnitee's rights under this Article IX.

Section 5. Acts of Disinterested Directors. Disinterested Directors considering or acting on any indemnification matter under this Article IX or otherwise may consider or take action as the Board of Directors or may consider or take action as a committee or individually or otherwise. In the event Disinterested Directors consider or take action as the Board of Directors, one-third of the total number of directors shall constitute a quorum.

Section 6. Severability. If any provision or provisions of this Article IX shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Article IX (including, without limitation, all portions of any paragraph of this Article IX containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (ii) to the fullest extent possible, the provisions of this Article IX (including, without limitation, all portions of any paragraph of this Article IX containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

ARTICLE X

Fiscal Year

The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

ARTICLE XI

Seal

The Board of Directors shall provide a corporate seal, which shall be circular in form and bear the name of the Corporation and the words and figures denoting its organization under the laws of the State of Delaware and the year thereof.

ARTICLE XII

Amendments

These By-Laws may be amended or repealed, or new By-Laws may be adopted, except as provided in Section 3 of Article IX of these By-Laws, (a) at any annual or special meeting of the stockholders, by a majority of the total votes of the stockholders or when stockholders are entitled

to vote by class, by a majority of the appropriate class, present in person or represented by proxy and entitled to vote on such action; provided, however, that the notice of such meeting shall have been given as provided in these By-Laws, which notice shall mention that amendment or repeal of these By-Laws or the adoption of new By-Laws is one of the purposes of such meeting, or (b) by the Board of Directors at any meeting thereof; provided, however, that notice of such meeting shall have been given as provided in these ByLaws, which notice shall mention that amendment or repeal of the By-Laws or the adoption of new By-Laws is one of the purposes of such meeting; provided, further, that By-Laws adopted by the Board of Directors may be amended or repealed by the stockholders as hereinabove provided; provided, further, that the stockholders may limit the power of the Board of Directors to make, amend, alter or repeal the ByLaws of the Company. Notwithstanding the foregoing, the provisions of these By-Laws with respect to the number, classification, term of office, qualifications, election and removal of directors and the filling of vacancies and newly created directorships, and the amendment thereof, that is, Sections 2, 10 and 11 of Article III and this Article XII, may be amended or repealed or new By-Laws affecting such provisions may be adopted only with the unanimous approval of the entire Board of Directors or by the affirmative vote of the holders of at least 80% of the outstanding shares of stock of the Corporation entitled to vote in elections of directors (except that if such proposed amendment or repeal or adoption of new By-Laws shall be submitted to the stockholders with the unanimous recommendation of the entire Board of Directors, such provisions may be amended or repealed or such new By-Laws may be adopted by the affirmative vote of the holders of a majority of such stock).

[Form of Registration Rights Agreement]

REGISTRATION RIGHTS AGREEMENT dated as of June , 1996, between each of HOWARD E. WILLE and CHARLES J. SNYDER, (herein referred to collectively as the "Stockholders" and individually as a "Stockholder"), and FACTSET RESEARCH SYSTEMS INC. (the "Company").

The Stockholders are the beneficial owners of certain shares of Common Stock, par value $.01 per share, of the Company (the "Common Stock"). In connection with the execution and delivery of this Agreement, the Stockholders are selling in an underwritten public offering a number of shares of Common Stock (the "Initial Public Offering"). At any time and from time to time hereafter, the Stockholders may acquire other classes of securities or additional shares of Common Stock (all such securities of the Company, including the Common Stock, being included in the term the "Securities", which term has the meaning assigned thereto in Section 8(c) hereof).

In consideration of the foregoing and in order to specify certain provisions relating to the sale by means of domestic or foreign public offerings of Securities owned by the Stockholders, the parties agree as follows:

1. Registration and Listing Rights.

(a) Registration. If a Stockholder shall, at any time and

from time to time, request the Company in writing to register under the Securities Act of 1933 (the "Act") any Securities held by it (whether for purposes of a public offering, an exchange offer or otherwise), the Company shall use all reasonable efforts to cause the prompt registration of all Securities specified in such request, and in connection therewith shall prepare and file on such appropriate form as the Company, in its reasonable discretion, shall determine, a registration statement under the Act to effect such registration and shall take such actions as shall be necessary or appropriate, in the Company's reasonable discretion, to have such Securities listed or approved for trading on any securities exchange or through any facility on which or through which Securities of such class are already traded. If a Stockholder shall so request, the Company will register such Securities for offering on a delayed or continuous basis pursuant to Rule 415 (or any successor rule or rules to similar effect) under the Act. Notwithstanding the foregoing, the Company shall be entitled to postpone for a reasonable period of time, but not in excess of 90 calendar days, the filing of any registration statement otherwise

required to be prepared and filed by it under this paragraph (a) if (i) the Company determines in good faith that the filing of such

registration statement would interfere with any pending financing, acquisition, corporate reorganization or any other corporate development involving the Company or any of its subsidiaries or would require premature disclosure thereof and (ii) the Company so notifies the requesting Stock-holder within 10 days after the Stockholder so requests.

(b) Other Offers and Sale. If a Stockholder shall, at any time and from time to time, request the Company in writing to take such actions as shall be necessary or appropriate to permit any Securities held by it to be publicly or privately offered and sold in compliance with the securities laws or other relevant laws or regulations of any foreign jurisdiction, the Company shall use all reasonable efforts to take such actions in any such foreign jurisdiction (including listing such Securities on any foreign securities exchange on which such listing is requested by the Stockholder and on which Securities of the same class are already traded) and shall otherwise cooperate in a timely manner in such offering. Any request under this paragraph (b) may be made separately or in conjunction with any request under paragraph (a). Notwithstanding the foregoing, the Company shall be entitled to postpone for a reasonable period of time, but not in excess of 90 calendar

days, the taking of any actions otherwise required under this paragraph (b) if (i) the Company determines in good faith that the filing of such registration statement would interfere with any pending financing, acquisition, corporate reorganization or any other corporate development involving the Company or any of its subsidiaries or would require premature disclosure thereof and (ii) the Company so notifies the requesting Stock-holder within 10 days after the Stockholder so requests.

(c) Written Notice. Any request by a Stockholder pursuant to paragraph (a) or (b) of this Section 1 shall (i) specify the number and class of shares or the principal amount, as the case may be, of Securities which the Stockholder intends to offer and sell, (ii) express the intention of the Stockholder to offer or cause the offering of such Securities, (iii) describe the nature or method of the proposed offer and sale thereof and state whether such offer shall be made domestically or abroad, or both, and, if abroad, the country or countries in which such offer shall be made, (iv) specify any securities exchange or trading facility on which or through which the Stockholder requests that such Securities be listed or approved for trading, (v) contain the undertaking of the Stockholder to provide all such information regarding its holdings and the proposed

manner of distribution thereof as may be required in order to permit the Company to comply with all applicable laws and regulations, foreign or domestic, and all requirements of the Securities and Exchange Commission (the "SEC"), any other applicable United States or foreign regulatory or self regulatory body and any other body having jurisdiction and any securities exchange or trading facility on which or through which the Securities are to be listed or traded and to obtain acceleration of the effective date of any registration statement filed in connection therewith and (vi) in the case of an underwritten public offering made domestically or abroad, or both, specify the managing underwriter or underwriters of such Securities, which shall be selected by the requesting Stockholder.

(d) Condition to Exercise of Rights. The obligations of the Company under paragraphs (a) and (b) of this Section 1 shall be subject to the limitations that the Company shall not be obligated to register, take other specified actions with respect to, or cooperate in the offering of, Securities upon the request of a Stockholder, (i) more than twice in any 12-month period and (ii) unless, in the case of a class of equity Securities, the number of shares specified in such request pursuant to Section 1(c)(i) shall be greater than 3% of the total number of shares of

such class at the time issued and outstanding (provided that a stockholder owing less than 3% of the total number of shares of a class outstanding may request the registration of all shares the held by such stockholder), or, in the case of a class of debt Securities, the principal amount specified in such request pursuant to Section 1(c)(i) shall be at least $1,000,000. Notwithstanding the foregoing, the failure of a Stockholder to own the minimum number or percent or principal amount of Securities referred to in the preceding sentence at any time shall not affect the ability of the Stockholder to exercise its rights under this Agreement at any subsequent time when the Stockholder again owns such minimum number or percent or principal amount.

(e) Incidental Registration. If the Company shall, at any time
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and from time to time after the Initial Public Offering, propose an underwritten offering for cash of any Securities, whether pursuant to a registration statement under the Act or otherwise, the Company shall give written notice as promptly as practicable of such proposed registration or offering to the Stockholders and shall use its best efforts to include in such offering and, if such offering is pursuant to a registration statement under the Act, in such registration, any of the same class of such Securities held by a Stockholder as a Stockholder shall re-

quest within 20 calendar days after the giving of such notice, upon the same terms (including the method of distribution) as such offering; provided, however, that (i) the Company shall not be required to give such notice or include any such Securities in any offering pursuant to a registration statement filed on Form S-8 or Form S-4 (or such other form or forms as shall be prescribed under the Act for the same purposes as such forms) or any registration statement for a dividend reinvestment or employee stock purchase plan and (ii) the Company may at any time prior to the effectiveness of any such registration statement or commencement of any such offering not pursuant to a registration statement, in its sole discretion and without the consent of Stockholders, abandon the proposed offering in which a Stockholder had requested to participate. Notwithstanding the foregoing, the Company shall not be obligated to include such Securities in such offering if the Company is advised in writing by its managing underwriter or underwriters (with a copy to each requesting Stockholder within 5 days after the delivery of any such request pursuant to this paragraph (e) that such offering would in its or their opinion be materially adversely affected by such inclusion; provided, however, that the Company shall in any case be obligated to include such number or amount of

Securities in such offering as such managing underwriter or underwriters shall determine will not materially adversely affect such offering.

2. Covenants of the Company. In connection with any offering of Securities pursuant to this Agreement, the Company shall:

(a) furnish to a Stockholder such number of copies of any prospectus (including any preliminary prospectus), registration statement, offering memorandum or other offering document (including any exhibits thereto or documents referred to therein) as a Stockholder may reasonably request and a copy of any and all transmittal letters or other correspondence with the SEC or any other governmental agency or self-regulatory body or other body having jurisdiction (including any securities exchange or trading facility) relating to such offering of Securities;

(b) take such reasonable action as may be necessary to qualify such Securities for offer and sale under the securities, "blue sky" or other similar laws of such jurisdictions (including any foreign country or political subdivision thereof) as a Stockholder or any underwriter shall request;

(c) enter into an underwriting agreement (or equivalent document in any foreign jurisdiction) containing

representations, warranties, indemnities, contribution provisions and agreements then customarily included by an issuer in underwriting agreements (or such equivalent documents) in the form customarily used by the lead underwriter with respect to secondary distributions;

(d) furnish unlegended certificates representing ownership of the Securities being sold in such denominations as shall be requested by a Stockholder or the lead underwriter;

(e) in the case of any offering of equity Securities, instruct the transfer agent and registrar to release any stop transfer orders with respect to the equity Securities being sold;

(f) promptly inform each requesting Stockholder (i) in the case of any domestic offering of Securities in respect of which a registration statement is filed under the Act, of the date on which such registration statement or any post-effective amendment thereto becomes effective (and, in the case of an offering abroad of Securities, of the date when any required filing under the securities and other laws of such foreign jurisdictions shall have been made and when the offering may be commenced in accordance with such laws) and (ii) of any request by the SEC, any securities exchange, government agency, self-regulatory body or other body having

jurisdiction for any amendment of or supplement to any registration statement or preliminary prospectus or prospectus included therein or any offering memorandum or other offering document relating to such offering;

(g) upon any registration statement becoming effective pursuant to any registration under the Act pursuant to this Agreement, file any necessary amendments or supplements to such registration statement and otherwise use its best efforts to keep such registration statement current for such period as a Stockholder shall request;

(h) take such reasonable actions as may be necessary to have such Securities listed on or traded through any securities exchange or trading facility on which or through which a Stockholder shall request such listing or approval pursuant to the notice delivered by the Stockholder under Section 1(c) hereof;

(i) promptly notify each requesting Stockholder of the happening of any event as a result of which any registration statement or any preliminary prospectus or prospectus included therein or any offering memorandum or other offering document includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances

then existing, and prepare and furnish to such Stockholders as many copies of a supplement to or amendment of such offering document which shall correct such untrue statement or eliminate such omission, as such Stockholders shall reasonably request;

(j) appoint a trustee or fiscal agent (in the case of debt Securities) and any transfer agent, registrar, depositary, authentication agent or other agent as may be reasonably requested by a Stockholder; and

(k) take such other actions and execute and deliver such other documents as may be necessary or reasonably requested by a Stockholder in order to give full effect to the rights of the Stockholder under this Agreement.

3. Expenses. (a) In connection with the first three exercises by a Stockholder of his rights under Section 1(a) or (b), the Company shall pay all expenses incurred in complying with Section 1(a) or (b) hereof, including, without limitation, all registration and filing fees (including all expenses incident to any filing with the National Association of Securities Dealers, Inc. or listing on or approval for trading through any securities exchange or trading facility), fees and expenses of complying with securities and "blue sky" laws (including those of counsel retained to effect such compliance), printing expenses and

any stamp, duty or transfer tax (collectively, "Registration Expenses"). In connection with each subsequent exercise by a Stockholder of his rights under Section 1(a) or (b), the Company and the Stockholder shall each pay one-half of the Registration Expenses. Notwithstanding the foregoing, (i) a Stockholder shall pay all underwriting discounts and commissions, (ii) the Company shall pay (x) the fees and disbursements of its independent public accountants (including any such fees and expenses incurred in performing any special audits required in connection with any such offering and incurred in connection with the preparation of pro forma financial statements and comfort letters for any such offering), (y) transfer agents', trustees', fiscal agents', depositories' and registrars' fees and the fees of any other agent appointed in connection with such offering and (z) all security engraving and printing expenses and (iii) each party shall pay the fees and expenses of its counsel.

(b) All expenses incurred in complying with Section 1(e) hereof, including, without limitation, any Registration Expenses, shall be paid by the Company, except that (i) a Stockholder shall pay all underwriting discounts, commissions and expenses specifically attributable to the inclusion in the offering under said Section 1(e) of the

Securities being sold by such Stockholder and (ii) each party shall pay the fees and expenses of its counsel.

4. Indemnification. (a) Company Indemnity. In the case of any offering or sale of Securities covered by this Agreement, the Company shall indemnify and hold harmless the Stockholders, and each person affiliated with or retained by the Stockholders and who may be subject to liability under any applicable foreign securities laws, against any and all losses, claims, damages or liabilities to which they or any of them may become subject under the Act or any other statute or common law of the United States of America or any other country or political subdivision thereof, or otherwise, including any amount paid in settlement of any litigation commenced or threatened (including any amounts paid pursuant to or in settlement of claims made under the indemnification or contribution provisions of any underwriting or similar agreement entered into by the Stockholders in connection with any offering or sale of Securities covered by this Agreement), and shall promptly reimburse them, as and when incurred, for any legal or other expenses incurred by them in connection with investigating any claims and defending any actions, insofar as any such losses, claims, damages, liabilities or actions shall arise out of or shall be based upon any untrue statement or alleged untrue state-

ment of a material fact contained in the registration statement (or in any preliminary or final prospectus included therein) or in any offering memorandum or other offering document relating to the offering and sale of such Securities, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading or any violation or alleged violation by the Company of the Act, any "blue sky" laws, securities laws or other applicable laws of any jurisdiction relating to any actual or alleged action or inaction required of the Company in connection with such offering; provided, however, that the indemnification agreement contained in this Section 4 shall not apply to such losses, claims, damages, liabilities or actions to the extent that such losses, claims, damages, liabilities or actions shall arise out of or shall be based upon any such untrue statement or alleged untrue statement, or any such omission shall have been made in reliance upon and in conformity with information jointly identified in writing by the Company and a Stockholder as concerning such Stockholder and its security holdings in the Company and so identified for use in connection with the preparation of the registration statement or any preliminary prospectus or prospectus contained in the registration statement, any

offering memorandum or other offering document, or any amendment thereof or supplement thereto. Notwithstanding the foregoing, no underwriter or selling or placement agent shall be entitled to indemnification under this Agreement if such person shall have entered into a separate underwriting, agency or indemnification agreement with the Company that pertains to the same transaction.

(b) Stockholder Indemnity. In the case of each offering or sale of Securities covered by this Agreement, the requesting Stockholder shall, in the same manner and to the same extent as set forth in paragraph (a) of this Section 4, indemnify and hold harmless the Company and each person, if any, who controls the Company within the meaning of Section 15 of the Act, and each person affiliated with or retained by the Company and who may be subject to liability under any applicable foreign securities laws, its directors and those officers of the Company who shall have signed any registration statement, offering memorandum or other offering document with respect to any statement in or omission from such registration statement, any preliminary prospectus or prospectus contained in such registration statement or from such offering memorandum or other offering document, as amended or supplemented, if such statement or omission shall have been made in reliance upon and in conformity with

information jointly identified in writing by the Company and the Stockholder as concerning the Stockholder and its security holdings in the Company and so identified for use in connection with the preparation of such registration statement, any preliminary prospectus or prospectus contained in such registration statement, any offering memorandum or other offering document, or any amendment thereof or supplement thereto.

(c) Procedure for Indemnification. Each party indemnified under paragraph (a) or (b) of this Section 4, or under Section 8(f) hereof, shall, promptly after receipt of notice of the commencement of any action against such indemnified party in respect of which indemnity may be sought, notify the indemnifying party in writing of the commencement thereof. The omission of any indemnified party so to notify an indemnifying party of any such action shall not relieve the indemnifying party from any liability in respect of such action which it may have to such indemnified party on account of the indemnity agreement contained in paragraph (a) or (b) of this Section 4, or under Section 8(f) hereof, except to the extent that the indemnifying party was prejudiced by such omission, and in no event shall relieve the indemnifying party from any other liability which it may have to such indemnified party. In case any such action

shall be brought against any indemnified party and such indemnified party shall notify an indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party. If the indemnifying party so assumes the defense thereof, it may not agree to any settlement of any such action as the result of which any remedy or relief, other than monetary damages for which the indemnifying party shall be responsible hereunder, shall be applied to or against the indemnified party, without the prior written consent of the indemnified party. If the indemnifying party does not assume the defense thereof, it shall be bound by any settlement to which the indemnified party agrees, irrespective of whether the indemnifying party consents thereto. If any settlement of any claim is effected by the indemnified party prior to commencement of any action relating thereto, the indemnifying party shall be bound thereby only if it has consented in writing thereto. In any action hereunder, the indemnified party shall continue to be entitled to participate in the defense thereof, with counsel of its own choice, even if the indemnifying party has assumed the defense thereof, and the

indemnifying party shall not be relieved of the obligation hereunder to reimburse the indemnified party for the costs thereof.

5. Transfer of Rights. (a) Subject to paragraph (b) below, the rights of a Stockholder under this Agreement with respect to any Security may be transferred to any one or more transferee of such Security if such transferee (i) is the estate or personal representative of such Stockholder, (ii) is controlled by such Stockholder or (iii) acquires, either individually or when aggregated with other transferees, at least 25% of the aggregate number of shares of any class of equity Securities held by such Stockholder on the date the Stockholder first acquired any of such equity Securities (which for purposes of the Common Stock shall be the time immediately after the initial public offering by the Company of the Common Stock) or 25% in principal amount of any issue of debt Securities held by such Stockholder at the date the Stockholder first acquired any of such debt Securities. Any transfer of registration rights pursuant to this Section 5 shall be effective only upon receipt by the Company of written notice from the Stockholder stating the name and address of any transferee and identifying the Securities with respect to which the rights under this Agreement are being transferred.

(b) The rights of a transferee under paragraph (a) above shall be the same rights granted to a Stockholder under this Agreement, except that (i) such transferee shall only have the right to make one request under paragraph (a) or (b) of Section 1, which may be a simultaneous request under paragraphs (a) and (b), and two requests under paragraph (e) of Section 1, (ii) all rights referred to in the foregoing clause (i) with respect to any particular Securities shall expire on the third anniversary of the receipt of such Securities by the transferee and (iii) such transferee shall be required to pay all (or in the case of a request under Paragraph 1(e) such transferee's proportionate share of) the stamp, duty or transfer taxes and underwriting discounts and commissions.

6. Termination of Obligations. Section 1 of this Agreement shall terminate and cease to be of any force and effect in respect of a Stockholder at such time as the Stockholder shall first cease beneficially to own any of the outstanding Common Stock (the "Termination Date"); provided, however, that such termination shall not affect the rights of any transferee under Section 5 with regard to any Securities transferred prior to the Termination Date.

7. Representations and Warranties. As an inducement to enter into this Agreement, (a) the Company represents and warrants that:

(i) it is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power to own, lease and operate its properties, to carry on its business as presently conducted and to carry out the transactions contemplated by this Agreement;

(ii) it has duly and validly taken all corporate action necessary to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby;

(iii) this Agreement has been duly executed and delivered by it and constitutes its legal, valid and binding obligation enforceable in accordance with its terms (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally from time to time in effect, and subject

to equitable limitations on the availability of the remedy of specific performance); and

(iv) none of the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby or the compliance with any of the provisions of this Agreement will (x) conflict with or result in a breach of any provision of its corporate charter or by-laws, (y) breach, violate or result in a default under any of the terms of any agreement or other instrument or obligation to which it is a party or by which it or any of its properties or assets may be bound, or (z) violate any order, writ, injunction, decree, statute, rule or regulation applicable to it or affecting any of its properties or assets; and (b) each Stockholder represents and warrants that:

(i) this Agreement has been duly executed and delivered by such Stockholder and constitutes a legal, valid and binding obligation of the Stockholder enforceable in accordance with its terms (subject, as to the enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally from

time to time in effect, and subject to equitable limitations on the availability of the remedy of specific performance); and

(ii) none of the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby or the compliance with any of the provisions of this Agreement will (x) breach, violate or result in a default under any of the terms of any agreement or other instrument or obligation to which such Stockholder is a party or by which such Stockholder or such Stockholder's properties or assets may be bound or (y) violate any order, writ, injunction, decree, statute, rule or regulation applicable to such Stockholder or affecting any of its properties or assets.

8. Certain Agreements and Definitions.

(a) Calculation of Amounts. For purposes of this Agreement, the amount of any Securities outstanding at any time (and the amount of any Securities then beneficially owned by a Stockholder or any other person) shall be calculated on the basis of the information contained in the Company's most recent report filed with the SEC. For purposes of calculating the amount of Securities outstanding at

any time (and the amount of Securities then beneficially owned by a Stockholder or any other person) all outstanding securities convertible into or exchangeable for such Securities shall be deemed to have been fully converted at such time.

(b) "person"; "affiliate". As used in this Agreement, the term "person" shall mean any individual, partnership, corporation, trust or other entity. As used in this Agreement, the term "affiliate" shall mean, with respect to any specified person, any other person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person.

(c) "Securities". As used in this Agreement, the term "Securities" shall include any security of the Company now owned or hereafter acquired by the Stockholders, whether acquired in any transaction with the Company or another person, in any recapitalization of the Company, as a dividend or other distribution, as a result of any "split" or "reverse split", upon conversion or exercise of another security of the Company or any other person, or otherwise.

(d) No Legend. No Security held or to be sold by a Stockholder shall bear any legend, nor shall the Company cause or permit any transfer agent or registrar appointed by

the Company with respect to such Security to refuse or fail to effect a transfer or registration with respect to such Security, provided that the Stockholder provides to the Company a certificate of such Stockholder in connection with such transfer or registration to the effect that such transfer or registration is not in violation of any applicable securities or other law.

(e) Stock Books. Except as otherwise provided by law for all holders of securities, the Company will not close its stock books or other registries against the transfer of any Security held by a Stockholder.

(f) Securities Exchange Act of 1934. The Company shall at all times timely file such information, documents and reports as the SEC may require or prescribe under the Securities Exchange Act of 1934 (the "Exchange Act") and shall provide each Stockholder with two copies of each thereof or any other communication with or from the SEC. The Company shall, whenever requested by a Stockholder, notify such Stockholder in writing whether the Company has, as of the date specified by the Stockholder, complied with the Exchange Act reporting requirements to which it is subject for such period to such date as shall be specified by the Stockholder. The Company acknowledges and agrees that one of the purposes of the requirements contained in

this Section 8(f) is to enable the Stockholders to comply with the current public information requirements contained in Paragraph (c) of Rule 144 under the Act (or any corresponding rule hereafter in effect) should a Stockholder ever wish to dispose of any Securities without registration under the Act in reliance upon Rule 144. In addition, the Company shall take such other measures and file such other information, documents and reports as shall hereafter be required by the SEC as a condition to the availability of Rule 144. The Company covenants, represents and warrants that all such information, documents and reports filed with the SEC shall not contain any untrue statement of a material fact or fail to state therein a material fact required to be stated therein or necessary to make the statements contained therein not misleading, and the Company shall indemnify and hold each Stockholder and each broker, dealer, underwriter or other person acting for a Stockholder (and any controlling person of any of the foregoing) harmless from and against any and all claims, liabilities, losses, damages, expenses and judgments and shall promptly reimburse them, as and when incurred, for any legal or other expenses incurred by them in connection with investigating any claim and defending any actions insofar as such claims, liabilities, losses, damage expenses and judgments arise out of or based upon any breach

of the foregoing covenants, representations or warranties. The procedure for indemnification set forth in Section 4(c) hereof shall apply to the indemnification provided under this Section 8(f).

(g) Listing. Once initially listed or approved for trading, the Company shall maintain in effect any listing of Securities on any securities exchange or approved for trading through a trading facility, shall make all filings and take all other actions required under the rules of such exchange or facility and any applicable agreement, shall provide each Stockholder with two copies of each such filing or any other communication with such exchange or facility at the time at which such filing is made, and shall notify each Stockholder of any proceeding or other action taken by such exchange or facility or any other person which might have the effect of terminating or otherwise changing the status of such listing, forthwith upon the occurrence thereof. Notwithstanding the foregoing, the Company shall be entitled at any time to terminate any securities exchange listing or approval for trading through any trading facility for the entirety of any class of Securities.

(h) Limitation on Other Securities To Be Registered. In case of any registration, offering or sale contemplated by paragraph (a) or (b) of Section 1, the

Company shall not, without the consent of the requesting Stockholder, include in such registration, offering or sale any Securities other than those beneficially owned by such Stockholder. In case of any registration, offering or sale contemplated by paragraph (e) of Section 1, the Company shall be entitled to include in such registration, offering or sale any Securities other than those being offered by the Company and a Stockholder, pro rata, on the basis of the amounts of securities covered by all requests of stockholders received by the Company. In the case of a transferee under Section 5, the Company shall be entitled to include in any registration, offering or sale contemplated by Section 1, all transferees making a request under such section and at the option of the Company other persons making similar requests, pro rata, on the basis of the number of shares or principal amount of securities covered by any such request.

9. Miscellaneous. (a) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto

shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such which may be hereafter declared invalid, void or unenforceable.

(b) Assignment. Except as provided otherwise in Section 5 hereof, and except by operation of law or in connection with the sale of all or substantially all the assets of a party hereto, this Agreement shall not be assignable, in whole or in part, directly or indirectly, by either party hereto without the prior written consent of the other, and any attempt to assign any rights or obligations arising under this Agreement without such consent shall be void; provided, however, that the provisions of this Agreement shall be binding upon, inure to the benefit of and be enforceable by the Stockholders and the Company (including, solely for purposes of Section 4 hereof, their officers and directors) and their respective successors and permitted assigns.

(c) Further Assurances. Subject to the specific terms of this Agreement, each of the Stockholders and the

Company shall make, execute, acknowledge and deliver such other instruments and documents, and take all such other actions, as may be reasonably required in order to effectuate the purposes of this Agreement and to consummate the transactions contemplated hereby. Subject to the specific terms of this Agreement, each of the Stockholders and the Company shall, in connection with entering into this Agreement, performing its obligations hereunder and taking any and all actions relating hereto, comply with all applicable laws, regulations, orders and decrees, obtain all required consents and approvals and make all required filings with any governmental agency, other regulatory or administrative agency, commission or similar authority and promptly provide the other with all such information as the other may reasonably request in order to be able to comply with the provisions of this sentence.

(d) Parties in Interest. Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer any right or benefit upon any person, firm or corporation other than the Stockholders and the Company and their respective successors and permitted assigns.

(e) Waivers, Etc. No failure or delay on the part of a Stockholder or the Company in exercising any power

or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. No modification or waiver of any provision of this Agreement nor consent to any departure by a Stockholder or the Company therefrom shall in any event be effective unless the same shall be in writing, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(f) Setoff. All payments to be made by either party under this Agreement shall be made without setoff, counterclaim or withholding, all of which are expressly waived.

(g) Changes of Law. If, due to any change in applicable law or regulations or the interpretation thereof by any court of law or other governing body having jurisdiction subsequent to the date of this Agreement, performance of any provision of this Agreement or any transaction contemplated hereby shall become impracticable or impossible, the parties hereto shall use their best efforts to find and employ an alternative means to achieve the same or

substantially the same result as that contemplated by such provision.

(h) Confidentiality. Subject to any contrary requirement of law and the right of a party to enforce its rights hereunder in any legal action, each party shall keep strictly confidential and shall cause its employees and agents to keep strictly confidential, any information which it or any of its agents or employees may acquire pursuant to, or in the course of performing its obligations under, any provision of this Agreement; provided, however, that such obligations to maintain confidentiality shall not apply to information which (i) at the time of disclosure was in the public domain not as a result of acts by the receiving party or (ii) was in the possession of the receiving party at the time of disclosure.

(i) Entire Agreement. This Agreement contains the entire understanding of the parties with respect to the transactions contemplated hereby.

(j) Headings. Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

(k) Counterparts. For the convenience of the parties, any number of counterparts of this Agreement may be executed by the parties hereto, and each such executed

counterpart shall be, and shall be deemed to be, an original instrument.

(l) Notices. All notices, consents, requests, instructions, approvals and other communications provided for herein shall be validly given, made or served, if in writing and delivered personally, by telegram or sent by registered mail, postage prepaid, to:

the Company at: One Greenwich Plaza
Greenwich, CT 06830

the Stockholders at: One Greenwich Plaza
Greenwich, CT 06830
Attention of Mr. Howard E. Wille

or

One Greenwich Plaza
Greenwich, CT 06830
Attention of Mr. Charles J. Snyder

or to such other address as any party may, from time to time, designate in a written notice given in a like manner. Notice given by telegram shall be deemed delivered when received by the recipient. Notice given by mail as set out above shall be deemed delivered five calendar days after the date the same is mailed.

(n) Governing Law. This Agreement shall be governed by and construed and enforced in accordance with

the laws of the State of Connecticut applicable to contracts made and to be performed therein.

IN WITNESS WHEREOF, the Stockholder and the Company have duly executed this Agreement as of the day and year first above written.

HOWARD E. WILLE

CHARLES J. SNYDER

FACTSET RESEARCH SYSTEM INC.,

by

Name:
Title:

EMPLOYMENT AGREEMENT

AGREEMENT made this day of [June] 1996, between FactSet Research Systems Inc., a Delaware corporation (the "Company"), and [Howard E. Wille] [Charles J. Snyder] (the "Executive").

The Executive is presently employed by the Company as [Chairman of the Board of Directors and Chief Executive Officer] [President and Chief Technology Officer].

The Board of Directors of the Company (the "Board") recognizes that the Executive's contribution to the growth and success of the Company has been substantial. The Board desires to provide for the continued employment of the Executive and to make certain changes in the Executive's employment arrangements with the Company which the Board has determined will reinforce and encourage the continued attention and dedication to the Company of the Executive as a member of the Company's management, in the best interest of the Company and its shareholders. The Executive is willing to commit himself to continue to serve the Company, on the terms and conditions herein provided.

In order to effect the foregoing, the Company and the Executive wish to enter into an employment agreement on the terms and conditions set forth below. Accordingly, in consideration of the premises and the respective covenants and agreements of the parties herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

SECTION 1. Employment. The Company hereby agrees to continue to employ the Executive, and the Executive hereby agrees to continue to serve the Company, on the terms and conditions set forth herein.

SECTION 2. Term. The employment of the Executive by the Company as provided in Section 1 will commence on the date hereof and end on [June 30], 1999, unless further extended or sooner terminated as hereinafter provided. Commencing on [July 1], 1999, and each [July 1] thereafter, the term of the Executive's employment shall automatically be extended for one additional year to, respectively [June 30], 2000, and each [June 30] thereafter, unless, not later than one year prior to the end of the term (as may be

extended for one-year additional periods as provided herein), either party hereunder shall have given notice to the other party that it does not wish to extend this Agreement. If the Company gives the Executive notice that it does not wish to extend this Agreement, the Executive shall be entitled to the termination benefits provided in Section 8(d) hereof.

SECTION 3. Position and Duties. The Executive shall serve as [Chairman of the Board and Chief Executive Officer] [President and Chief Technology Officer] of the Company and shall have such responsibilities, duties and authority as he may have as of the date hereof (or any position to which he may be promoted after the date hereof) and as may from time to time be assigned to the Executive by the Board that are consistent with such responsibilities, duties and authority. The Executive shall devote substantially all his working time and efforts to the business and affairs of the Company.

SECTION 4. Place of Performance. In connection with the Executive's employment by the Company, the Executive shall be based at the principal executive offices of the Company in the New York City Metropolitan area (including, but not limited to, Greenwich, Connecticut), except for required travel on the Company's business to an extent substantially consistent with present business travel obligations.

SECTION 5. Compensation and Related Matters. (a) Salary. During the period of the Executive's employment hereunder, the Company shall pay to the Executive an annual base salary at a rate of $500,000, such salary to be paid in substantially equal installments in accordance with the Company's payroll practices for its executives. This salary may be increased from time to time in accordance with normal business practices of the Company and, if so increased, shall not thereafter during the term of this Agreement be decreased. Compensation of the Executive by salary

payments shall not be deemed exclusive and shall not present the Executive from participating in any other compensation or benefit plan of the Company. The salary payments (including any increased salary payments) hereunder shall not in any way limit or reduce any other obligation of the Company hereunder, and no other compensation, benefit or payment hereunder shall in any way limit or reduce the obligation of the Company to pay the Executive's salary hereunder.

(b) Bonus Compensation. The Executive shall be entitled to receive annual bonus compensation in an amount determined by the Board in its discretion; provided, however, that if any such bonus (or portion thereof) will fail to be deductible by the Company by reason of section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), the payment of such bonus (or portion thereof) will be deferred until the first date that the payment of such bonus can be paid without failing to be deductible by the Company.

(c) Expenses. During the term of the Executive's employment hereunder, the Executive shall be entitled to receive prompt reimbursement for all reasonable and customary expenses incurred by the Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company.

(d) Other Benefits. The Company shall maintain in full force and effect, and the Executive shall be entitled to continue to participate in, all of the employee benefit plans and arrangements in effect on the date hereof in which the Executive participates or plans or arrangements providing the Executive with at least equivalent benefits thereunder (including, without limitation, each retirement plan, supplemental and excess retirement plans, employee stock ownership plans' annual and long-term incentive compensation plans, stock option and purchase plans, group life insurance and accident plan, medical and dental insurance plans, and disability plan), provided that the Company shall not make any changes in such plans or arrangements that would adversely affect the Executive's rights or benefits thereunder; provided, however, that, such a change may be made, including termination of such plans or arrangements if it occurs pursuant to a program applicable to all executives of the Company and does not result in a proportionately greater reduction in the rights of or benefits to the Executive as compared with any other executive of the Company. The Executive shall be entitled to participate in or receive benefits under any employee benefit plan or arrangement made available by the Company in the future to its executives and key management employees, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. Nothing paid to the Executive under any plan

or arrangement presently in effect or made available in the future shall be deemed to be in lieu of the salary payable to the Executive pursuant to paragraph (a) of this Section. Any payments or benefits payable to the Executive hereunder in respect of any calendar year during which the Executive is employed by the Company for less than the entire such year shall, unless otherwise provided in the applicable plan or arrangement be prorated in accordance with the number of days in such calendar year during which he is so employed.

(e) Vacations. The Executive shall be entitled to no less than the number of vacation days in each calendar year, and to compensation in respect of earned but unused vacation days, determined in accordance with the Company's vacation policy as in effect on the date hereof. The Executive shall also be entitled to all paid holidays and personal days given by the Company to its executives.

(f) Services Furnished. The Company shall furnish the Executive with office space, stenographic assistance and such other facilities and services as shall be suitable to the Executive's position and adequate for the performance of his duties as set forth in Section 3 hereof.

SECTION 6. Offices. Subject to Sections 3 and 4, the Executive agrees to serve without additional compensation, if elected or appointed thereto, as a director of the Company and any of its subsidiaries and in one or more executive offices of any of the Company's subsidiaries, provided that the Executive is indemnified for serving in any and all such capacities on a basis no less favorable than is currently provided by the Company to any other director of the Company or any of its subsidiaries.

SECTION 7. Termination. The Executive's employment hereunder may be terminated without any breach of this Agreement only under the following circumstances:

(a) Death. The Executive's employment hereunder shall terminate upon his death.

(b) Disability. If, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent from his duties hereunder on a full-time basis for the entire period of six consecutive months, and within thirty (30) days after written notice of termination is given (which may occur before or after the end of such six

month period) shall not have returned to the performance of his duties hereunder on a full-time basis, the Company may terminate the Executive's employment hereunder.

(c) Cause. The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, the Company shall have "Cause" to terminate the Executive's employment hereunder upon (i) the willful and continued failure by the Executive to substantially perform his duties hereunder (other than any such failure resulting from the Executive's incapacity due to physical or mental illness or any such actual or anticipated failure after the issuance of a Notice of Termination, as defined in Section 7(e), by the Executive for Good Reason, as defined in Section 7(d)(ii)), after demand for substantial performance is delivered by the Company that specifically identifies the manner in which the Company believes the Executive has not substantially performed his duties, or (ii) the willful engaging by the Executive in misconduct which is materially injurious to the Company, monetarily or otherwise (including, but not limited to, conduct that constitutes Competitive Activity, as defined in Section 10). For purposes of this paragraph, no act, or failure to act, on the Executive's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Cause without (1) reasonable notice to the Executive setting forth the reasons for the Company's intention to terminate for Cause, (2) an opportunity for the Executive, together with his counsel, to be heard before the Board, and (3) delivery to the Executive of a Notice of Termination, as defined in subsection (e) hereof, from the Board finding that in the good faith opinion of three-quarters (3/4) of the Board the Executive was guilty of conduct set forth above in clause (i) or (ii) hereof, and specifying the particulars thereof in detail.

(d) Termination by the Executive. (i) The Executive may terminate his employment hereunder (A) for Good Reason or (B) if his health should become impaired to an extent that makes his continued perfor-

mance of his duties hereunder hazardous to his physical or mental health or his life, provided that the Executive shall have furnished the Company with a written statement from a qualified doctor to such effect and provided, further, that, at the Company's request, the Executive shall submit to an examination by a doctor selected by the Company and such doctor shall have concurred in the conclusion of the Executive's doctor.

(ii) For purposes of this Agreement, "Good Reason" shall mean (A) a failure by the Company to comply with any material provision of this Agreement which has not been cured within ten (10) days after notice of such noncompliance has been given by the Executive to the Company, or (B) any purported termination of the Executive's employment which is not effected pursuant to a Notice of Termination satisfying the requirements of paragraph (e) hereof (and for purposes of this Agreement no such purported termination shall be effective).

(e) Notice of Termination. Any termination of the Executive's employment by the Company or by the Executive (other than termination pursuant to subsection (a) hereof) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 12. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

(f) Date of Termination. "Date of Termination" shall mean (i) if the Executive's employment is terminated by his death, the date of his death, (ii) if the Executive's employment is terminated pursuant to subsection (b) above, thirty (30) days after Notice of Termination is given (provided that the Executive shall not have returned to the performance of his duties on a full-time basis during such thirty (30)-day period), (iii) if the Executive's employment is terminated pursuant to subsection (c) above, the date specified in the Notice of Termination, and (iv) if the Executive's

employment is terminated for any other reason, the date on which a Notice of Termination is given; provided, however, that, if within thirty (30) days after any Notice of Termination is given the party receiving such Notice of Termination notifies the other party that a dispute exists concerning the termination, the Date of Termination shall be the date on which the dispute is finally determined, either by mutual written agreement of the parties, by a binding and final arbitration award or by a final judgment, order or decree of a court of competent jurisdiction (the time for appeal therefrom having expired and no appeal having been perfected).

SECTION 8. Compensation Upon Termination or During Disability.

(a) During any period that the Executive fails to perform his duties hereunder as a result of incapacity due to physical or mental illness ("disability period"), the Executive shall continue to receive his full salary at the rate then in effect for such period until his employment is terminated pursuant to Section 7(b) hereof, provided that payments so made to the Executive during the first 180 days of the disability period shall be reduced by the sum of the amounts, if any, payable to the Executive at or prior to the time of any such payment under disability benefit plans of the Company or under the Social Security disability insurance program, and which amounts were not previously applied to reduce any such payment.

(b) If the Executive's employment is terminated by his death, the Company shall pay any amounts due to the Executive under Section 5 through the date of his death in accordance with Section 11(b).

(c) If the Executive's employment shall be terminated by the Company for Cause or by the Executive for other than Good Reason, the Company shall pay the Executive his full salary through the Date of Termination at the rate in effect at the time Notice of Termination is given and the Company shall have no further obligations to the Executive under this Agreement.

(d) If (A) in breach of this Agreement, the Company shall terminate the Executive's employment other than for disability pursuant to Section 7(b) or for Cause (it being understood that a purported termination for disability pursuant to Section 7(b) or for Cause which is disputed and finally determined not to have been proper

shall be a termination by the Company in breach of this Agreement), including any failure by the Company to extend the term of this Agreement for any additional one year period as provided in Section 2 hereof, or (B) the Executive shall terminate his employment for Good Reason, then

(i) the Company shall pay the Executive his full salary through the Date of Termination at the rate in effect at the time Notice of Termination is given and all other unpaid amounts, if any, to which the Executive is entitled as of the Date of Termination under any compensation plan or program of the Company, at the time such payments are due;

(ii) in lieu of any further salary payments to the Executive for periods subsequent to the Date of Termination, the Company shall pay as liquidated damages to the Executive an amount equal to three times the sum of (1) the Executive's annual salary rate in effect as of the Date of Termination and (2) the highest annual amount payable to the Executive under the Company's annual and long-term incentive compensation plans during the three calendar years which are the calendar year prior to the year in which such Date of Termination occurs and the immediately preceding two calendar years; such payment to be made in a lump sum on or before the fifth day following the Date of Termination;

(iii) if termination of the Executive's employment arises out of a breach by the Company of this Agreement, the Company shall pay all other damages to which the Executive may be entitled as a result of such breach, including damages for any and all loss of benefits to the Executive under the Company's employee benefit plans which the Executive would have received if the Company had not breached this Agreement and had the Executive's employment continued for the full term provided in Section 2 hereof, and including all legal fees and expenses incurred by him as a result of such termination, including the fees and expenses of enforcing the terms of this Agreement.

(e) If the Executive shall terminate his employment under clause (B) of subsection 7(d)(i) hereof, the Company shall pay the Executive his full salary through the Date of Termination at the rate in effect at the time Notice of Termination is given.

(f) Unless the Executive is terminated for Cause, the Company shall maintain in full force and effect, for the continued benefit of the Executive for the greater of the number of years (including partial years) remaining in the term of employment hereunder or the number three (3), all employee benefit plans and programs in which the Executive was entitled to participate immediately prior to the Date of Termination provided that the Executive's continued participation is possible under the general terms and provisions of such plans and programs. In the event that the Executive's participation in any such plan or program is barred, the Company shall arrange to provide the Executive with benefits substantially similar to those which the Executive would otherwise have been entitled to receive under such plans and programs from which his continued participation is barred.

(g) In the event that the Executive becomes entitled to the payments provided in clauses (i)-(iii) of Section 8(d) (the "Severance Payments"), if any of the Severance Payments will be subject to the excise tax imposed under section 4999 of the Code (the "Excise Tax"), the Company shall pay to the Executive an additional amount (the "Gross-Up Payment") such that the net amount retained by the Executive, after deduction of any Excise Tax on the Severance Payments and any Federal, state and local income and employment tax and Excise Tax upon the payment provided for by this Section 8(g), shall be equal to the Severance Payments. For purposes of determining whether any of the Severance Payments will be subject to the Excise Tax and the amount of such Excise Tax, (i) any other payments or benefits received or to be received by the Executive in connection with a change in ownership or control (within the meaning of section 280G of the Code and the regulations promulgated thereunder) of the Company or the Executive's termination of employment (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Company, any person whose actions result in a change in control or any Person affiliated with the Company or such Person) shall be treated as "parachute payments" within the meaning of section 280G(b)(2) of the Code, and all "excess parachute payment" within the meaning of section 280G(b)(1) of the Code shall be treated as subject to the Excise Tax, unless in the opinion of tax counsel selected by the Company's independent auditors and reasonably acceptable to the Executive such other payments or benefits (in whole or in part) do not constitute parachute payments, including by reason of

Section 280G(b)(4)(A) of the Code, or such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered, within the meaning of section 280G(b)(4)(B) of the Code, in excess of the "base amount" allocable to such reasonable compensation, or are otherwise not subject to the Excise Tax, (ii) the amount of the Severance Payments which shall be treated as subject to the Excise Tax shall be equal to the lesser of (A) the total amount of the Severance Payments or (B) the amount of excess parachute payments within the meaning of section 280(G)(b)(1) of the Code (after applying clause (i), above), and (iii) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Company's independent auditors in accordance with the principles of sections 280G(d)(3) and (4) of the Code. For purposes of determining the amount of the Gross-Up Payment, the Executive shall be deemed to pay Federal income taxes at the highest marginal rate of Federal income taxation in the calendar year in which the Gross-Up Payment is to be made and state and local income taxes at the highest marginal rate of taxation in the state and locality of the Executive's residence on the Date of Termination, net of the maximum reduction in Federal income taxes which could be obtained from deduction of such state and local taxes.

SECTION 9. No Mitigation. The Executive shall have no duty to mitigate damages by seeking other employment. The Company shall have no right of offset hereunder with respect to any compensation or benefits received by the Executive from or in connection with any employment subsequent to his employment termination with the Company.

SECTION 10. Noncompetition. During the period of the Executive's employment hereunder and for two years thereafter, the Executive shall not, directly or indirectly, own, manage, operate, join or control, be employed by or participate in the ownership, management, operation or control of, or be a consultant to or connected in any other manner with, any business, firm or corporation which is similar to or competes with a principal business of the Company or its subsidiaries (a "Competitive Activity"). For these purposes, the Executive's ownership of securities or a public company not in excess of one percent of any class of such securities shall not be considered to be competition with the Company or its subsidiaries.

SECTION 11. Successors; Binding Agreement. (a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to the Executive, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as he would be entitled to hereunder if he terminated his employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Agreement, "Company" shall mean the Company as herein before defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 11 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) This Agreement and all rights of the Executive hereunder shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amounts would still be payable to him hereunder if he had continued to live, all such amount unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee, or other designee or, if there be no such designee, to the Executive's estate.

SECTION 12. Notice. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or (unless otherwise specified) mailed by United States certified or

registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

[Wille/Snyder address]

If to the Company:

FactSet Research Corporation
One Greenwich Plaza
Greenwich, CT [06830]
Attn: [Corporate Secretary]

or to such other address as any party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

SECTION 13. Miscellaneous. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and such officer of the Company as may be specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Connecticut without regard to its conflicts of law principles.

SECTION 14. Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

SECTION 15. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be

deemed to be an original but all of which together will constitute one and the same instrument.

SECTION 16. Arbitration. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration, conducted before a panel of three arbitrators in [New York, New York,] in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction; provided, however, that the Company shall be entitled to seek a restraining order or injunction in any court of competent jurisdiction to prevent any continuation of any violation of the provisions of Section 10 of the Employment Agreement and the Executive hereby consents that such restraining order or injunction may be granted without the necessity of the Company's posting any bond, and provided further that the Executive shall be entitled to seek specific performance of his right to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. The expense of such arbitration shall be borne by the Company.

SECTION 17. Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supercedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto; and any prior agreement of the parties hereto in respect of the subject matter contained herein is hereby terminated and cancelled.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

FACTSET RESEARCH SYSTEMS INC.

by _____
Name:
Title:

EXECUTIVE

_____
[Howard E. Wille]
[Charles J. Snyder]

Attest:

by _____

Exhibit 10.3

[FACTSET LETTERHEAD]

May 8, 1996

Mr. Ernest S. Wong
121 North Chatsworth Avenue
Larchmont, New York 10538

[FACTSET LOGO]

Dear Ernest:

We are delighted that you are joining us. I am convinced that you will fit comfortably into the FactSet culture and will make an important contribution to the growth and the management of the Company. I am therefore pleased to confirm our offer of employment to you for the position of Vice President and Chief Financial Officer for FactSet Research Corporation. Barring unforseen problems we would expect you to start on June 1, 1996.

Your gross annual base salary will be $175,000 to be paid at a bi-weekly rate of $6,730.77. You will be eligible to participate in the Company's annual bonus plan as well as its incentive stock option plan. For the first twelve months of your employment we guarantee a minimum bonus of $50,000 payable no later than May 31, 1997. In all subsequent years, payment will be contingent upon FactSet's meeting its performance goals and upon our appraisal of your contribution to FactSet.

FactSet should like to extend to you a one-time sign-on bonus of $25,000, payable on July 1, 1997.

In addition, we should like to extend to you options on 10,000 shares of FactSet's current stock at the forthcoming public offering price. These shares will soon be split 4-for-1 so that your options will cover 40,000 shares. We also expect to continue the firm's ESOP program for which you will qualify.

You and your dependents will be eligible for our standard employee benefits program immediately upon your joining the firm. To comply with federal law, you will be asked to provide proof of U.S. citizenship.

If FactSet terminates your employment against your will for any reason other than your failure substantially to perform your duties, your being adjudged guilty of a felony by a court of last resort from which there is no appeal, or your material breach of your fiduciary duties to FactSet, FactSet will continue to pay your base salary and standard employee benefits for twelve months from the date of such termination.

If any change in control takes place during your employment with FactSet, and within one year from the date of such change of control your employment is terminated, FactSet will continue to pay your base salary and benefits ratably for two years. A change of control would have taken place for this purpose if any one stockholder owns more FactSet stock than Howard E. Wille and Charles J. Snyder and their respective estates or heirs collectively own; and such shareholder exercizes managerial control of the Company.

Sincerely,

/s/ H. E. Wille
Howard E. Wille
Chairman

/s/ Ernest S. Wong
- --------------------
Agreement
Ernest S. Wong

FACTSET RESEARCH SYSTEMS INC.

EMPLOYEE STOCK OWNERSHIP PLAN

Effective as of September 1, 1995
Amended Effective as of September 1, 1988
Amended Effective as of September 1, 1989

RESTATED

TABLE OF CONTENTS

ARTICLE I

General

1.1 The purpose of the FactSet Research System Inc. Employee Stock Ownership Plan is to enable eligible employees of FactSet Research Systems Inc., a Delaware corporation, and of the Company's designated subsidiaries, if any, to acquire a proprietary interest in the Company and to provide economic benefits to such employees upon their retirement or disability or to their beneficiaries upon their death.

1.2 The Plan is intended to constitute a "qualified plan" within the meaning of Sections 401(a) and 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and is intended to qualify as an "employee stock ownership plan" within the meaning of Section 4975(e)(7) of the Code. The provisions of the Plan shall, accordingly, be construed so as to extend and/or limit eligibility and participation in a manner consistent, and so as to otherwise comply, with the requirements of the Code and ERISA.

1.3 Eligibility and participation in the Plan shall give any employee only such rights as are set forth in the Plan and any amendments hereto and shall in no way

affect or in any manner limit the Employer's right to discharge the employee, which right is expressly reserved hereby, or impair the authority of the Plan Committee to limit the employee's rights, claims, or causes, as provided in the Plan.

ARTICLE II

Definitions

The following words and phrases, when used in the Plan, shall have the following respective meanings, unless the context clearly indicates otherwise:

"Beneficiary": The beneficiary or beneficiaries of a Participant or Former Participant either by designation or otherwise, as provided in Article X.

"Board of Directors": Prior to September 1, 1986, the Board of Directors of FactSet Data Systems, Inc. Subsequent to August 31, 1986, the Board of Directors of FactSet Research Corporation.

"Break in Service": An eligibility computation period of 12-consecutive months during which an employee fails to complete more than 500 Hours of Service for the Employer.

"Common Stock": Prior to September 1, 1986, the Common Stock, par value $.0l per share, of FactSet Data Systems, Inc. Subsequent to August 31, 1986, the Common

Stock, par value $1.00 per share, of FactSet Research Corporation, or the securities adjusted or substituted therefor pursuant to Article XI.

"Company": Prior to September 1, 1986, FactSet Data Systems, Inc., a Delaware corporation. Subsequent to August 31, 1986, FactSet Research Corporation or its successor or successors.

"Disability": A disability as defined in Section 10.3.

"Effective Date of the Plan": September 1, 1985.

"Employer": The Company or any subsidiary which shall become a party to the Plan by being designated by the Board of Directors and by adopting the Plan as provided in Article XV.

"Employer securities": Common Stock or other securities of the Company which are permissible investments under the Internal Revenue Code or ERISA.

"ERISA": The Employee Retirement Income Security Act of 1974, as amended from time to time, and applicable rules and regulations issued thereunder.

"Former Participant": A person who has ceased to be a Participant, but who has a vested interest in his Participant's Account which has not been distributed.

"Hour of Service": Each employee will be credited with an hour of service for:

(1) Each hour for which an employee is directly or indirectly paid or entitled to payment by the Employer for the performance of duties. These hours shall be credited to the employee for the computation period or periods in which the duties are performed; and

(2) Each hour (up to a maximum of 501 hours per Plan Year) for which an employee is directly or indirectly paid or entitled to payment by the Employer for reasons (such as vacation, sickness or disability) other than for performance of duties. These hours shall be credited to the employee for the computation period or periods in which payment is made or amounts payable to the employee become due; and

(3) Each hour for which back pay, irrespective of mitigation of damages, has been either awarded or agreed to by the Employer. These hours shall be credited to the employee for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement, or payment was made.

(4) Notwithstanding any provision to the contrary herein contained, computation and creditation of an Hour of Service shall follow the guidelines set forth in the Department of Labor Regulations 2530.200(b)-2(b), (c) and (f).

(5) Notwithstanding anything to the contrary herein,

(i) In the case of each Participant who is absent from work for any period by reason of the pregnancy of the Participant, by reason of the birth of a child of the Participant, by reason of the placement of a child with the Participant in connection with the adoption of such child by such Participant, or for purposes of caring for such child for a period beginning immediately following such birth or placement, the Plan shall treat as Hours of Service, solely for purposes of determining whether a 1-year break in service has occurred, the hours described in clause (ii).

(ii) The hours described in this clause are

(I) the hours of service which otherwise would normally have been credited to such Participant but for such absence, or

(II) in any case in which the Plan is unable to determine the hours described in subclause (I), 8 hours of service per day of absence, except that the total

number of hours treated as Hours of Service under this clause by reason of any such pregnancy or placement shall not exceed 501 hours per Plan Year.

(iii) The hours described in clause (ii) shall be treated as hours of service as provided in this subparagraph only in the year in which the absence from work begins, if a Participant would be prevented from incurring a 1-year break in service in such year solely because the period of absence is treated as Hours of Service as provided in clause (i); or in any other case, in the immediately following year.

(iv) For purposes of this paragraph, the term "year" means a Year of Service.

(v) No credit will be given pursuant to this paragraph unless the Participant furnishes to the Plan Committee such timely information as the Plan may reasonably require to establish that the absence from work is for reasons referred to in clause (i), and the number of days for which there was such an absence.

"Internal Revenue Code": The Internal Revenue Code of 1986, as amended from time to time, and applicable Treasury Department rules and regulations issued thereunder.

"Normal Retirement": Retirement of a Participant upon or after attaining the "Normal Retirement Age" of sixty-five (65) years.

"Participant": An eligible employee who participates in the Plan in accordance with the provisions of Articles III and IV.

"Participant's Account": A Participant's or Former Participant's allocable portion of contributions made by the Employer or property purchased therewith, as adjusted to reflect income, gains and losses, expenses, forfeitures and all other applicable transactions, as provided in the Plan.

"Participating Subsidiary": Any present or future Subsidiary of the Company which is designated by the Board of Directors and elects to adopt the Plan in accordance with Article XV.

"Plan": The Company's Employee Stock Ownership Plan set forth herein, as amended from time to time in accordance with the provisions of Article XIV.

"Plan Committee": The committee provided for in Article XII to administer the Plan.

"Plan Year": The twelve-month period beginning September 1, and ending August 31, being the fiscal year of the Company.

"Subsidiary": Any corporation at least a majority of the outstanding voting stock of which is at the time

owned by the Company or by one or more Subsidiaries or by the Company and one or more Subsidiaries.

"Termination of a Participant's Employment": cessation of employment of the employee by the Employer (other than as a result of Normal Retirement, death or Disability) including, but not limited to resignation, quitting, firing and, after the layoff of an employee (a) the employee's failure to return to work with the Employer within ten days' written notice of recall to work at a pay position similar to the one previously held by such employee, or (b) the expiration of one year from the date of layoff without being recalled to work to such a position (or, if shorter, a period from the date of layoff which is equal to the employee's length of service with the Employer prior to such layoff).

"Trustee": The trustee or trustees or any successor trustee or trustees appointed and acting as such pursuant to Article VI.

"Trust Fund": The trust fund established and maintained pursuant to Article VI.

"Year of Service": A Year of Service as defined in Section 8.1.

ARTICLE III

Eligibility

3.1 Any employee (including any officer) of the Employer shall be eligible to participate in the Plan if:

(1) the employee has performed 1,000 or more Hours of Service for the Employer during the twelve-month period commencing on the date of his employment or during any Plan Year commencing after the date of his employment; and

(2) the employee is not included in a unit of employees covered by a collective bargaining agreement in connection with which retirement benefits were the subject of negotiations, unless such agreement expressly provides for participation in the Plan by employees in such unit.

3.2 Notwithstanding anything to the contrary contained in Section 3.1, an employee shall not be eligible to participate in the Plan if such employee is a non-resident alien receiving no earned income from sources within the United States from any participating Employer or Participating Subsidiary, for United States federal income tax purposes, unless such non-resident alien is designated by the Board of Directors of the Company individually, or

indirectly by reference to a class of which he is a member, as an employee eligible to participate in the Plan.

ARTICLE IV

Participation

4.1 Each employee who on the Effective Date was employed by the Employer shall commence participation in the Plan and be deemed a "Participant" as of the Effective Date. Each other employee of the Employer after the Effective Date shall become a Participant on the date on which he becomes eligible to participate in the Plan in accordance with Article III as of the first day of such Plan Year in which said eligibility occurs. Notwithstanding the foregoing, no employee shall become a Participant until he has delivered to the Plan Committee a signed statement in the form prescribed by the Plan Committee, and within a reasonable time from the date of receipt of such form from the Plan Committee, signifying his acceptance of participation in the Plan. The Plan Committee shall furnish such employee, within 30 days after the employee becomes so eligible to participate in the Plan, with such a form which will enable him to signify his acceptance of participation in the Plan.

4.2 After becoming a Participant, an employee shall continue to be a Participant in the Plan for so long as he is eligible to participate in the Plan or until the

termination of his employment with the Employer. If a person who ceased to be a Participant by reason of the termination of his employment with the Employer is re-employed by the Employer, he may again become a Participant in accordance with the provisions of Sections 3.1 and 4.1; provided that:

(a) If no Break in Service has occurred as a result of the cessation of employment by the Employer, he shall continue to be a Participant as if his employment had not ceased;

(b) If he has a vested interest under the Plan at the time he has incurred a Break in Service, he shall again become a Participant as of the date of his re-employment if he meets the requirements for eligibility in accordance with the provisions in Section 3.1 within the 12-month period beginning with the date of such re-employment.

(c) In the event that an employee who has no vested interest under the Plan has incurred a Break in Service and does not meet such eligibility requirements within the 12-month period immediately following his re-employment, his Years of Service before any period of consecutive 1-year Breaks in Service shall not be required to be taken into account if the number of

consecutive 1-year Breaks in Service within such periods equals or exceeds the greater of (i) 5 or (ii) the aggregate number of Years of Service before such period, and such an employee must meet the eligibility requirements of Sections 3.1 and 4.1 as if he were a new employee.

Where Years of Service are not required to be taken into account by reason of a period of Breaks in Service, such Years of Service shall not be taken into account with respect to any subsequent period of Breaks in Service.

ARTICLE V

Employer Contributions

5.1 For any Plan Year, the Employer shall contribute to the Trust Fund, for allocation to Participants' Accounts in accordance with Article VII, an amount, as and when determined by its Board of Directors by resolution, on or before the due date prescribed by law (including any extension thereof) for the filing of the Employer's federal income tax return for its fiscal year ending concurrently with such Plan Year. The Employer may also commit to make contributions in future Plan Years in connection with any indebtedness incurred by the Trustee to purchase Common Stock in accordance with the Plan. Employer

contributions may be made in cash, Employer securities, or other property of any kind or any combination thereof, as the Board of Directors may from time to time determine. Any shares of Common Stock contributed by the Employer shall be valued at their fair market value. In no event shall the Employer's contributions for a Plan Year be in excess of the amount which, when added to the Employer's contributions under any other plans qualified under Section 401(a) of the Internal Revenue Code (including carryovers of underpayments and overpayments), exceeds the amount that can be taken as a deduction by the Employer under Section 404 of the Internal Revenue Code in the Employer's fiscal year ending with or within the Plan Year. In addition, no contribution shall exceed an amount which would result in an allocation to the Accounts of all Participants in excess of the limits in Section 7.5 of Article VII. The foregoing limitations shall not apply with respect to any payments of interest by the Employer on any loan described in Section 4975(d)(3) of the Internal Revenue Code.

Cash contributions shall be treated as contributions of Employer securities if the cash is contributed no later than 30 days after, and the Employer securities are purchased or released from the Suspense Account no later than 60 days after, the due date, including

extensions, for filing the Company's federal income tax return for its fiscal year for which the contribution is made. The amount of the Employer contribution, if any, to the Plan for each Plan Year shall be communicated to the Participants as soon as practicable after the adoption of the resolution authorizing such contribution.

5.2 The determination of the Board of Directors of the amount, if any, of the Employer's contribution to the Trust Fund for any Plan Year shall be final and conclusive and binding upon all Participants, the Trustee and the Employer. Notwithstanding any other provisions of the Plan, however, all contributions made by the Employer to the Trust Fund prior to a determination by the Commissioner of Internal Revenue or his duly authorized representative as to whether the Plan is qualified under Section 401 of the Internal Revenue Code, shall, if so directed by the Employer, be refunded to the Employer if, but only if, the Commissioner or his said representative, upon such initial determination, rules or determines that the Plan is not a qualified plan under Section 401 of the Internal Revenue Code.

5.3 Contributions made by the Employer to the Trust Fund shall be returned to the Employer under the following additional circumstances:

(a) All contributions made to the Plan are conditioned upon the Employer obtaining a deduction under Code Section 404(a) in an equal amount for the Employer's taxable year ending with or within the Plan Year for which the contribution is made. If all or any portion of the Employer's contribution is not deductible under Code Section 404(a), for such year, the amount so determined to be non-deductible shall be returned to the Employer within one year of the disallowance of the deduction by the Internal Revenue Service.

(b) At the direction of the Employer, a contribution made by the Employer due to a mistake of fact shall be returned promptly to the Employer if the Plan Committee determines that such mistake existed at the time of the contribution, provided that such contribution shall be returned within 12 months of the date it was made.

(c) All contributions made to the Trust Fund are conditioned upon the continuing qualification of the Plan under Code Section 401. If the Plan fails to qualify under Code Section 401, all amounts contributed during the time the Plan failed to qualify shall be returned to the Employer

within one year after the date of the denial of qualification of the Plan by the Internal Revenue Service.

5.4 Nothing contained in the Plan shall be construed to impose upon the Employer any obligation to make any contribution to the Trust Fund with respect to any Plan Year. The amount, if any, of the contribution by the Employer shall be in the sole discretion of the Board of Directors, subject to the provisions of Section 5.1.

5.5 Participants shall not be entitled to make any contributions under the Plan.

ARTICLE VI

The Trust Fund

6.1 All contributions by the Employer under the Plan shall be paid into, and all benefits provided for in the Plan shall be distributed from, a Trust Fund established by a trust agreement between the Company and a Trustee appointed by the Board of Directors of the Company. The trust agreement shall be in such form and shall contain such provisions as the Board of Directors shall deem appropriate, which provisions shall include, but not be limited to, provisions with respect to the powers and authority of the Trustee, the authority of the Company to amend the trust agreement, and the authority of the Plan Committee to settle the accounts of the Trustee on behalf of all persons having

an interest in the Trust Fund. The Trustee shall have exclusive authority and discretion to manage and control the assets of the Trust Fund, except to the extent that the Plan expressly provides that the Trustee is subject to the direction of the Plan Committee, and in such cases the Trustee shall be subject to the directions of the Plan Committee which are made in accordance with the terms of the Plan and which are not contrary to ERISA. All rights and benefits that may accrue to any person under the Plan shall be subject to all the terms and provisions of the trust agreement.

6.2 The Trustee shall hold the Trust Fund, as constituted from time to time, for the exclusive benefit of Participants, Former Participants and Beneficiaries under the Plan, and (except as otherwise provided for in Sections 5.2 and 5.3) no part of the Trust Fund shall be recoverable by the Employer or used for or diverted to purposes other than for the exclusive benefit of such Participants, Former Participants and Beneficiaries and for defraying the reasonable expenses of administering the Plan and the Trust Fund.

6.3 Employer contributions made in cash and other cash received by the Trust Fund shall be applied primarily to the purchase of Common Stock or other securities from the

Company or from any stockholder of the Company, in private transactions or on the open market, or to the satisfaction of obligations of the Trust Fund incurred in connection with the purchase of shares of Common Stock. In general, assets of the Trust Fund shall be invested primarily in shares of Common Stock. Notwithstanding the foregoing, assets of the Trust Fund may be invested in investments other than shares of Common Stock to the extent permitted for a qualified "employee stock ownership plan" under ERISA and the Internal Revenue Code, provided, however, that at least 51% of the fair market value of all assets of the Trust Fund shall be invested in Common Stock. All investments by the Trustee of the assets of the Trust Fund shall be made at the direction of the Plan Committee.

6.4 All shares of Common Stock purchased by the Trustee at the direction of the Plan Committee shall be purchased at prices which, in the judgment of the Plan Committee, do not exceed the fair market value of such shares determined in accordance with the provisions of Article XIII. Shares of Common Stock may be acquired by the Trustee for a consideration consisting of cash, property or evidences of indebtedness or any combination thereof. The Trustee, at the written direction of the Plan Committee, may incur indebtedness to any person (including the Employer)

and pay reasonable interest thereon to purchase shares of Common Stock or for any other purpose consistent with the purposes of the Plan, and may issue its promissory note as Trustee as evidence of such indebtedness. Any such indebtedness shall be non-recourse with respect to the assets of the Trust Fund, other than the shares of Common Stock for whose purchase such indebtedness was incurred (and any securities issued in respect thereof), and any such indebtedness shall be repayable only out of the amounts of Employer contributions or, as directed by the Plan Committee, out of dividends, distributions and other income and earnings on shares of Common Stock not allocated to any Participants' Accounts. The Plan Committee, in its sole discretion, shall determine whether any dividend paid in cash on Common Stock to the Plan shall be (a) distributed in cash to the Participants, Former Participants and Beneficiaries, (b) used to make payments of either principal or interest on a loan described in Section 404(a)(9) of the Internal Revenue Code, or (c) retained in the Participants' Accounts of the Participants, Former Participants or Beneficiaries. In the event that the Plan Committee determines said dividend paid to the Plan shall in whole or part be so distributed, such amount of said dividend so determined shall be distributed in cash to the Participants, Former

Participants and Beneficiaries, in accordance with their respective Participants' Accounts at the close of the Plan Year, not later than 90 days after the close of the Plan Year in which said dividend was paid. The Employer shall contribute to the Trust Fund amounts sufficient to enable the Trust Fund to pay any fixed installments of principal and interest on any such indebtedness on or before the date any such installment is due. The Trustee, at the direction of the Plan Committee, in order to secure indebtedness incurred in connection with the purchase of shares of Common Stock, may pledge such shares of Common Stock and may assign any rights to future contributions. Any shares of Common Stock so pledged shall be held in a "suspense account" as provided for in Treasury Regulation Sec. 54.4975-11(c), as amended from time to time, and shall be released therefrom in accordance with this Article and Treasury Regulation Sec. 54.4975-7(b)(8) and Sec. 54.4975-7(b)(15), as amended from time to time.

6.5 Any shares of Common Stock purchased and paid for by delivery of evidences of indebtedness shall not be allocated to Participants' Accounts until the indebtedness representing the purchase price for such shares has been discharged. Any Employer contribution used to reduce or discharge such indebtedness shall be deemed to have been

applied to the payment of the original purchase price for whole shares of Common Stock on the date of such reduction or discharge. Any such shares shall be released as collateral, if previously pledged, and shall be allocated to Participants' Accounts as of the last day of the Plan Year for which such Employer's contribution was made.

6.6 Pending the investment of assets of the Trust Fund in shares of Common Stock, or the application of such assets toward the satisfaction of obligations incurred to purchase shares of Common Stock, such funds may be held in cash or the Trustee may, at the direction of the Plan Committee, invest such funds temporarily in savings accounts, certificates of deposit, short term securities of the United States or other cash equivalents, as determined by the Plan Committee. To the extent permitted for a qualified "employee stock ownership plan" under ERISA and the Internal Revenue Code, shares of Common Stock held in the Trust Fund may be sold and the proceeds of such sale invested in assets qualifying under ERISA, other than shares of Common Stock, at the direction of the Plan Committee, provided that at least 51% of the fair market value of all assets of the Trust Fund shall be invested in Common Stock.

6.7(a) Each Participant (or, in the event of his death, his Beneficiary) is, for purposes of this Section,

designated a "named fiduciary", within the meaning of Section 403(a)(1) of ERISA, and shall have the right to direct the Trustee as to the manner in which shares of Common Stock allocated to his Participant's Account (the "Allocated Shares"), and his proportionate share of (i) any shares of Common Stock not allocated to any Participant's Account ("Unallocated Shares") and (ii) the Allocated Shares credited to the Participants' Accounts of other Participants who fail to direct the Trustee, are to be voted on each matter brought before an annual or special stockholders' meeting of the Company. Before each such meeting of stockholders, the Plan Committee shall cause to be furnished to each Participant (or Beneficiary) a copy of the proxy solicitation material, together with a form requesting confidential directions on how such Participant's Allocated Shares shall be voted on each such matter. Upon timely receipt of such directions, the Trustee shall on each such matter vote as directed by Participants the number of such Participants' respective Allocated Shares (including fractional shares). The Trustee shall vote both Participants' Allocated Shares for which it has not received timely direction, as well as Unallocated Shares, in the same proportion as directed Participants' Allocated Shares are voted. The instructions received by the Trustee from

Participants shall be held by the Trustee in strict confidence and shall not be divulged or released to any person, including officers or employees of the Company or any Subsidiary; provided, however, that, to the extent necessary for the operation of the Plan, such instructions may be layed by the Trustee to a recordkeeper, auditor or other person providing services to the Plan.

(b) Each Participant (or, in the event of his death, his Beneficiary) is, for purposes of this Section, designated a "named fiduciary," within the meaning of Section 403(a)(1) of ERISA, and shall have the right, to the extent of the number of Allocated Shares credited to his Participant's Account and his proportionate share of the Unallocated Shares, to direct the Trustee in writing as to the manner in which to respond to a tender or exchange offer with respect to shares of Common Stock. The Plan Committee shall use its best efforts to timely distribute or cause to be distributed to each Participant (or Beneficiary) such information as will be distributed to stockholders of the Company in connection with any such tender or exchange offer. Upon timely receipt of such instructions, the Trustee shall respond as instructed by Participants with respect to their respective Participants' Allocated Shares. If the Trustee shall not receive timely instruction from a

Participant (or Beneficiary) as to the manner in which to respond to such a tender or exchange offer, the Trustee shall not tender or exchange any Participant's Allocated Shares with respect to which such Participant has the right of direction. Unallocated Shares shall be tendered or exchanged by the Trustee in the same proportion as Participants' Allocated Shares with respect to which Participants (or Beneficiaries) have the right of direction are tendered or exchanged. The instructions received by the Trustee from Participants shall be held by the Trustee in strict confidence and shall not be divulged or released to any person, including officers or employees of the Company or any Subsidiary; provided, however, that, to the extent necessary for the operation of the Plan, such instructions may be relayed by the Trustee to a recordkeeper, auditor or other person providing services to the Plan.

6.8 The Trustee shall make a determination of the value of the assets of the Trust Fund as of the last day of each Plan Year in accordance with the provisions of Article XIII. The Plan Committee, from time to time, may direct the Trustee to value the assets of the Trust Fund as of any other date if, in the sole discretion of the Plan Committee, such interim valuation is necessary or desirable for the administration or implementation of the Plan.

6.9 Diversification of Investments. The following provisions shall be effective with respect to Employer securities acquired after December 31, 1986, and Plan Years beginning after December 31, 1986.

(a) The Plan Committee shall choose, in its sole discretion, one of the following alternatives to comply with the requirements of Section 401(a)(28) of the Internal Revenue Code. It may institute procedures in accordance with the rules and regulations thereunder permitting a "qualified Participant" to elect that a percentage of such portion of his Participant's Account which shall consist of Employer securities acquired after December 31, 1986, which percentage shall be fixed by the Plan Committee and shall be at least 25% thereof, be invested under the Plan in accordance with at least 3 investment options as described in Section 401(a)(28)(B)(ii)(II) of the Internal Revenue Code.

(b) Alternatively, the Plan Committee may institute procedures in accordance with Section 401(a)(28) of the Internal Revenue Code permitting a "qualified Participant" to elect that an amount equal to 25% of the number of shares of Employer securities acquired by or contributed to the Plan after December 31, 1986 which have been allocated to his Participant's Account be distributed

to the Participant within 90 days after the period during which the election may be made. In the event the aggregate value of the interest in the Account of a "qualified participant" exceeds $3,500 no such distribution shall be permitted under this Plan without the written consent thereto of his spouse filed with the Plan committee, in form and substance satisfactory to the Plan Committee.

(c) A "qualified Participant" is a Participant who is an employee of the Employer and has both attained the age of 55 and has completed 10 or more Years of Service as a Participant. Said election shall be made within 90 days after the close of the Plan Year in which the Participant first became a qualified Participant, and thereafter within 90 days after the close of each of the next succeeding four Plan Years. If so elected, each said investment or each said distribution shall be made within 180 days following the close of each of said Plan Years. As elected by said Participant in each said succeeding Plan Year, an additional amount shall be so invested or distributed to the extent necessary to insure that, in the case of an investment, the total amount so invested under this Section 6.9 as of that Plan Year totals at least 25% (50% with respect to the last such Plan Year) of said portion of his Participant's Account, or that, in the case of a distribution, the total

amount so distributed under this Section 6.9 as of that Plan Year equals 25% (50% with respect to the last such Plan Year) of the number of shares of Employer securities acquired by or contributed to the Plan after December 31, 1986 which have been allocated to his Participant's Account less the number of shares of Employer securities previously so distributed pursuant to such an election. No such investments or distributions will be made after such fifth Plan Year.

(d) Where the fair market value (determined at the Plan valuation date immediately preceding the first day on which a qualified participant is eligible to make a diversification election) of Employer securities acquired by or contributed to this Plan after December 31, 1986, and allocated to a qualified participant's account is $500 or less, then such employer securities will be considered to constitute a de minimis amount of employer securities that is not subject to the diversification of investments requirement of this Plan and Section 401(a)(28) of the Code. Where the fair market value of the Employer securities acquired by or contributed to the Plan after December 31, 1986, and allocated to the account of a qualified participant exceeds the de minimis amount for any year of a participant's qualified election period, then all shares

allocated to the account of a qualified participant which were acquired or contributed after December 31, 1986, shall be subject to the diversification requirements of this Plan and Section 401(a)(28) of the Code in each remaining year of a participant's qualified election period.

ARTICLE VII

Allocation of Employer Contributions and Accrual of Benefits

7.1 The Plan Committee shall cause to be established and maintained for each Participant a Participant's Account in the name of such Participant to which there shall be credited the Participant's allocable portion of Common Stock (including fractional shares) contributed by the Employer or purchased and fully paid for by the Trust Fund and all other amounts allocated to such Participant pursuant to the provisions of this Article VII. The establishment of separate Participants' Accounts shall not require a segregation of the assets of the Trust Fund, and no Participant or Former Participant shall, as a result of the allocations made pursuant to this Article VII, acquire any right to or interest in any specific asset of the Trust Fund.

7.2 (a) Employer contributions to the Trust Fund with respect to any Plan Year (as adjusted for any net

income, gains and losses on the investment thereof prior to allocation) shall, as of the last day of such Plan Year, be allocated among the accounts of the Participants who have performed not less than 1,000 Hours of Service for the Employer during such Plan Year, except those whose employment by the Employer terminated prior to the last day of such Plan Year for any reason other than death, Disability or Normal Retirement. Such allocation of a contribution by the Employer to a Participant's Account for a Plan Year shall be made in the proportion that each such Participant's Eligible Compensation during such Plan Year bears to the aggregate Eligible Compensation of all such Participants during such Plan Year. In the event (i) of a loan to the Employer after July 18, 1984 with respect to Employer securities transferred by the Employer to the Plan after October 22, 1986, and (ii) the Employer notifies the Plan Committee that said loan is intended to be a "securities acquisition loan" under Section 133 of the Internal Revenue Code, the Employer shall transfer Employer securities to the Plan within 30 days of said loan in an amount equal to the proceeds of said loan, and said Employer securities shall be allocated among those Participants otherwise eligible for an allocation under this paragraph within one year after the date of said loan, as provided for

in Section 133(b)(1)(B) of the Internal Revenue Code. Any loan by the Employer to the Plan of the proceeds of a "securities acquisition loan" made under said Section 133 shall comply in all respects with the requirements of Section 133(b)(3) of the Internal Revenue Code and the regulations thereunder.

(b) For the purposes of this Section 7.2, the "Eligible Compensation" of any Participant for any Plan Year shall mean and include all wages and salaries (including overtime compensation), commissions and bonuses paid in cash by the Employer to such Participant for the period of such Plan Year during which he was eligible to be a Participant, but excluding (i) reimbursement for expenses; (ii) any amounts contributed by the Employer for any group life insurance, accidental death or injury, or any other health, medical, hospitalization or similar employee benefit plan; (iii) any amounts contributed by the Employer to the Trust Fund, and any benefits therefrom distributed to or realized by a Participant, under the Plan; (iv) any amounts contributed by the Employer to, and any benefits distributed to or realized by, a Participant under any profit sharing, retirement or pension or similar plan, any stock bonus or stock option plan or any other employee benefit plan; and (v) all other forms of deferred compensation and other

remuneration. Compensation in excess of $120,000 shall not be included in Eligible Compensation.

In addition to other applicable limitations set forth in this Plan, and notwithstanding any other provision of this Plan to the contrary, for Plan Years beginning on or after January 1, 1994, the annual compensation of each Employee taken into account under this Plan in any event shall not exceed the annual compensation limit as provided for in the Omnibus Budget Reconciliation Act of 1993 ("OBRA '93"). The OBRA '93 annual compensation limit is $150,000, as adjusted by the Commissioner of Internal Revenue for increases in the cost of living in accordance with section 401(a)(17)(B) of the Internal Revenue Code. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which compensation is determined ("the determination period") beginning in such calendar year. If a determination period consists of fewer than 12 months, the OBRA '93 annual compensation will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12. For plan years beginning on or after January 1, 1994, any reference in this Plan to the limitation under section 401(a)(17) of the Internal Revenue Code shall mean the OBRA '93 annual

compensation limit set forth in this provision. If compensation for any prior determination period is taken into account in determining a Participant's benefits accruing in the current plan year, the compensation for that prior determination period is subject to the OBRA '93 annual compensation limit in effect from that prior determination period. For this purpose, for determination periods beginning before the first day of the first plan year beginning on or after January 1, 1994, the OBRA '93 annual compensation limit is $150,000.

(c) A Participant's allocable share of any cash contribution or shares of Common Stock contributed by the Employer or shares of Common Stock otherwise allocable to him shall be credited to his Participant's Account held pursuant to Article VII. Except to the extent that the Plan Committee directs the distribution of cash dividends on common stock pursuant to Section 6.4 of Article VI and Section 10.10 of Article X, all dividends, distributions and other income and earnings received during a Plan Year on shares of Common Stock or on other assets credited to a Participant's Account shall be invested in shares of Common Stock, or other assets which qualify under ERISA to the extent permitted under Sections 6.3 and 6.6 of Article VI, and be added to the Participant's Account as of the last day

of such Plan Year. Each Participant's Account shall segregate that portion of the Account held in Common Stock from the portion held in other investments. All other dividends, distributions, net income and earnings (other than those applied to the repayment of indebtedness in accordance with Section 6.4 and those specified in Section 7.2(a)) of the Trust Fund during a Plan Year shall be invested in shares of Common Stock, or other assets which qualify under ERISA to the extent permitted under Sections 6.3 and 6.6 of Article VI, and be allocated as of the last day of such Plan Year to the Participant's Account of each Participant or Former Participant in proportion to the respective balances in such Accounts as of the first day of the Plan Year, after giving retroactive effect to any distributions from any such Participants' Accounts made during such Plan Year.

(d) In allocating shares of Common Stock received as contributions or purchased by the Trust Fund to Participants' Accounts, allocations of fractional shares shall be made to the nearest fourth decimal place.

7.3 The assets, if any, forfeited as of the last day of any Plan Year in accordance with the provisions of Article IX shall, as of such last day of such Plan Year, be allocated among the Participants' Accounts of the

Participants entitled to share in any Employer contribution as of that date in proportion to the balances in their respective Participants' Accounts as of the first day of such Plan Year; provided, however, that if such allocation of the forfeitures for any Plan Year would cause the Plan to fail to meet the requirements of Section 415 of the Internal Revenue Code with respect to a particular Participant, the amount of such unclaimed amounts otherwise allocable to such Participant, to the extent it exceeds the limitations set forth in Section 415 of the Internal Revenue Code, shall be reallocated to the Participants' Accounts of other Participants, in accordance with the directions of the Plan Committee, in the same manner as set forth in this Section 7.3.

7.4 The assets, if any, deemed unclaimed as of the last day of any Plan Year, in accordance with the provisions of Section 10.6, shall, as of such last day of such Plan Year, be allocated among the Participants' Accounts of Participants entitled to share in any Employer contributions as of such date in proportion to the balances in their respective Participants' Accounts as of the first day of such Plan Year; provided, however, that if such allocation of the unclaimed assets for any Plan Year would cause the Plan to fail to meet the requirements of

Section 415 of the Internal Revenue Code with respect to a particular Participant, the amount of such unclaimed amounts otherwise allocable to such Participant, to the extent it exceeds the limitations set forth in Section 415 of the Internal Revenue Code, shall be reallocated to the Participants' Accounts of other Participants, in accordance with the directions of the Plan Committee, in the same manner as set forth in this Section 7.4.

7.5 (a) Anything herein to the contrary notwithstanding, the aggregate maximum "annual addition" to a Participant's Account hereunder and under any other defined contribution plan maintained by the Employer and qualified under Section 401(a) of the Internal Revenue Code for any Plan Year (which is the Employer's "limitation year" for purposes of Section 415 of the Internal Revenue Code) shall not exceed the lesser of:

(i) $30,000 or, if greater, one-fourth of the dollar limitation in effect under Section 415(b)(1)(A) of the Internal Revenue Code; or

(ii) 25% of the Participant's compensation for such year.

The term "annual addition" means the sum for any such year of Employer contributions, employee contributions,

without respect to any rollover contributions, and forfeitures.

(b) The limitation contained in clause (i) of paragraph (a) above will not apply in any Plan Year in which less than one-third of the Employer's contribution is allocated to employees who are highly compensated, within the meaning of Section 414(q) of the Internal Revenue Code. For such a year, the maximum contributions or other additions with respect to a Participant will be the lesser of: (x) the amount specified in clause (ii) of paragraph (a); or (y) the amount specified in clause (i) of paragraph (a), plus the lesser of the amount specified in clause (i) of paragraph (a) or the amount of employer securities contributed, or purchased with cash contributed, to the Plan in that year.

(c) For any Plan Year in which less than one-third of the Employer's contribution is allocable to employees who are highly compensated, within the meaning of Section 414(q) of the Internal Revenue Code, the limitations imposed by this Section 7.5(a) and (b) shall not apply to the following, and the following shall not be included in the computation of the "annual addition" to a Participant's Account for the purposes of Section 7.5(a):

(i) Forfeitures of Common Stock and Employer securities acquired with the proceeds of a loan incurred to purchase Common Stock pursuant to Section 6.4; and

(ii) Employer contributions which are deductible under Section 404(a)(9)(B) of the Internal Revenue Code and are charged against the Participant's Account.

(d) The Trustee shall, pursuant to Plan Committee direction, reallocate the excess of a Participant's annual addition in a Plan Year over the limitations set forth in this section, as if such excess were an Employer contribution for such year, to the Accounts of all other Participants for whom such additional allocation does not create a similar excess.

(e) In the event that any Participant is a Participant under any other defined contribution plan (as such term is defined in the Internal Revenue Code) maintained by the Employer, the total amount of annual credits for the account of the Participant from all such defined contribution plans shall not exceed the limitations set forth in Section 415(c) of the Internal Revenue Code. If it is determined that, as a result of such limitations, the allocation to a Participant's Account must be reduced,

such reduction shall be effected as provided in Sections 7.3 and 7.4 of the Plan.

(f) If an employee participates in both a defined benefit plan and a defined contribution plan maintained by the Employer or any member of a controlled group of which the Employer is a member, the sum of the defined benefit plan fraction and the defined contribution plan fraction for each limitation year may not exceed 1.0. For purposes of this section, the defined benefit plan fraction for each limitation year is a fraction the numerator of which is the projected annual benefit of the employee pursuant to the Plan (determined as of the close of the year) and the denominator of which is the lesser of (x) 125% of the dollar limitation imposed upon such benefits by the Internal Revenue Code for such Plan Year or (y) 140% of the Participant's average Eligible Compensation for the three consecutive limitation years (determined pursuant to Section 415 of the Internal Revenue Code) during which he both participated in the defined benefit plan and received the highest compensation from the Employer. For purposes of this section, the defined contribution plan fraction for each limitation year is a fraction the numerator of which is the sum of the annual additions to the Participant's Account as of the close of the year and the denominator of which is

the sum of an amount determined for each of such years as the lesser of:

(i) 125% of the limit determined pursuant to Section 7.5(a)(i) above, or

(ii) 140% of the limit determined pursuant to Section 7.5(a)(ii) above.

In the event the foregoing limitations would be exceeded, the Participant's allocation under this Plan shall be reduced to the extent necessary to comply with the limitations.

7.6 The Plan Committee shall establish accounting procedures for the purpose of making the allocations to and valuations of Participants' Accounts provided for in this Article VII.

7.7 The fact that allocations shall be made and credited to a Participant's Account shall not vest any right, title, or interest in the assets in such Participant except at the time or times and upon the terms and conditions provided in the Plan.

7.8 As of the last day of each Plan Year the Plan Committee shall determine the value of each Participant's Account and, as soon as practicable after the end of such Plan Year, shall furnish to each Participant a written statement describing the assets held in his Participant's

Account and setting forth the value as of such date of his Participant's Account, which statement shall also set forth the amount of his Participant's Account which has vested and the earliest date on which forfeitable amounts shall become vested.

ARTICLE VIII

Vesting and Accrual of Participants' Accounts

8.1 (a) Each allocation of a contribution by the Employer to a Participant's Account for a particular Plan Year in accordance with Section 7.2(a) and any earnings thereon shall, for Plan Years prior to the Plan Year beginning September 1, 1989, become vested in the Participant during his Years of Service in accordance with the following schedule:

Years of Service After the Plan Year with Respect to Which Contribution Was Made	Percentage Vested
1 Year of Service or more, but less than 2	20%
2 Years of Service or more, but less than 3	40%
3 Years of Service or more, but less than 4	60%
4 Years of Service or more, but less than 5	80%
5 Years of Service or more	100%

(b) Commencing with the Plan Year beginning September 1, 1989, the following vesting schedule shall apply with respect to Participants who perform at least one

Hour of Service on or after September 1, 1989, and a Participant's Account with respect to contributions for the Plan Year commencing September 1, 1989 and for each Plan Year thereafter shall become vested in the Participant during his Years of Service in accordance therewith:

Years of Service	Percentage Vested
Less than 3 years of Service	0%
3 Years of Service or more, but less than 4	20%
4 Years of Service or more, but less than 5	40%
5 Years of Service or more, but less than 6	60%
6 Years of Service or more, but less than 7	80%
7 Years of Service or more	100%

(c) For purposes of this Section 8.1 a "Year of Service" shall mean a Plan Year during which an employee performed not less than 1,000 Hours of Service for the Employer. In determining a Participant's "Years of Service", all service with the Employer shall be taken into account except that:

(i) Years of Service with the Employer prior to age 18 shall not be taken into account.

(ii) Where an employee has a 1-year Break in Service, Years of Service prior to such Break in Service shall not be taken into account until the employee has completed a Year of Service after his re-

employment. In the event of such re-employment in any Plan Year prior to the Plan Year commencing June 1, 1985: (A) if the employee did not have a vested interest under the Plan at the time of such Break and his consecutive Breaks in Service were equal to or greater than his number of Years of Service prior to his Break in Service, such prior Years of Service shall not be taken into account; and (B) whether or not the employee did not have a vested interest under the Plan at the time of such break, any service after such Break in Service shall not increase the Participant's vested percentage in his Participant's Account which accrued prior to such Break in Service. In the case of such re-employment in any Plan Year subsequent to the Plan Year commencing June 1, 1984: (A) where an employee has 5 consecutive 1-year Breaks in Service, Years of Service after such 5-year period shall not take into account for the purpose of increasing said vested percentage Years of Service prior to said 5-year period and (B) in the case of any employee who does not have a vested interest under the Plan at the time he incurs a 1-year Break in Service, Years of Service before any period of consecutive 1-year Breaks in Service shall not be taken into account if the number of consecutive

1-year Breaks in Service within such period equals or exceeds the greater of 5 or the aggregate number of Years of Service before such period. Where Years of Service are not so required to be taken into account by reason of a period of Breaks in Service, such Years of Service shall not be taken into account with respect to any subsequent period of Breaks in Service.

(iii) Years of Service as an employee of a Participating Subsidiary prior to the effective date on which the Participating Subsidiary became a Subsidiary of the Employer shall not be taken into account.

(d) For the purposes of this Section 8.1, Years of Service shall be determined by assuming full-time employment during all of the following periods if, on the day prior to commencement of any such period, the employee was employed by the Employer:

(i) Service in the Armed Forces of the United States or any of its Allies during a period of declared national emergency or in the time of war, or in the compulsory military service of the United States whether during time of war or otherwise; provided, however, that the employee returns to work within the period during which his employment rights are

guaranteed by applicable Federal law following his discharge or severance from such service.

(ii) Period of employment by an affiliate of the Employer (that is, a firm or corporation which, directly or indirectly, controls or is controlled by or is under common control with the Employer), at the request of the Employer.

(iii) Leaves of absence granted by the Employer in writing and in a non-discriminatory manner, before or after commencement of the absence, for any purpose including but not limited to sickness, accident or for the convenience of the Employer; provided, however, that the employee returns to work before or at the expiration of such leave or any extension thereof.

(iv) Notwithstanding anything to the contrary herein,

(I) In the case of each Participant who is absent from work for any period by reason of the pregnancy of the Participant, by reason of the birth of a child of the Participant, by reason of the placement of a child with the Participant in connection with the adoption of such child by such Participant, or for purposes of caring for such child for a period beginning immediately following

such birth or placement, the Plan shall treat as Hours of Service, solely for purposes of determining whether a 1-year break in service has occurred, the hours described in clause (II).

(II) The hours described in this clause are

(a) the hours of service which otherwise would normally have been credited to such Participant but for such absence, or

(b) in any case in which the Plan Committee is unable to determine the hours described in subclause (A) 8 hours of service per day of absence, except that the total number of hours treated as Hours of Service under this clause by reason of any such pregnancy or placement shall not exceed 501 hours.

(III) The hours described in clause (B) shall be treated as Hours of Service as provided in this subparagraph only in the year in which the absence from work begins, if a Participant would be prevented from incurring a 1-year Break in Service in such year solely because the period of absence is treated as Hours of Service as provided in

clause (A); or in any other case, in the immediately following year.

(IV) For purposes of this paragraph, the term "year" means a Year of Service.

(V) No credit will be given pursuant to this paragraph (iv) unless the Participant furnishes to the Committee such timely information as the Plan may reasonably require to establish that the absence from work is for reasons referred to in clause (I), and the number of days for which there was such an absence.

Except as expressly provided herein, if any employee who was formerly a Participant in the Plan shall be re-employed by the Employer after his employment by the Employer has terminated, he shall not be entitled to credit for, and he shall not have any interest in, any part of the Trust Fund which had not vested in him in accordance with this Article VIII prior to his re-employment.

(e) For purposes of this Section 8.1, when an employee of an affiliate (as defined in Section 8.1(c)(ii)) becomes an employee of the Employer, Years of Service with such affiliate during the period of affiliation shall be taken into account.

8.2 Notwithstanding anything to the contrary contained in this Article VIII, a Participant's Account shall become fully vested in the event of the Normal Retirement or the attaining of Normal Retirement Age by the Participant, or the death or Disability of the Participant, while the Participant is still in the employ of the Employer.

8.3 In the event of any termination of the Plan for any reason as provided in Article XIV of this Plan, each Participant's Account shall become fully vested, provided that such Participant is in the employ of the Employer at the time of such termination of the Plan.

ARTICLE IX

Forfeitures

9.1 Upon the payment of the vested portion of a Participant's Account to the Participant or, if earlier, when the Participant has a Break in Service, the non-vested portion of a Participant's Account will become a forfeiture. If the Participant resumes his employment with the Employer prior to accruing a Break in Service of five consecutive years, his entire Participant's Account shall be reinstated if he repays to the Plan the amount distributed prior to having a Break in Service of five consecutive years. The amount to be reinstated for any year shall first be derived

from forfeitures for the year and then from income. If the amount of forfeitures and the amount of income for the year are not sufficient to cover said reinstatement, the Employer shall contribute the balance. The Employer may, at its discretion, contribute an amount for this purpose in lieu of utilizing such forfeitures and income.

9.2 The forfeited, non-vested interests in a Participant's Account shall be allocated in accordance with the provisions of Section 7.3 among the Participants' Accounts of other Participants or Former Participants as of the last day of the Plan Year in which a Break in Service occurs.

ARTICLE X

Distributions and Benefits

10.1 Upon the Normal Retirement of a Participant, or upon a Former Participant's attaining Normal Retirement Age, the vested interest in his Participant's Account as of the last day of the Plan Year in which the Normal Retirement of the Participant occurs or the Former Participant attains Normal Retirement Age shall be distributed to him in accordance with Section 10.5 of this Article X. A Participant who has attained Normal Retirement Age and remains in the employ of the Employer may elect to have distributed to him his vested interest in his Participant's Account as of the last day of such Plan Year or any

subsequent Plan Year in which his election is made. Such election shall be delivered to the Plan Committee in writing and in such form as the Plan Committee in its sole discretion shall determine. In the event a Participant who has attained Normal Retirement Age and remains in the employ of the Employer does not so elect, his Participant's Account shall continue to be credited with allocations of Employer contributions and forfeitures in accordance with Article VII of the Plan; and the balance in his Participant's Account shall be distributed to him by no later than the earlier of (a) the close of the calendar year in which he attains age 70-1/2 or (b) the close of the calendar year in which he retires from service with the Employer. In the case of a Participant who is a "5% owner" as defined in Section 416(i)(1)(B)(i) of the Internal Revenue Code with respect to the calendar year in which he attains age 70-1/2, the distribution of his vested interest in his Participant's Account must, under all circumstances, commence not later than April 1 of the next succeeding calendar year even if said Participant remains in the employ of the Employer. Effective September 1, 1989, except as provided under transition rules under Section 401(a)(9) of the Internal Revenue Code, distribution of a Participant's Account shall

begin no later than April 1 following the calendar year in which the Participant attains age 70-1/2.

10.2 In the event of the death of a Participant or Former Participant prior to the distribution of his Participant's Account, the entire balance in the Participant's Account or the vested interest in a Former Participant's Account as of the last day of the Plan Year in which his death occurs shall be distributed in accordance with Section 10.5 to his Beneficiary who shall be his surviving spouse unless said spouse has consented in writing, filed with the Plan Committee, to the Participant's designation of another beneficiary or beneficiaries; if there be no surviving spouse or other designated Beneficiary, then said distribution shall be made to such Participant's issue (as defined in such Participant's last will and testament, or in the absence of such definition, as determined in accordance with the law of the domicile of such Participant), or, if there be none, the parents of such Participant equally or the survivor of such parents or, if there be none, such Participant's executors or administrators. Each Participant and Former Participant shall have the right, by written notice to the Plan Committee and with the written consent of his spouse filed with the Plan Committee, to designate or to change the

designation of the beneficiary or beneficiaries who are to receive the balance of the Participant's Account. Any designation of a Beneficiary shall be made in writing and filed with the Plan Committee. A deceased Participant's Account shall be distributed to his Beneficiary no later than 5 years after the date of the Participant's death.

10.3 In the event of the Disability of a Participant or Former Participant prior to the distribution of his Participant's Account, the entire balance in the Participant's Account or the vested interest in the Former Participant's Account, as of the last day of the Plan Year in which such Disability occurred shall be distributed to such Participant or Former Participant in accordance with Section 10.5. For the purposes of the Plan, the term "Disability" shall mean a physical or mental disability or incapacity which, in the opinion of a physician selected by the Plan Committee, can be expected to result in death or has lasted or can be expected to last for a continuous period of at least 12 months and which renders the Participant or Former Participant unable to engage in any substantial gainful employment.

10.4 Distributions of benefits under the Plan shall be made either in whole shares of Common Stock or in cash, or a combination thereof, in the sole discretion of

the Plan committee, provided, however, that a Participant shall have the right to demand that the Participant's benefits to be distributed shall be in the form of Common Stock. Where the distribution of benefits under the Plan shall be made in Common Stock, any balance in a Participant's Account representing cash or any other asset other than shares of Common Stock shall be applied to purchase whole shares of Common Stock at the fair market value thereof, and any balance in the Participant's Account representing a fractional share and/or any cash insufficient to purchase a whole share of Common Stock shall be distributed in cash.

10.5 (a)(1) Except as provided in Sections 10.1, 10.5(b) and 10.8, all distributions from Participants' Accounts to Participants, Former Participants and Beneficiaries pursuant to this Article X shall be made, in a single lump sum distribution, at such date as the Plan Committee in its discretion shall determine, each such distribution shall be made when administratively feasible but shall begin not later than the 60th day after the close of the Plan Year in which the Participant or Former Participant became entitled to such distribution by reason of the Normal Retirement of the Participant or the attaining of Normal Retirement Age by a Former Participant, and at

least within one year after the close of the Plan Year in which the Participant, Former Participant or Beneficiary became entitled to such distribution by reason of the death or Disability of the Participant or Former Participant, as the case may be.

(2)(i) Direct Rollovers. This section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of this Plan to the contrary that would otherwise limit a distributee's election under this Section 10.5(a)(2), a distributee may elect, at the time and in the manner prescribed by the Plan Committee, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover, subject to such limitations and rules as may be properly imposed by the Plan Committee in accordance with applicable regulations and rulings promulgated from time to time under the Internal Revenue Code.

(ii) Definitions.

(a) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of

substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Internal Revenue Code; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

(b) Eligible retirement plan: An eligible retirement plan is an individual retirement account described in Section 408(a) of the Internal Revenue Code, an individual retirement annuity described in section 408(b) of the Internal Revenue Code, an annuity plan described in Section 403(a) of the Internal Revenue Code, or a qualified trust described in Section 401(a) of the Internal Revenue Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

(c) Distributee: A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Internal Revenue Code, are distributees with regard to the interest of the spouse or former spouse.

(d) Direct rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

(e) If a distribution is one to which Sections 401(a)(11) and 417 of the Internal Revenue Code do not apply, such distribution may commence less than 30 days after the notice required under Section 1.411(a)-11(c) of the Income Tax Regulations is given, provided that:

(1) the Plan Committee clearly informs the Participant that the Participant has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and

(2) the Participant, after receiving the notice, affirmatively elects a distribution.

(b) With respect to distributions attributable to Common Stock acquired after December 31, 1986, distributions to Former Participants who terminated employment for reasons other than Normal Retirement, death or Disability, shall begin no later than one year after the close of the Plan Year which is the fifth Plan Year following the Plan Year in which said Former Participant terminated employment, unless the Former Participant elects otherwise and provided he is not reemployed by the Employer before such year. In addition, unless said Former Participant elects otherwise, distribution of his Participant's Account shall be in substantially equal periodic payments (not less frequently than annually) over a period to extend not longer than the greater of:

(i) five years, or

(ii) in the event his Participant's Account balance is in excess of $500,000 (as adjusted pursuant to Section 409(o)(2) of the Internal Revenue Code), five years plus one additional year (but not more than five additional years) for each $100,000 (as adjusted pursuant to Section 409(o)(2) of the Internal Revenue Code) or fraction thereof by which such balance exceeds $500,000.

For the purposes of this Section 10.5(b), the balance of a Participant's Account shall not include any Employer securities acquired with the proceeds of a loan described in Section 404(a)(9) of the Internal Revenue Code until the close of the Plan Year in which such loan is repaid in full.

10.6 The amount of any Participant's Account not distributed in accordance with this Article X because of the Plan Committee's inability, after reasonable search, to locate a Participant or Former Participant or any Beneficiary legally entitled to receive such Participant's or Former Participant's vested interest in such Participant's Account within a period of seven years following the date of the first distribution (or if there were no distributions, following the date which would have been the first distribution date of such Participant, Former Participant or Beneficiary), shall be deemed an unclaimed amount and shall be allocated to Participants' Accounts in accordance with provisions of Article VII. For the purposes hereof, the sending of a registered letter, return receipt requested, to the last known (after reasonable inquiry) address of a Participant, Former Participant or the known Beneficiary, if any, of such Participant or Former Participant during each of such seven years shall be sufficient to constitute a "reasonable search". However,

reinstatement of the benefit for a "lost beneficiary" as defined under Treasury Regulation Section 1.411(a)-4(b)(6) shall be made if a claim is made by the participant or Beneficiary for the forfeited benefit.

10.7 Upon the written request of a Participant who remains in the employ of the Employer after attaining Normal Retirement Age without having elected to have distributed to him his vested interest in his Participant's Account pursuant to Section 10.1 hereof, the Plan Committee may, in its sole discretion, if it determines that such payments are necessary or appropriate for the support, maintenance or health of such Participant, or to enable such Participant to meet an emergency, or that such payment is a matter of financial necessity to such Participant, distribute to the Participant all or a part of the vested amount of the Participant's Account. For purposes of this Section 10.7, the term "financial necessity" shall include, without limitation, financial need resulting from illness, the acquisition of a home or educational expenses of the Participant's children or dependents.

10.8 Notwithstanding anything to the contrary contained in the Plan, in the event of the termination of a Participant's employment other than as a result of Normal Retirement, death or Disability, a distribution of the

Participant's Account, in whole or in part, may be made either in cash or Common Stock in the sole discretion of the Plan Committee, to such Former Participant in accordance with the following provisions, provided, however, such distribution is in accordance with the requirements of this Plan, the Internal Revenue Code and ERISA and, further provided, a Former Participant shall have the right to demand that the Former Participant's benefits so distributed be in the form of Common Stock:

(a) In the event that the aggregate value of a Former Participant's interests in his Account under this Plan is not more than $3,500, the Plan Committee shall direct the Trustee to distribute to a Former Participant, who is no longer employed by the Employer, under circumstances constituting a Break in Service or circumstances from which it reasonably appears to the Plan Committee that a Break in Service shall occur, the vested interest in the Participant's Account as of the last day of the Plan Year in which a Break in Service shall have occurred, or if it reasonably appears to the Plan Committee that a Break in Service shall occur, as of the last day of any earlier Company fiscal quarter selected by the Plan Committee in its sole discretion.

(b) In the event that the aggregate value of a Former Participant's interests in his Account under this Plan exceeds $3,500, upon the election in writing of the Former Participant (with the written consent thereto of his spouse filed with the Plan Committee) before the end of the Plan Year in which he has a Break in Service, in form and substance satisfactory to the Plan Committee, the Former Participant may elect to receive up to an aggregate of $3,500 from his Account under this Plan and, upon such election, the Plan Committee shall direct the Trustee to distribute to a Former Participant who is no longer employed by the Employer under circumstances constituting a Break in Service or circumstances from which it reasonably appears to the Plan Committee that a Break in Service shall occur, the amount so elected by him to be distributed from this Plan, out of the vested interest in the Participant's Account as of the last day of the Plan Year in which a Break in Service shall have occurred, or if it reasonably appears to the Plan Committee that a Break in Service shall occur, as of the last day of any earlier Company fiscal quarter selected by the Plan Committee in its sole discretion.

(c) A distribution pursuant to Section 10.8(a) or 10.8(b) of the Plan shall be made when administratively feasible, but at least within one year after the end of the

Plan Year in which a Break in Service shall have occurred. If a distribution is made under circumstances in which it reasonably appears to the Plan Committee that a Break in service shall occur, such distribution shall be made when administratively feasible, but at least within one year after the last day of the earlier Company quarter selected by the Plan Committee to determine the Participant's vested interest in his Account. A distribution pursuant to Section 10.8(c) of the Plan shall be made no later than 90 days subsequent to the second anniversary of the date on which such termination of employment occurred or 90 days subsequent to the receipt by the Plan Committee of the signed election and signed spousal consent provided for therein, whichever is later. Notwithstanding the foregoing, Section 10.5(b) shall govern distributions with respect to Common Stock and Employer securities acquired after December 31, 1986.

10.9 (a) All claims for distributions of benefits under the Plan shall be submitted to the Plan Committee. Claims for benefits shall be in writing on forms prescribed for such purpose by the Plan Committee and shall be signed by the Participant or Former Participant, or in the event of the death of the Participant or Former Participant, by the Beneficiary or the legal representative

of such deceased Participant or Former Participant. The Plan Committee shall have the right to require a Participant or Former Participant to furnish satisfactory proof of his age prior to the processing of any claim for the distribution of benefits.

(b) Each claim for distribution under the Plan shall be approved or disapproved by the Plan Committee within 30 days following receipt thereof. In the event of the denial by the Plan Committee of any such claim, it shall notify the claimant in writing of such denial and of the claimant's right to a review of such denial. Such notification shall set forth, in a manner calculated to be understood by the claimant, the specific reasons for such denial, specific references to the provisions of the Plan upon which the denial is premised, a description of any additional information or material necessary for the claimant to perfect his claim for review, an explanation of why such information or material is necessary and an explanation of the Plan's review procedure and the method of appeal from the decision. The claimant may by written notice to the Plan Committee request a review of the Plan Committee's decision. Such request may include a request to review any pertinent documents. Any requests for review of a decision denying a claim must be submitted within 90 days

after the claimant receives the written notice of denial. The Plan Committee's decision on review must be given within 60 days after the request if no Plan Committee hearing is held or, in the event that such a hearing is deemed necessary by the Plan Committee, within 120 days after the request. The decision on review must be in writing, must set forth the reasons for the decision, and must refer to the Plan provisions on which the decision is based.

10.10 The Plan Committee, in its sole discretion as exercised in a uniform and nondiscriminatory manner, may distribute cash dividends on shares of Common Stock or Employer securities allocated to the Participants' Accounts of Participants and Former Participants to Participants, Former Participants or their Beneficiaries; provided, however, that such distribution shall only be made with respect to Common Stock or Employer securities held by the Plan as of the record date for the dividend; provided further, however, that such dividend shall be distributed in cash to Participants, Former Participants or their Beneficiaries not later than 90 days after the close of the Plan Year in which the dividend is paid on the Common Stock or Employer securities held by the Plan; and provided further, however, that no such distributions shall be made if not permitted under, or shall exceed any other

limitations established under, the provisions of ERISA or the Internal Revenue Code. If such dividends are not distributed Pursuant to this Section, they shall be allocated in accordance with the provisions of Section 7.2(c) of Article VII.

10.11 Except as provided in Section 10.1, 10.5(b), 10.7, 10.8 or 10.10, no Participant or Former Participant nor any other person shall be entitled to any payment, withdrawal or distribution prior to the death or Disability of the Participant or Former Participant, the Normal Retirement of the Participant or the Participant's or Former Participant's attaining Normal Retirement Age.

10.12 The Plan Committee shall, when making an "eligible rollover distribution" within the meaning of Section 402(f) of the Internal Revenue Code, provide to the recipient thereof a written explanation of the statutory provisions under which such distribution will not be subject to tax if transferred to an eligible retirement plan within 60 days after the date of receipt of the distribution, and the availability of forward averaging treatment and capital gains treatment, if applicable.

ARTICLE XI

Distributions of Shares

11.1 Any shares of Common Stock received by the Trustee as a stock dividend or stock split or as the result of a reorganization or other recapitalization of the Company shall be allocated to Participants' Accounts in proportion to the shares in the respective Participants' Accounts to which such additional shares of Common Stock are attributable.

11.2 Shares of Common Stock held or distributed by the Trustee shall include such legend restrictions on transferability as the Company may reasonably require in order to assure compliance with applicable Federal and state securities laws. Except as otherwise provided herein, no shares of Common Stock held or distributed by the Trustee may be subject to a put, call or other option, or buy-sell or similar arrangement. The provisions of this Section shall continue to be applicable to Common Stock even if the Plan ceases to be an employee stock ownership plan under Section 4975(e)(7) of the Code.

ARTICLE XII

Administration of the Plan

12.1 The Plan shall be administered by a Plan Committee, which is hereby designated as the Named Fiduciary of the Plan within the meaning of the applicable provisions of ERISA. The Plan Committee shall be comprised of not less than one (1) nor more than three (3) members who shall be appointed by, and may be removed by, the Board of Directors, and one of whom shall be designated by the Board of Directors as Chairman of the Plan Committee. Within these limits the Board of Directors shall have the power to fix and alter the number of members of the Plan Committee, and to fill any vacancy which may occur. The Plan Committee may consist of members of the Board of Directors, officers or other employees of the Employer, or any other individuals designated by the Board, including a certified public accountant or attorney retained by the Employer; provided, however, that at least one member of the Plan Committee shall be an officer of the Company.

12.2 Unless otherwise determined by the Board of Directors, the members of the Plan Committee and officers of the Employer acting on behalf of the Plan Committee shall serve without additional compensation for their services. All expenses in connection with the administration of the

Plan, including, but not limited to, clerical, legal and accounting fees, and other costs of administration, may be paid by the Employer.

12.3 The Plan Committee shall select a Secretary who need not be a member of the Plan Committee. The Secretary, or in his absence, any member of the Plan Committee designated by the chairman, shall keep the minutes of the proceedings of the Plan Committee and maintain all data, records and documents relating to the administration of the Plan by the Plan Committee.

12.4 A quorum of the Plan Committee shall be such number as the Plan Committee shall from time to time determine, but shall not be less than a majority of the entire Plan Committee. The act of a majority of the members of the Plan Committee present at any meeting at which a quorum is presented shall be the act of the Plan Committee. Members of the Plan Committee may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting. A member of the Plan Committee, if a Participant or Former Participant in the Plan, shall not be entitled to vote on any matter which relates solely to his individual rights and

benefits under the Plan, but may be counted in determining the presence of a quorum at a meeting of the Plan Committee at which such matter is considered. The Plan Committee may take action without a meeting if such action is evidenced by a writing signed by at least a majority of the entire Plan Committee.

12.5 The Plan Committee, by an instrument in writing, may delegate to one or more of its members or to an officer or officers of the Company any of its powers and its authority under the Plan (other than discretionary authority conferred upon the Plan Committee pursuant to Sections 12.6, 12.80, 12.9 or 12.11), including the execution and delivery on its behalf of instruments, instructions and other documents. The Trustee, once notified of this delegation, may accept and rely upon any document executed by any such designated member or officer as representing action by the Plan Committee until such time as the Plan Committee shall file with the Trustee a written revocation of such designation.

12.6 The Plan Committee shall have the sole, exclusive duty and full and exclusive discretionary authority to interpret and construe the provisions of the Plan, to decide any disputes which may arise with regard to the status, eligibility, and rights of employees under the

terms of the Plan and any other persons claiming an interest under the terms of the Plan, to give data, instructions, and directions to the Trustee and, in general, to direct the administration of the Plan. Without limiting the foregoing, the Plan Committee shall determine all questions relating to the eligibility of employees to become Participants in the Plan and the amount of benefits to which any Participant, Former Participant or Beneficiary is entitled under the Plan. Decisions of the Plan Committee shall be subject to Court review only to determine whether such decisions are an abuse of discretion hereunder.

12.7 The Plan Committee shall from time to time furnish to each Participant and Former Participant, and each Beneficiary who is to receive benefits under the Plan, a summary Plan description and such other information or reports as the Plan Committee shall deem necessary or desirable.

12.8 The Plan Committee may adopt, and from to time amend, such rules and regulations, consistent with the purposes and provisions of this Plan, as it deems necessary or advisable to carry out and administer the Plan. The Plan Committee may correct any error or supply any omission or reconcile any inconsistency in the Plan in such manner and to such extent as it shall deem necessary to effectuate the

purpose of the Plan and to comply with the requirements of the Internal Revenue Code and ERISA.

12.9 The Plan Committee shall advise the Trustee in writing with respect to all benefits which may become payable to Participants, Former Participants and Beneficiaries under the terms of the Plan and shall direct the Trustee as to the payment of all such benefits.

12.10 The Plan Committee may engage, on behalf of Participants, Former Participants and Beneficiaries an independent public accountant, who may be an independent public accountant of the Employer, to conduct such examinations of the financial statements, books and records and financial affairs of the Plan and the Trust Fund and to render such reports and opinions as may be necessary to comply with Section 103 and other provisions of ERISA.

12.11 In addition to its general authority and such other powers as may be conferred upon it under the Plan, the Plan Committee shall have the following powers:

(a) If the Plan Committee shall determine that by reason of illness, incapacity or any other reason it is undesirable to make any payment to a Participant, Former Participant or any other person entitled thereto, the Plan Committee shall be entitled to direct the application of any amount so payable to the use or benefit of such person in

any manner that it may deem advisable. The Plan Committee may also direct that any payment under the Plan due to any person under legal disability be made to a representative competent to receive such payment in his behalf.

(b) The Plan Committee may shorten, lengthen (but not beyond 60 days) or waive the time required by the Plan for filing any notice or other form.

12.12 The discretionary powers granted hereunder to the Plan Committee shall in no event be exercised in any manner that will discriminate in favor of employees who are shareholders, officers, or highly compensated employees of the Employer.

12.13 The Plan Committee shall be entitled to rely upon all information furnished to it by the Employer and upon all opinions of laws given by any duly appointed counsel (who may be counsel to the Employer or the Company) and shall be fully protected in respect of any act done or permitted or determination made in good faith in reliance upon such information or opinion.

12.14 The Trustee and the members of the Plan Committee shall be free from all liability for their acts and conduct in the administration of the Plan and the Trust Fund except for acts of willful misconduct; provided, however, that the foregoing shall not relieve any of them

from liability for any responsibility, obligation or duty that they may have pursuant to ERISA.

ARTICLE XIII

Valuation of Shares of Common Stock and Other Assets

13.1 Whenever it is necessary to determine the "fair market value" of a share of Common Stock or other security or asset, such determination shall be made as follows:

(a) If the security is then listed on a national securities exchange, the "fair market value" shall be the closing price for the security on such exchange on the date in question, or, if there has been no sale of such security on that date, the closing price for the security on such exchange on the last preceding business day on which such security was traded.

(b) If the security is then not listed on a national securities exchange, the "fair market value" shall be the mean of the bid and asked prices for the security in the over-the-counter market as reported in the National Association of Securities Dealers Automatic Quotation System ("NASDAQ") on that date, or, if there be no such quotation on that date, such prices on the last preceding business day on which there was such a quotation.

(c) If the security is then not listed on a national securities exchange or quoted on NASDAQ, the "fair market value" shall be an amount not less favorable than the offering price of the security as established by the current bid and asked prices quoted by persons independent of the issuer, the Employer if other than the issuer, and of any other party in interest.

(d) In the case of an asset other than a security for which there is a generally recognized market, the "fair market value" of the asset shall be an amount determined pursuant to an appraisal made by a qualified appraiser, designated by the Plan Committee, who shall be independent of the issuer, the Employer if other than the issuer, and of any other party in interest. In the sole discretion of the Plan Committee, more than one independent appraiser may be engaged for this purpose, and in such event, the "fair market value" shall be the arithmetic mean of all such appraisals.

(e) All valuations of Employer securities, which are acquired by the Plan after December 31, 1986 and are not readily tradeable on an established securities market, shall be determined by an independent appraiser. For purposes of this subsection (e), an "independent appraiser" shall mean any appraiser meeting requirements similar to the

requirements of the regulations prescribed under Section 170(a)(1) of the Internal Revenue Code.

ARTICLE XIV

Amendment and Termination of the Plan

14.1 (a) The Plan may be amended by the Employer at any time or from time to time by action of the Board of Directors; provided however, that no such amendment shall

(i) make available any portion of the Trust Fund (other than any expenses and taxes properly charged to the Plan or the Agreement of Trust provided for in Article VI) for any purposes other than for the benefit of Participants, Former Participants and their Beneficiaries;

(ii) reduce the accrued benefits of any Participant or Former Participant or change any vesting schedule so as to lengthen the period of service required for vesting under the Plan for an existing Participant;

(iii) result in discrimination in favor of shareholders, officers or other highly compensated employees of the Employer; or

(iv) increase the duties, obligations, responsibilities or liabilities of the Trustee without the written consent of the Trustee.

(b) Notwithstanding the foregoing limitations on the Employer's right to amend the Plan, the Plan may be amended retroactively at any time to conform to the provisions of the Internal Revenue Code with respect to such qualified plans and to the provisions of ERISA, and no such amendment shall be considered prejudicial to the rights of any Participant, Former Participant or Beneficiary.

(c) Any amendment of the Plan in accordance with this Article XIV shall be communicated to the Trustee by the execution by a duly authorized officer of the Employer of a written instrument of such amendment and the delivery thereof to the Trustee.

14.2 The Plan may be terminated at any time by the Company by written instrument of such termination, executed by a duly authorized officer of the Company and delivered to the Trustee. Furthermore, the adjudication of the Company as a bankrupt, an assignment for the benefit of the creditors of the Company, the dissolution or liquidation of the Company or the permanent discontinuance of the Employer contributions shall effect the termination of the Plan. Upon such termination, and in the event that a successor to the Company (by operation of law or by the acquisition of its assets) shall not elect to continue the

Plan, each Participant's Account shall become fully vested and shall be distributed to the person entitled thereto.

14.3 In the event of a merger or consolidation of the Plan with, or transfer of the assets or liabilities to, any other plan, each Participant, Former Participant and Beneficiary shall, immediately after such merger, consolidation or transfer, be entitled to receive (if such other plan were to terminate at such time) a benefit equal to or greater than the benefit he would be entitled to receive immediately prior to such merger, consolidation or transfer (if the Plan were then terminated).

ARTICLE XV

Participating Subsidiaries

15.1 Any Subsidiary of the Company may, with the consent of the Board of Directors of the Company, adopt the Plan for its employees and thereby become a Participating Subsidiary as of the date specified in the resolution adopting the Plan. Upon and after the effective date of such participation, the Plan Committee shall administer the Plan on behalf of any Participants who are employees of such Participating Subsidiary. Any amendments to the Plan made pursuant to Article XIV by the Board of Directors of the Company subsequent to the adoption of the Plan by a Participating Subsidiary shall be binding upon such

Participating Subsidiary, subject to the right of each Participating Subsidiary to withdraw from the Plan in accordance with the provisions in Section 15.2.

15.2 Any Participating Subsidiary may withdraw from the Plan by giving written notice to the Plan Committee and the Trustee, and (i) terminate the Plan with respect to Participants who are employees of such Participating Subsidiary, in which case each such Participant shall have a nonforfeitable right to the entire balance in his account as set forth in Section 8.3 as though the entire Plan had then terminated and distribution shall be made to him as set forth in Article X, or (ii) continue the Plan as a separate plan or establish a different plan for Participants who are employees of such Participating Subsidiary, which separate plan or different plan shall meet the requirements of Section 401 of the Internal Revenue Code, in which case the Committee shall direct the Trustee to transfer the entire balances in such Participants' Accounts to the trustee under such separate or different plan.

ARTICLE XVI

Miscellaneous

16.1 The addresses of the Employer, the Plan Committee and the Trustee for the purposes of the Plan and

of all notices and communications thereunder and with respect thereto shall be as to:

(a) The Employer:

FactSet Data Systems, Inc. (prior to September 1, 1986)
FactSet Research Corporation (subsequent to August 31, 1986)
One Greenwich Plaza
Greenwich, Connecticut 06830

Attention: Mr. Howard E. Wille

(b) The Plan Committee:

FactSet Data Systems, Inc. (prior to September 1, 1986)
Fact Research Corporation (subsequent to August 31, 1986)
Employee Stock Ownership Plan Committee
One Greenwich Plaza
Greenwich, Connecticut 06830

(c) The Trustees:

such address as shall be specified by the Trustees

Such addresses may be changed from time to time by registered mail, return receipt requested, by the Employer's or the Plan Committee's notice to the Trustee and by the Trustee's notice to the Employer and the Plan Committee.

16.2 (a) To the fullest extent permitted by law, none of the benefits, payments, proceeds, claims, or rights of any Participant, Former Participant or Beneficiary under the Plan shall be subject to any claim of any creditor of any such Participant, Former Participant or Beneficiary and

in particular the same shall not be subject to execution, attachment, garnishment, levy or other legal or equitable process by any creditor of any such Participant, Former Participant or Beneficiary nor shall any such Participant, Former Participant or Beneficiary have any right to sell, assign, transfer, alienate, anticipate, commute, pledge, encumber, any of the benefits or payments or proceeds which he may expect to receive, contingently or otherwise under the Plan. Any sale, assignment, transfer, mortgage, pledge, anticipation, hypothecation, commutation or other disposition of a right to receive a distribution or benefits under the Plan attempted contrary to this Section 16.2, or any attempt to subject such a right to execution, attachment, garnishment, levy or other such process shall be null and void and without effect.

(b) (1) Notwithstanding Section 16.2(a), in the case of any "domestic relations order", as defined by Section 414(p) of the Internal Revenue Code, received by the Plan:

(i) the Plan Committee shall promptly notify the Participant and any other alternate payee (as hereinafter defined) of the receipt of such order and the Plan's procedures for determining the qualified status of domestic relations orders, and

(ii) within a reasonable period after receipt of such order, the Plan Committee shall determine whether such order is a "qualified domestic relations order", as defined by Section 414(p) of the Internal Revenue Code, and notify the Participant and each alternate payee of such determination.

(2) During any period in which the issue of whether a domestic relations order is a qualified domestic relations order is being determined (whether by the Plan Committee, by a court of competent jurisdiction, or otherwise), the Plan Committee shall segregate in a separate account under the Plan or in an escrow account the amounts which would have been payable to the alternate payee during such period if the order had been determined to be a qualified domestic relations order.

If within 18 months the order (or modification thereof) is determined to be a qualified domestic relations order, the Plan Committee shall pay the segregated amounts (plus any interest thereon) to the person or persons entitled thereto. If within 18 months:

(i) it is determined that the order is not a qualified domestic relations order, or

(ii) the issue as to whether such order is a qualified domestic relations order is not resolved,

then the Plan Committee shall pay the segregated amounts (plus any interest thereon) to the person or persons who would have been entitled to such amounts if there had been no order. Any determination that an order is a qualified domestic relations order which is made after the close of the 18-month Period shall be applied prospectively only. The term "alternate payee" means any spouse, former spouse, child or other dependent of participant who is recognized by a domestic relations order as having a right to receive all, or a portion of, the benefits payable under the Plan with respect to such Participant.

(c) The Plan Committee shall consult, as it deems necessary or desirable to effectuate the provisions of this subsection and the Internal Revenue Code relating to domestic relations orders, with counsel in order to determine the qualified status of domestic relations orders and to administer distributions under such qualified orders.

16.3 All questions pertaining to the validity, construction, regulation, and the effect of the Plan and of any of the provisions hereof shall, to the extent not governed by Federal law, be determined under and according to the laws of the State of New York.

ARTICLE XVII

Special Rules in the Event the Plan Is a Top Heavy Plan

17.1 GENERAL RULES

Notwithstanding any other provision of this Plan to the contrary or inconsistent herewith, if in any Plan Year this Plan is a "top heavy plan" under the provisions of Section 416 of the Internal Revenue Code, then, in that event, for the first Plan Year of the Plan if the Plan is a "top heavy Plan" for such first Plan Year, or for any following Plan Year, if the Plan is a "top heavy Plan" for a year other than the first Plan Year of the Plan, the provisions of this Article shall govern the Plan and its operations.

17.2 VESTING

In determining the vested portion of any Participant's Account under Section 8.1(a), there shall be applied, instead of the class-year vesting schedule there appearing, the following vesting schedule which shall apply to the Participant's Account in its entirety:

Years of Service	Percentage Vested
Less than 2 Years of Service	0%
2 Year of Service or more, but less than 3	20%
3 Years of Service or more, but less than 4	40%
4 Years of Service or more, but less than 5	60%

5 Years of Service or more, but less than 6	80%
6 Years of Service or more	100%

17.3 MINIMUM BENEFITS

The Employer contributions allocated to the Account of any Participant who is not a "Key Employee" shall be the lesser of the following percentages of such "Participant's compensation" as that term is defined in Section 415 of the Internal Revenue Code: (a) three percent (3%); or (b) if no "Key Employee" has a contribution allocated to his account which is three percent (3%) or more of the Participant's compensation, then such percentage which is the same as the percentage for the Key Employee for whom such percentage is the highest for the year. The determination of the percentage in the foregoing clause "(b)" shall be made by dividing the contributions for each Key Employee by his total of such compensation not in excess of $150,000.

17.4 COMPENSATION TAKEN INTO ACCOUNT

A Participant's compensation for the purpose of Plan benefits shall not exceed any amount provided for in Treasury Regulations promulgated under Section 416 of the Internal Revenue Code.

17.5 In determining and applying the provisions of Sections 17.2 and 17.3 of this Plan, there shall not

be taken into account contributions or benefits under chapter 2 (relating to tax on self-employment income) or chapter 21 (relating to Federal Insurance Contributions Act) of the Internal Revenue Code, Title II of the Social Security Act, or any other Federal or State law.

17.6 COORDINATION WHERE TWO OR MORE PLANS

In the event this Plan and any other Plan of the Company shall be subject to Treasury Regulations promulgated under Section 416(f) of the Internal Revenue Code, the requirements set forth in such Treasury Regulations are hereby incorporated by reference into this Plan, included herein and made a part hereof.

17.7 SECTION 415 LIMITS

In the event any Participant is a participant in both a defined benefit plan and a defined contribution plan of the Employer, the sum of the defined benefit plan fraction and the defined contribution plan fraction for any year may not exceed 1.0, within the meaning of Section 415(e) of the Internal Revenue Code.

17.8 DEFINITIONS

(a) "Top Heavy Plan". This Plan will be a "top heavy plan" in any Plan Year if on the last day of the

preceding Plan Year (or the last day of the Plan Year in the event of the first year of the Plan), the aggregate of the accounts of the Key Employees under the Plan exceeds sixty percent (60%) of the aggregate of the accounts of all employees under the Plan. For this purpose, each plan of the Employer required to be in an aggregation group shall be treated as a top heavy plan if the aggregation group is a top heavy group.

(i) "Aggregation Group" - means each (1) plan of the Employer in which a Key Employee is a Participant, and (2) each other plan of the Employer which enables the Plan to meet the requirements of Section 401(a)(4) or 410 of the Internal Revenue Code. For purposes of determining an "aggregation group", the Employer may treat any plan not required to be included in an aggregation group under the preceding sentence as being part of the group if the group would continue to meet the requirements of Sections 401(a)(4) and 410 of the Internal Revenue Code with such plan being taken into account.

(ii) "Top Heavy Group" - means any aggregation group if on the last day of the preceding Plan Year (or in the case of the first year of the Plan, the last day of the Plan Year) the sum of the present

value of the cumulative accrued benefits for Key Employees under all defined benefit plans included in such group, and the aggregate of the accounts of Key Employees under all defined contribution plans included in such group, exceeds sixty percent (60%) of a sum of all such amounts determined for all employees.

(iii) Special Rules:

(a) For purposes of determining the present value of the cumulative accrued benefit for any employee, or the amount of the account of any employee, such present value or amount shall be increased by the aggregate distributions made with respect to such employee under the Plan during the five (5) year period ending on the last day of the preceding Plan Year or the last day of the Plan Year in the event of the first year of the Plan.

(b) Except to the extent provided in Treasury Regulations promulgated pursuant to Section 416(g)(4)(A) of the Internal Revenue Code, any rollover contribution (or similar transfer) initiated by the employee and made after December 31, 1983 to the Plan shall not be taken into account for purposes of determining if the

Plan is a "top heavy plan" (or whether any "aggregation group" which includes the Plan is a "top heavy group").

(c) If any individual is a non-key Employee with respect to the Plan for any Plan Year, but such individual was a Key Employee with respect to the Plan for any prior Plan Year, any account of such employee shall not be taken into account in determining whether the Plan is a top heavy plan.

(d) If any individual has not received any compensation from any employer maintaining the Plan (other than benefits under the Plan at any time during the 5-year period ending on the last day of the preceding Plan Year, any accrued benefit for such individual (and the account of such individual) shall not be taken into account.

(b) "Key Employee". The term "Key Employee" means a Participant who, at any time during the Plan Year or any of the preceding Plan Years, is (i) an officer of the Employer having annual compensation greater than 150% of the amount in effect under Section 415(c)(1)(A) for any such Plan Year, (ii) one of the ten employees having annual compensation from the Employer of more than the limitation in effect

under Section 415(c)(1)(A) of the Internal Revenue Code and owning (or considered as owning within the meaning of Section 318 of the Internal Revenue Code) the largest interests in the Employer, (iii) any person who owns (or is considered as owning within the meaning of Section 318 of the Internal Revenue Code) more than five percent (5%) of the outstanding stock of the Employer, or stock possessing more than five percent (5%) of the total combined voting power of all stock of the Employer, or (iv) any person (1) who owns (or is considered as owning within the meaning of Section 318 of the Internal Revenue Code) more than one percent (1%) of the outstanding stock of the Employer or stock possessing more than one percent (1%) of the total combined voting power of all stock of the Employer and (2) who has an annual compensation from the Employer of more than one Hundred Fifty Thousand Dollars ($150,000). For purposes of describing a "Key Employee", subparagraph (C) of Section 318(a)(2) of the Internal Revenue Code shall be applied by substituting "5 percent" for "50 percent" and subsections (b), (c) and (m) of Section 414 of the Internal Revenue Code shall not apply for purposes of determining ownership in the Employer. For the purposes of clause "(i)"

above, no more than 50 employees (or if lesser the greater of 3 or 10% of the employees) shall be treated as officers. For the purposes of clause (ii), above, if 2 employees have the same interest in the Employer, the employee having the greater annual compensation from the Employer shall be treated as having a larger interest.

EXHIBIT 10.5

FACTSET RESEARCH CORPORATION

1994 STOCK OPTION PLAN

EFFECTIVE NOVEMBER 1, 1994

FACTSET RESEARCH CORPORATION

1994 STOCK OPTION PLAN

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FACTSET RESEARCH CORPORATION

1994 STOCK OPTION PLAN

FactSet Research Corporation (the "Company") hereby establishes the FactSet Research Corporation 1994 Stock Option Plan (the "Plan") effective November 1, 1994, subject to the approval of the Plan by the holders of a majority of the shares of the Stock present in person or by proxy and voting at a duly called meeting of the stockholders of the Company.

ARTICLE I. PURPOSE

The primary purpose of the Plan is to provide a means by which key employees of the Company and its Subsidiaries (as defined herein) can acquire and maintain stock ownership, thereby strengthening their commitment to the success of the Company and its Subsidiaries and their desire to remain employed by the Company and its Subsidiaries. The Plan also is intended to attract, employ and retain key employees and to provide such employees with additional incentive and reward opportunities designed to encourage them to enhance the profitable growth of the Company and its Subsidiaries.

ARTICLE II. DEFINITIONS

The following words and phrases, when used herein, unless their context clearly indicates otherwise, shall have the following respective meanings:

2.1 "Board" means the board of directors of the Company.

2.2 "Cause" means discharge of a Grantee (i) on account of fraud, embezzlement or other unlawful or tortious conduct, whether or not involving or against the Company or any subsidiary or affiliate, (ii) for

violation of a policy of the Company or any Subsidiary or affiliate, (iii) for serious and willful acts of misconduct detrimental to the business or reputation of the Company or any subsidiary or affiliate or (iv) for "cause" or any like term as defined in any written employment contract with the Grantee. The determination of whether a discharge of a Grantee is for cause shall be determined in good faith by the Committee whose decision shall be final and binding.

2.3 "Change of Control" means a change in the ownership or control of the Company in accordance with Section 280G of the Internal Revenue Code and the regulations promulgated thereunder. Notwithstanding the preceding sentence, a Change of Control of the Company shall be deemed not to have occurred (a) with respect to any Grantee, if such Grantee is, by written agreement executed prior to such Change of Control, a participant in such Change of Control and (b) if the ownership of the Company shall change solely as a result of an initial public offering of Stock by the Company.

2.4 "Committee" means the committee of the Board appointed pursuant to Section 4.1.

2.5 "Company" means FactSet Research Corporation, a Delaware corporation.

2.6 "Disability" means a disability of a nature that would qualify the Grantee for long-term benefits under the Company's long-term disability plan.

2.7 "Disinterested Person" means a person who has not, during the one year prior to service on the Committee, or at any time during such service, been granted or awarded any stock or stock-based derivative security (within the meaning of SEC Rule 16a-1 (c)) pursuant to the Plan or any other plan of the Company or its Subsidiaries, except as provided in SEC Rule 16b-3(c)(2)(i).

2.8 "Effective Date" means November 1, 1994.

2.9 "Fair Market Value" of any share of Stock, as of any applicable date, means the fair market value of a share of Stock on such date as determined in good faith by the board of directors of the Company.

2.10 "Grant Date" means the date of grant of an Option determined in accordance with Section 6.1 (a).

2.11 "Grantee" means an individual who has been granted an Option.

2.12 "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, and any succeeding Internal Revenue Code, and references to sections herein shall be deemed to include any such section as amended, modified or renumbered.

2.13 "1993 Act" means the Securities Act of 1933, as amended.

2.14 "1934 Act" means the Securities Exchange Act of 1934, as amended.

2.15 "Option" means any incentive stock option or nonqualified stock option granted under the Plan.

2.16 "Option Agreement" has the meaning specified in Section 4.2(e).

2.17 "Option Price" means the per share purchase price of Stock subject to an Option.

2.18 "Parent" means any corporation (other than the Company) in an unbroken chain of corporations ending with the employer corporation if, at the time of granting an option, each of the corporations other than the employer corporation owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

2.19 "Plan" means the FactSet Research Corporation 1994 Stock Option Plan as set forth herein and as may from time to time be amended.

2.20 "SEC" means the Securities and Exchange Commission.

2.21 "Section 16 Grantee" means a person subject to potential liability under Section 16(b) of the 1934 Act with respect to transactions involving equity securities of the Company.

2.22 "Stock" means the common stock of the Company, par value $1.00 per share.

2.23 "Subsidiary" means a corporation as defined in Section 424(f) of the Internal Revenue Code with the Company being treated as the employer corporation for purposes of this definition.

2.24 "10% Owner" means a person who owns stock (including stock treated as owned under Section 424(d) of the Internal Revenue Code) possessing more than 10% of the total combined voting power of all classes of stock of the Company.

2.25 "Termination of Employment" occurs on the last day an individual is employed by the Company or any of its Subsidiaries or any Parent; notwithstanding the foregoing, for an individual who is an employee of a Subsidiary, the individual shall be deemed to have a Termination of Employment on the last day the Company owns voting securities possessing at least 50% of the aggregate voting power of such Subsidiary's outstanding voting securities.

ARTICLE III. SCOPE OF THE PLAN

An aggregate of 15,000 shares (375,000 shares after the contemplated 25 for 1 stock split) of Stock is hereby made available and is reserved for delivery on

account of the exercise of Options. In no event shall any employee be granted more than 5,000 (125,000 after the split) Options pursuant to this Plan. Subject to the foregoing limit, shares of Stock held as treasury shares may be used for or in connection with Options. If and to the extent an Option shall expire or terminate for any reason without having been exercised in full, or shall be forfeited, the shares of Stock associated with such Option shall become available for other Options.

ARTICLE IV. ADMINISTRATION

4.1 Administrative Committee. The Plan shall be administered by the Compensation Committee of the Board, which shall consist of not less than two persons who are directors of the Company. If the Company becomes subject to the 1934 Act, membership on the Committee shall be subject to such limitations as the Board deems appropriate to permit transactions in Stock pursuant to the Plan to be exempt from liability under Section 16(b) of the 1934 Act.

4.2 Authority of the Committee. The Committee shall have full and final authority, in its discretion, but subject to the express provisions of the Plan, as follows:

(a) to grant Options,

(b) to determine (1) when Options may be granted and (2) whether or not specific Options will be incentive stock options or nonqualified stock options,

(c) to interpret the Plan and to make all determinations necessary or advisable for the administration of the plan,

(d) to prescribe, amend, and rescind rules relating to the Plan,

(e) to determine, subject to the terms of the Plan, the terms and provisions of the written agreements by which all Options shall be granted ("Option Agreements") and, with the consent of the Grantee, to modify any such Option Agreement at any time, and

(f) to impose such additional conditions, restrictions, and limitations upon the grant, exercise or retention of Options as the Committee may, before or concurrently with the grant thereof, deem appropriate.

The determination of the Committee on all matters relating to the Plan or any Option or Option Agreement shall be conclusive and final. No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Option.

ARTICLE V. ELIGIBILITY

Options may be granted to any employee of the Company or any employee of its Subsidiaries. In selecting the individuals to whom Options may be granted, in determining the number of shares of Stock subject to each Option, and in determining the other terms and conditions applicable to each Option, the Committee shall take into consideration such factors as it deems relevant in promoting the purposes of the Plan.

ARTICLE VI. GRANT OF OPTIONS

6.1 General Conditions.

(a) The Grant Date of an Option shall be the date on which the Committee grants the Option or such later date as specified in advance by the Committee.

(b) The term of each Option shall be a period of not more than 10 years from the Grant Date, and shall be subject to earlier termination as herein provided.

(c) A Grantee may, if otherwise eligible, be granted additional Options.

6.2 Option Price. No later than the Grant Date of any Option, the Committee shall determine the Option Price of such Option. Subject to Section 6.3 with respect to incentive stock options, the Option Price of an Option shall be at such price (which may be less than 100% of the Fair Market Value of the Stock on the

Grant Date), as the Committee, in its discretion, shall determine.

6.3 Grant of Incentive Stock Options. At the time of the grant of any Option, the Committee may designate that such Option shall be made subject to additional restrictions to permit it to qualify as an incentive stock option under the requirements of Section 422 of the Internal Revenue Code. Any Option designated as an incentive stock option:

(a) shall have an Option Price of (1) not less than 100% of the Fair Market Value of the Stock on the Grant Date or (2) in the case of a 10% Owner, not less than 110% of the Fair Market Value of the Stock on the Grant Date;

(b) shall be for a period of not more than 10 years (5 years, in the case of a 10% Owner) from the Grant Date, and shall be subject to earlier termination as provided herein or in the applicable Option Agreement;

(c) shall not have an aggregate Fair Market Value (determined for each incentive stock option at its Grant Date) of Stock with respect to which incentive stock options are exercisable for the first time by such Grantee during any calendar year (under the Plan and any other employee stock option plan of the Grantee's employer or any parent or subsidiary thereof ("Other Plans")), determined in accordance with the provisions of Section 422 of the Internal Revenue Code, which exceeds $100,000 (the "$100,000 Limit");

(d) shall, if the aggregate Fair Market Value of Stock (determined on the Grant Date) with respect to all incentive stock options previously granted under the Plan and any Other Plans ("Prior Grants") and any incentive stock options under such grant (the "Current Grant") which are exercisable for the first time during any calendar year would exceed the $100,000 Limit, be exercisable as follows:

(1) the portion of the Current Grant exercisable for the first time by the Grantee during any calendar year which would, when added to any portions of any Prior Grants, be exercisable for the first time by the Grantee during such calendar year with respect to stock which would have an aggregate Fair Market Value (determined as of the respective Grant Date for such incentive stock options) in excess of the $100,000 Limit shall, notwithstanding the terms of the Current Grant, be exercisable for the first time by the Grantee in the first subsequent calendar year or years in which it could be exercisable for the first time by the Grantee when added to all Prior Grants without exceeding the $100,000 Limit; and

(2) if, viewed as of the date of the Current Grant, any portion of a Current Grant could not be exercised under the provisions of the immediately preceding provision during any calendar year commencing with the calendar year in which it is first exercisable through and including the last calendar year in which it may by its terms be exercised, such portion of the Current Grant shall not be an incentive stock option, but shall be exercisable as a separate non-qualified stock option at such date or dates as are provided in the Current Grant;

(e) shall be granted within 10 years from the earlier of the date the Plan is adopted or the date the Plan is approved by the stockholders of the Company; and

(f) shall require the Grantee to notify the Committee of any disposition of any Stock issued pursuant to the exercise of the incentive stock option under the circumstances described in Section 421 (b) of the Internal Revenue Code (relating to certain disqualifying dispositions), within 10 days of such disposition.

Notwithstanding the foregoing and Section 4.2(e), the Committee may, without the consent of the Grantee, at any time before the exercise of an Option (whether or not an incentive stock option), take any action necessary to prevent such Option from being treated as an incentive stock option.

6.4 Nontransferability. Each Option granted hereunder shall by its terms not be assignable or transferable other than by will or the laws of descent and distribution and may be exercised, during the Grantee's lifetime, only by the Grantee.

ARTICLE VII. EXERCISE OF OPTIONS

7.1 Exercise of Options. Subject to Sections 4.2(f), 7.4, and 7.5 and such terms and conditions as the Committee may impose, each Option shall be exercisable in such manner as the Committee, in its discretion, shall determine as set forth "in the option agreement evidencing the grant of such option. Each Option shall be exercised by delivery to the Company of a written notice of intent to purchase (in such form as prepared by the Committee) a specific number of shares of Stock subject to the Option. The Option Price of any shares of Stock shall be paid in full at the time of the exercise.

7.2 Payment of Option Price. In the discretion of the Committee, a Grantee may pay the Option Price payable upon the exercise of an Option in cash, previously acquired Stock valued at its Fair Market Value on the business day next preceding the date of exercise, or any combination thereof, and may be effected in whole or in part (a) with monies received from the Company at the time of exercise as a compensatory cash payment, or (b) with monies borrowed from the Company pursuant to repayment terms and conditions as shall be determined from time to time by the Committee, in its discretion, separately with respect to each exercise of options and each Grantee; provided, however, that each such method

and time for payment and each such borrowing and terms and conditions of repayment shall be permitted by and be in compliance with applicable law, and provided further, in the event the Option Price is paid with monies borrowed from the Company, such fact shall be noted conspicuously on the certificate for such shares in accordance with applicable law.

7.3 Tax Withholding.

(a) Mandatory Tax Withholding.

(1) Whenever under the Plan, shares of Stock are to be delivered upon exercise of an Option, the Company shall be entitled to require as a condition of delivery (i) that the Grantee remit an amount sufficient to satisfy all federal, state, and local withholding tax requirements related thereto, (ii) the withholding of such sums from compensation otherwise due to the Grantee or from any shares of Stock due to the Grantee under the Plan, or (iii) any combination of the foregoing; or

(2) If any disqualifying disposition described in Section 6.3(f) is made with respect to shares of Stock acquired under an incentive stock option granted pursuant to the Plan, then the person making such disqualifying disposition shall remit to the Company an amount sufficient to satisfy all federal, state, and local withholding taxes thereby incurred; provided that, in lieu of or in addition to the foregoing, the Company shall have the right to withhold such sums from compensation otherwise due to the Grantee or from any shares of Stock due to the Grantee under the Plan.

(b) Elective Share Withholding.

(1) Subject to Section 7.3(b)(2), a Grantee may elect the withholding ("Share Withholding") by the Company of a portion of the

shares of Stock otherwise deliverable to such Grantee upon the exercise of an Option ("Taxable Event") having a Fair Market Value equal to:

(i) the minimum amount necessary to satisfy required federal, state, or local withholding tax liability attributable to the Taxable Event; or

(ii) with the Committee's prior approval, a greater amount, not to exceed the estimated total amount of such Grantee's tax liability with respect to the Taxable Event.

(2) Each Share Withholding election by a Grantee shall be subject to the following restrictions:

(i) any Grantee's election shall be subject to the Committee's right to revoke such election of Share Withholding by such Grantee at any time before the Grantee's election if the Committee has reserved the right to do so in the Option Agreement;

(ii) if the Grantee is a Section 16 Grantee, such Grantee's election shall be subject to the disapproval of the Committee at any time, whether or not the Committee has reserved the right to do so;

(iii) the Grantee's election must be made before the date (the "Tax Date") on which the amount of tax to be withheld is determined;

(iv) the Grantee's election shall be irrevocable;

(v) a Section 16 Grantee may not elect Share Withholding within six months after the grant of the related Option (except if

the Grantee dies or incurs a Disability before the end of the six-month period); and

(vi) a Section 16 Grantee must elect Share Withholding either six months before the Tax Date or during the ten business day period beginning on the third business day after the release of the Company's quarterly or annual summary statement of sales and earnings.

7.4 Effects of a Change of Control. Notwithstanding any other provisions of the Plan or any option agreement, upon the occurrence of a Change of Control or an initial public offering of Stock by the Company, the Committee may in its sole discretion make a determination that (i) all Options granted under the Plan to a Grantee which have not been exercised or which have not expired by their terms shall immediately be fully exercisable for the remainder of their respective terms or (ii) such options be immediately terminated in which case the Grantee will be paid an amount in cash in respect of each option equal to the difference between the fair market value of a share of Stock and the exercise price of such Option.

7.5 Termination of Employment.

(a) Termination for Cause. If the Grantee has a Termination of Employment for Cause, any unexercised Option shall terminate immediately upon the Grantee's Termination of Employment.

(b) Termination other than for Cause. If the Grantee has a Termination of Employment for any reason other than Cause, then any unexercised Option, to the extent exercisable on the date of the Grantee's Termination of Employment, may be exercised as follows:

(1) Death. If the Grantee's Termination of Employment is caused by the death of the Grantee,

then any unexercised Option to the extent exercisable on the date of the Grantee's death, may be exercised, in whole or in part, at any time within one year after the Grantee's death by the Grantee's personal representative or by the person to whom the Option is transferred by will or the applicable laws of descent and distribution;

(2) Disability. If the Grantee's Termination of Employment is on account of the Disability of the Grantee, then any unexercised Option to the extent exercisable at the date of such Termination of Employment, may be exercised, in whole or in part, at any time within one year after the date of such Termination of Employment; provided that, if the Grantee dies after such Termination of Employment and before the end of such one year period, such Option may be exercised by the deceased Grantee's personal representative or by the person to whom the Option is transferred by will or the applicable laws of descent and distribution within one year after the Grantee's Termination of Employment, or, if later, within 180 days after the Grantee's death; and

(3) Other. If the Grantee's Termination of Employment is for any reason other than Cause, death or Disability, then any unexercised Option, to the extent exercisable at the date of such Termination of Employment, may be exercised, in whole or in part, at any time within three months after such Termination of Employment.

7.6 Noncompetition. During the period of the Grantee's employment and for two years thereafter or, if longer, such period as the Grantee shall own Stock acquired pursuant to the exercise of an Option, the Grantee shall not, directly or indirectly, own, manage, operate, join or control, be employed by or participate in the ownership, management, operation or control of, or be a consultant to or connected in any other manner with, any business, firm or corporation which is similar to or competes with a principal business of

the Company or its Subsidiaries (a "Competitive Activity"). For these purposes, the Grantee's ownership of securities or a public company not in excess of one percent of any class of such securities shall not be considered to be competition with the Company or its Subsidiaries.

If the Grantee shall engage in a Competitive Activity, as determined by the Committee in good faith, (a) all Options then held by the Grantee shall expire as of the date that the Grantee first engaged in such Competitive Activity, (b) the Company shall have the right to acquire any shares of Stock then owned by the Grantee as the result of the exercise of an Option at a price equal to the lesser of (i) the Fair Market Value of such shares or (ii) the aggregate exercise price paid therefore by the Grantee, and (c) the Company shall have the right to require the Grantee to return to the Company any other gain (whether or not realized) the Grantee had on the exercise of any Options granted under this Stock Option Plan (that is, the amount by which, at the time of the exercise of any Option, the Fair Market Value of the shares to be received was greater than the aggregate exercise price paid therefor by the Grantee).

ARTICLE VIII. MISCELLANEOUS

8.1 Substituted Options. If the Committee cancels any Option (granted under this Plan, or any plan of any entity acquired by the Company or any of its Subsidiaries), and a new Option is substituted therefor, then the Committee may, in its discretion, determine the terms and conditions of such new Option and may, in its discretion, provide that the grant date of the canceled option shall be the date used to determine the earliest date or dates for exercising the new substituted Option under Section 7.1 hereof so that the Grantee may exercise the substituted Option at the same time as if the Grantee had held the substituted Option since the grant date of the canceled option; provided that no Option shall be canceled without the consent of the Grantee if the terms and conditions of the new Option to be

substituted are not at least as favorable as the terms and conditions of the option to be canceled.

8.2 Securities Law Matters.

(a) If the Committee deems necessary to comply with the 1933 Act, the Committee may require a written investment intent representation by the Grantee and may require that a restrictive legend be affixed to certificates for shares of Stock.

(b) If based upon the opinion of counsel for the Company, the Committee determines that the exercise or nonforfeitability of, or delivery of benefits pursuant to, any Option would violate any applicable provision of (1) federal or state securities law or (2) the listing requirements of any securities exchange on which are listed any of the Company's equity securities, then the Committee may postpone any such exercise, nonforfeitability or delivery, as the case may be, but the Company shall use its best efforts to cause such exercise, nonforfeitability or delivery to comply with all such provisions at the earliest practicable date. The Committee's authority under this Section 8.2(b) shall expire on the date of any Change of Control.

8.3 Funding. Benefits payable under the Plan to any person shall be paid directly by the Company. The Company shall not be required to fund, or otherwise segregate assets to be used for, benefits under the Plan.

8.4. No Employment Rights. Neither the establishment of the Plan nor the granting of any Option shall be construed to (a) give any Grantee the right to remain employed by the Company or any of its Subsidiaries or to any benefits not specifically provided by the Plan or (b) in any manner modify the right of the Company or any of its Subsidiaries to modify, amend, or terminate any of its employee benefit plans.

8.5 Rights as a Stockholder. A Grantee shall not, by reason of any Option have any right as a stockholder of the Company with respect to the shares of Stock which may be deliverable upon exercise of such Option until such shares have been delivered to him. As a condition of exercise, a Grantee will be required to execute a stockholder agreement if any such agreement is then in effect with respect to the Stock.

8.6 Nature of Payments. Any and all grants or deliveries of shares of Stock hereunder shall constitute special incentive payments to the Grantee and shall not be taken into account in computing the amount of salary or compensation of the Grantee for the purposes of determining any pension, retirement, death or other benefits under (a) any pension, retirement, profit-sharing, bonus, life insurance or other employee benefit plan of the Company or any of its Subsidiaries or (b) any agreement between the Company or any Subsidiary, on the one hand, and the Grantee, on the other hand, except as such plan or agreement shall otherwise expressly provide.

8.7 Nonuniform Determinations. Neither the Committee's nor the Board's determinations under the Plan need be uniform and may be made by the Committee or the Board selectively among persons who receive, or are eligible to receive, Options (whether or not such persons are similarly situated). Without limiting the generality of the foregoing, the Committee shall be entitled, among other things, to make non-uniform and selective determinations and to enter into non-uniform and selective Option Agreements as to (a) the identity of the Grantees, (b) the terms and provisions of Options, and (c) the treatment, under Section 7.5, of Terminations of Employment. Notwithstanding the foregoing, the Committee's interpretation of Plan provisions shall be uniform as to similarly situated Grantees.

8.8 Adjustments. The Committee shall make equitable adjustment of:

(a) the aggregate numbers of shares of Stock available under Article III,

(b) the number of shares of Stock covered by an Option, and

(c) the Option Price of any Option,

to reflect a stock dividend, stock split, reverse stock split, share combination, recapitalization, merger, consolidation, asset spin-off, reorganization, or similar event, of or by the Company.

8.9 Amendment of the Plan. The Board may from time to time in its discretion amend or modify the Plan without the approval of the stockholders of the Company, except as such stockholder approval may be required (a) to permit transactions in Stock pursuant to the Plan to be exempt from liability under Section 16(b) of the 1934 Act or (b) under the listing requirements of any securities exchange on which are listed any of the Company's equity securities.

8.10 Termination of the Plan. The Plan shall terminate on the tenth (10th) anniversary of the Effective Date or at such earlier time as the Board may determine. Any termination, whether in whole or in part, shall not affect any Option or Option Agreement then outstanding under the Plan.

8.11 No Illegal Transactions. The Plan and all Options granted pursuant to it are subject to all laws and regulations of any governmental authority which may be applicable thereto; and notwithstanding any provision of the Plan, or any Option, Grantees shall not be entitled to exercise Options or receive the benefits thereof and the Company shall not be obligated to deliver any Stock or pay any benefits to a Grantee if such exercise, delivery, receipt or payment of benefits would constitutes a violation by the Grantee or the Company of any provision of any such law or regulation.

8.12 Severability. If all or any part of the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any portion of the Plan not declared to be unlawful or invalid. Any Section or part of a Section so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

8.13 Headings. The headings of Articles and Sections are included solely for convenience of reference, and if there is any conflict between such headings and the text of this Plan, the text shall control.

8.14 Number and Gender. When appropriate the singular as used in this Plan shall include the plural and vice versa, and the masculine shall include the feminine.

8.15 Controlling Law. The laws of the State of Connecticut, except its laws with respect to choice of laws, shall be controlling in all matters relating to the Plan.

EXHIBIT 10.6

FACTSET RESEARCH CORPORATION
STOCK OPTION PLAN
INCENTIVE STOCK OPTION AGREEMENT

THIS AGREEMENT is made this ____ day of _____ 199 by and between FactSet Research Corporation a Delaware corporation ("Company"), and _____ ("Grantee"), a resident of the State of _____.

Grantee is employed by Company or one of its subsidiaries. By granting this incentive stock option to Grantee, Company desires to carry out the purpose of the FactSet Research Corporation 1994 Stock Option Plan (the "Plan"), a copy of which together with a copy of the Plan's prospectus, if any, have been or are being furnished Grantee. Unless otherwise specified, all capitalized terms in this Agreement have the same meaning as have such terms in the Plan.

Company and Grantee hereby covenant and agree as follows:

1. Grant. Effective _____, 199__ ("Grant Date"), Company grants to Grantee an incentive stock option to purchase _____ shares (the "Shares") of Company's common stock, par value $1.00 per share (the "Stock"), at a price of $____ per share (the "Option Price"), subject to all of the terms, conditions, and restriction of this Agreement and the Plan. The Option Price shall not be less than 100% of the Fair Market Value of Stock on the Grant Date or, in the case of a 10% Owner, not less than 110% of the Fair Market Value of the Stock on Grant Date.

2. Exercise - Options

(a) In General. Subject to the provisions of Section 7.4 and Section 7.5 of the Plan, this option may be exercised, in whole or in part, as follows:

YEARS AFTER GRANT DATE	PERCENTAGE OF SHARES EXERCISABLE(1)
less than one year	0%
one year but less than two years	20%
two years but less than three years	40%
three years but less than four years	60%
four years but less than five years	80%
five years or more	100%

(b) Effects of a Change of Control. Notwithstanding any other provisions of the Plan or this Agreement, upon the occurrence of a Change of Control or an initial public offering of Stock by the Company, the Committee may in its sole discretion make a determination that (i) all Options granted under the Plan to a Grantee which have not been exercised or which have not expired by their terms shall immediately be fully exercisable for the remainder of their respective terms or (ii) such options be immediately terminated in which case the Grantee will be paid an amount in cash in respect of each option equal to the difference between the fair market value of a share of Stock and the exercise price of such Option.

(c) Procedures. Each exercise shall be for an integral multiple of the Shares or all Shares then subject to this Agreement. Exercise shall be made by delivery to Company of written notice of intent to purchase a specific number of Shares. The Option Price of such Shares shall be paid in full at the time of the exercise. Payment may, at the election of the Grantee, be made in:

(i) cash,

(ii) Stock valued at its Fair Market Value on the business day next preceding the date of exercise, or

(iii) any combination thereof.

(1)Or such other exercisability schedule or criteria as the Committee shall determine if the Plan so permits. See Section 7.1 of the Plan.

Any shares of Stock to be used for payment of the Option Price shall be represented by stock certificates duly endorsed for transfer.

3. Disqualifying Disposition. Grantee shall notify the Committee of any disposition of Stock issued pursuant to the exercise of this Option under the circumstances described in Section 421(b) of the Internal Revenue Code (relating to certain disqualifying dispositions), within 10 days of such disposition and Grantee shall remit to the Company the amount of any taxes required to be withheld because of such disqualifying disposition.

4. Tax Withholding.

(a) Mandatory Withholding Taxes. If any applicable taxes are required to be withheld at the time of grant or exercise of this option, the Grantee (i) agrees to pay to the Company, or (ii) agrees to have withheld from compensation otherwise due to Grantee or, in accordance with Section 4(b), from any shares of Stock due to the Grantee under the Plan, the amount of any such taxes, including United States, state, and local, required to be withheld or collected in respect to the grant or exercise of this option as is determined by the Company. The Grantee's tax withholding liability may be satisfied by a combination of the methods described in clauses (i) and (ii) of this Section 4(a).

(b) Elective Share Withholding. The Grantee may elect the withholding by the Company of a portion of the Shares purchased upon exercise having a Fair Market Value equal to the minimum amount necessary to satisfy the Grantee's required United States, state and local withholding tax liability attributable to the Taxable Event, or, with prior approval of the Committee, a greater amount not to exceed the Grantee's tax liability with respect to the Taxable Event.

An election by the Grantee to have Shares withheld will be subject to the following restrictions:

(a) the Committee may disapprove the election at any time;

(b) the election must be made prior to the date that the amount of tax to be withheld is determined (the "Tax Date");

(c) the election will be irrevocable;

(d) if the Grantee is a Section 16 Grantee, the Grantee's election may not be made within six months after the Grant Date (except that this limitation will not apply in the event the death or Disability of the Grantee occurs prior to the expiration of the six-month period), and

(e) if the Grantee is a Section 16 Grantee, the Grantee's election must be made either at least six months before the Tax Date or during the ten business day period beginning on the third business day after the release of the Company's quarterly or annual summary statement of sales and earnings.

5. No Right to Employment. No obligation of Company (or its subsidiaries) as to Grantee's continued employment or length of Grantee's employment shall be implied by the term of this Agreement or the Plan, and Company and its subsidiaries reserve the same rights to terminate the employment of Grantee as existed before the date of this Agreement.

6. Noncompetition. During the period of Grantee's employment and for two years thereafter or, if longer, such period as Grantee shall own Stock acquired pursuant to the exercise of an Option, Grantee shall not, directly or indirectly, own, manage, operate, join or control, be employed by or participate in the ownership, management, operation or control of, or be a consultant to or connected in any other manner with, any business, firm corporation which is similar to or competes with a principal business of Company or its Subsidiaries (a "Competitive Activity"). For these purposes, Grantee's ownership of securities of a public company not in excess of one percent of any class of such securities shall not be considered to be competition with Company or its Subsidiaries.

If Grantee shall engage in a Competitive Activity, as determined by the Committee in good faith, (a) all Options then held by Grantee shall expire as of the date that Grantee first engaged in such Competitive Activity, (b) Company shall have the right to acquire any shares of Stock then owned by Grantee as the result of the exercise of an Option at a price equal to the lesser of (i) the Fair Market Value of such shares or (ii) the aggregate exercise price paid therefore by Grantee, and (c) Company shall have the right to require Grantee to return to Company any other gain (whether or not realized) Grantee had on the exercise of any Options granted under the Plan (that is, the amount by which, at the time of the exercise of any Option, the Fair Market Value of the shares to be received was greater than the aggregate exercise price paid therefor by Grantee).

7. Term. The options granted by this Agreement shall expire 10 years from Grant Date (5 years, in the case of a 10% Owner), subject to earlier expiration as provided in the Plan, including expiration upon Grantee's Termination of Employment as provided in Section 7.5 of the Plan.

8. Adjustment. The aggregate numbers of shares of Stock available under the Plan, the numbers of Shares covered by this Agreement, and the Option Price of the Agreement shall be equitably adjusted as determined by the Committee to reflect any stock dividend, stock split, reverse stock split, share combination, recapitalization, merger, consolidation, asset spin-off, reorganization, or similar event, of or by Company, provided, however, no fractional shares shall be issued by Company and any adjustment resulting in a fractional share shall be reduced by the previous whole number.

9. Nontransferability. The option is nonassignable and nontransferable other than by will or the laws of descent and distribution, and is exercisable, during Grantee's lifetime, only by Grantee.

10. Stockholder Rights. Grantee shall not have any rights a stockholder of Company with respect to the shares of Stock which may be deliverable pursuant to this Agreement.

until such shares have been delivered to Grantee. As a condition of exercise, Grantee will be required to execute a stockholder agreement if any such agreements are then in effect with respect to the Stock.

11. The Plan and Amendments. The option granted under this Agreement shall be subject to the Plan as it may be amended from time to time, provided that no amendment adopted after Grant Date that would decrease any of Grantee's rights with respect to the option shall be effective for purposes of the option.

12. No Illegal Transactions. Notwithstanding the foregoing, Grantee shall not be entitled to exercise an option or receive the benefits thereof, and Company shall not deliver any Stock or pay benefits to a Grantee if such exercise, delivery, receipt or payment benefits would constitute a violation by Grantee or Company of any provision of any law or regulation of any governmental authority which may be applicable to the Plan or this Agreement.

13. Controlling Law. The laws of the State of Connecticut, except its laws with respect to choice of laws, shall be controlling in all matters relating to this Agreement and the option granted hereunder.

IN WITNESS WHEREOF, Company and Grantee have executed this Agreement as of the day and year first above written.

FACTSET RESEARCH CORPORATION

By: _____

Its: _____

_____
Grantee

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FACTSET RESEARCH SYSTEMS INC.

1996 STOCK OPTION PLAN

Effective [June __], 1996

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Factset Research Systems Inc.

1996 Stock Option Plan

FactSet Research Systems Inc. (the "Company") hereby establishes the FactSet Research Systems Inc. 1996 Stock Option Plan (the "Plan") effective [June __], 1996, subject to the approval of the Plan by the holders of a majority of the shares of the Stock present in person or by proxy and voting at a duly called meeting of the stockholders of the Company.

ARTICLE I

Purpose

The primary purpose of the Plan is to provide a means by which key employees of the Company and its Subsidiaries (as defined herein) can acquire and maintain stock ownership, thereby strengthening their commitment to the success of the Company and its Subsidiaries and their desire to remain employed by the Company and its Subsidiaries. The Plan also is intended to attract, employ and retain key employees and to provide such employees with additional incentive and reward opportunities designed to encourage them to enhance the profitable growth of the Company and its Subsidiaries.

ARTICLE II

Definitions

The following words and phrases, when used herein, unless their context clearly indicates otherwise, shall have the following respective meanings:

"Board" means the board of directors of the Company.

"Cause" means discharge of a Grantee (i) on account of fraud, embezzlement or other unlawful or tortious conduct, whether or not involving or against the Company or any subsidiary or affiliate, (ii), for violation of a policy of the Company or any Subsidiary or affiliate, (iii) for serious and wilful acts of misconduct detrimental to the

business or reputation of the Company or any subsidiary or affiliate or (iv) for "cause" or any like term as defined in any written employment contract with the Grantee. The determination of whether a discharge of a Grantee is for cause shall be determined in good faith by the Committee whose decision shall be final and binding.

"Change of Control" means, prior to the date that an initial public offering of stock is made by the Company, a change in the ownership or control of the Company in accordance with Section 280G of the Internal Revenue Code and the regulations promulgated thereunder. Notwithstanding the preceding sentence, a Change of Control of the Company shall be deemed not to have occurred (i) with respect to any Grantee, if such Grantee is, by written agreement executed prior to such Change of Control, a participant in such Change of Control and (ii) if the ownership of the Company shall change solely as a result of an initial public offering of Stock by the Company. Following an initial public offering of stock by the Company, Change of Control means that either of the following events shall have occurred: (a) a person, partnership, joint venture, corporation or other entity, or two or more of any of the foregoing acting as a group (or a "person" within the meaning of Sections 13(d)(3) of the 1934 Act, other than the Company, a majority-owned subsidiary of or an employee benefit plan (or related trust) of the Company or such subsidiary, become(s) the "beneficial owner" (as defined in Rule 13(d)(3) under the 1934 Act) of 20% or more of the then outstanding voting stock of the Company; or (b) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board (together with any new director whose election by the Board or whose nomination for election by the Company's stockholders, was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the directors then in office.

"Committee" means the committee of the Board appointed pursuant to Section 4.01.

"Company" means FactSet Research Systems Inc., a Delaware corporation.

"Disability" means a disability of a nature that would qualify the Grantee for long-term benefits under the Company's long-term disability plan.

"Disinterested Person" means a person who has not, during the one year prior to service on the Committee, or at any time during such service, been granted or awarded any stock or stock-based derivative security (within the meaning of SEC Rule 16a-1(c)) pursuant to the Plan or any other plan of the Company or its Subsidiaries, except as provided in SEC Rule 16b-3(c)(2)(i).

"Effective Date" means November 1, 1994.

"Fair Market Value" of any share of Stock, as of any applicable date, means (i) if shares of Stock are then listed on a national securities exchange, the "fair market value" shall be the closing price for a share of Stock on such exchange on the date in question, or, if there has been no sale of such security on that date, the closing price for a share of Stock on such exchange on the last preceding business day on which such security was traded; (ii) if shares of Stock are then not listed on a national securities exchange, the "fair market value" shall be the mean of the bid and asked prices for a share of Stock in the over-the-counter market as reported in the National Association of Securities Dealers Automatic Quotation System ("NASDAQ") on that date, or, if there be no such quotation on that date, such prices on the last preceding business day on which there was such a quotation; or (iii) if shares of Stock are then not listed on a national securities exchange or quoted on NASDAQ, the "fair market value" shall be an amount not less favorable than the offering price of the security as established by the current bid and asked prices quoted by persons independent of the issuer, the Company if other than the issuer, and of any other party in interest.

"Grant Date" means the date of grant of an Option determined in accordance with Section 6.01(a).

"Grantee" means an individual who has been granted an Option.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, and any succeeding Internal Revenue Code, and references to sections herein shall be deemed to include any such section as amended, modified or renumbered.

"1933 Act" means the Securities Act of 1933, as amended.

"1934 Act" means the Securities Exchange Act of 1934, as amended.

"Option" means any incentive stock option or nonqualified stock option granted under the Plan.

"Option Agreement" has the meaning specified in Section 4.02(e).

"Option Price" means the per share purchase price of Stock subject to an Option.

"Parent" means any corporation (other than the Company) in an unbroken chain of corporations ending with the employer corporation if, at the time of granting an option, each of the corporations other than the employer corporation owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

"Plan" means the FactSet Research Systems Inc. 1996 Stock Option Plan as set forth herein and as it may from time to time be amended.

"SEC" means the Securities and Exchange Commission.

"Section 16 Grantee" means a person subject to potential liability under Section 16(b) of the 1934 Act with respect to transactions involving equity securities of the Company.

"Stock" means the common stock of the Company, par value $0.01 per share.

"Subsidiary" means a corporation as defined in Section 424(f) of the Internal Revenue Code with the Company being treated as the employer corporation for purposes of this definition.

"10% Owner" means a person who owns stock (including stock treated as owned under Section 424(d) of the Internal Revenue Code) possessing more than 10% of the total combined voting power of all classes of stock of the Company.

"Termination of Employment" occurs on the last day an individual is employed by the Company or any of its Subsidiaries or any Parent; notwithstanding the foregoing, for an individual who is an employee of a Subsidiary, the individual shall be deemed to have a Termination of Employment on the last day the Company owns voting securities possessing at least 50% of the aggregate voting power of such Subsidiary's outstanding voting securities.

ARTICLE III

Scope of the Plan

An aggregate of 950,000 shares of Stock is hereby made available and is reserved for delivery on account of the exercise of Options. In no event shall any employee be granted more than [250,000] Options in the aggregate (including, for this purpose, any Options granted hereunder which are subsequently cancelled for any reason) during the term of this Plan. Subject to the foregoing limit, shares of Stock held as treasury shares may be used for or in connection with Options. If and to the extent an Option shall expire or terminate for any reason without having been exercised in full, or shall be forfeited, the shares of Stock associated with such Option shall become available for other Options.

ARTICLE IV

Administration

SECTION 4.01. Administrative Committee. The Plan shall be administered by the Compensation Committee of the Board, which shall consist of not less than three persons who are directors of the Company, each of whom shall qualify as (i) an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code and (ii) a Disinterested Person.

SECTION 4.02. Authority of the Committee. The Committee shall have full and final authority, In its discretion, but subject to the express provisions of the Plan, as follows:

(a) to grant Options;

(b) to determine (l) when Options may be granted and (2) whether or not specific Options will be incentive stock options or nonqualified stock options;

(c) to interpret the Plan and to make all determinations necessary or advisable for the administration of the plan;

(d) to prescribe, amend, and rescind rules relating to the Plan;

(e) to determine, subject to the terms of the Plan, the terms and provisions of the written agreements by which all Options shall be granted ("Option Agreements") and, with the consent of the Grantee, to modify any such Option Agreement at any time; and

(f) to impose such additional conditions, restrictions, and limitations upon the grant, exercise or retention of Options as the Committee may, before or concurrently with the grant thereof, deem appropriate.

The determination of the Committee on all matters relating to the Plan or any Option or Option Agreement shall be conclusive and final. No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Option.

ARTICLE V

Eligibility

Options may be granted to any employee of the Company or any employee of its Subsidiaries. In selecting the individuals to whom Options may be granted, in determining the number of shares of Stock subject to each Option, and in determining the other terms and conditions applicable to each Option, the Committee shall take into consideration such factors as it deems relevant in promoting the purposes of the Plan.

ARTICLE VI

Grant of Options

SECTION 6.01. General Conditions. (a) The Grant Date of an Option shall be the date on which the Committee grants the Option or such later date as specified in advance by the Committee.

(b) The term of each Option shall be a period of not more than 10 years from the Grant Date, and shall be subject to earlier termination as herein provided.

(c) A Grantee may, if otherwise eligible, be granted additional Options.

(d) No Option may be granted more than 10 years from the earlier of the date the Plan is adopted or the date the Plan is approved by the Stockholders of the Company.

SECTION 6.02. Option Price. No later than the Grant Date of any Option, the Committee shall determine the Option Price of such Option. Subject to Section 6.03 with respect to incentive stock options, the Option Price of an Option shall be at such price (which may be less than 100% of the Fair Market Value of the Stock on the Grant Date), as the Committee, in its discretion, shall determine.

SECTION 6.03. Grant of Incentive Stock Options. At the time of the grant of any Option, the Committee may designate that such Option shall be made subject to additional restrictions to permit it to qualify as an incentive stock option under the requirements of Section 422 of the Internal Revenue Code. Any Option designated as an incentive stock option:

(a) shall have an Option Price of (1) not less than 100% of the Fair Market Value of the Stock on the Grant Date or (2) in the case of a 10% Owner, not less than 110% of the Fair Market Value of the Stock on the Grant Date;

(b) shall be for a period of not more than 10 years (5 years, in the case of a 10% Owner) from the Grant Date, and shall be subject to earlier termination as provided herein or in the applicable Option Agreement;

(c) shall not have an aggregate Fair Market Value (determined for each incentive stock option at its Grant Date) of Stock with respect to which incentive stock options are exercisable for the first time by such Grantee during any calendar year (under the Plan and any other employee stock option plan of the Grantee's employer or any Parent or Subsidiary thereof ("Other Plans")), determined in accordance with the provisions of Section 422 of the Internal Revenue Code, which exceeds $100,000 (the "$100,000 Limit");

(d) shall, if the aggregate Fair Market Value of Stock (determined on the Grant Date) with respect to all incentive stock options previously granted under the Plan and any Other Plans ("Prior Grants") and any incentive stock options under such grant (the "Current Grant") which are exercisable for the first time during any calendar year would exceed the $100,000 Limit, be exercisable as follows:

(1) the portion of the Current Grant exercisable for the first time by the Grantee during any calendar year which would, when added to any portions of any Prior Grants, be exercisable for the first time by the Grantee during such calendar year with respect to stock which would have an aggregate Fair Market Value (determined as of the respective Grant Date for such incentive stock options) in excess of the $100,000 Limit shall, notwithstanding the terms of the Current Grant, be exercisable for the first time by the Grantee in the first subsequent calendar year or years in which it could be exercisable for the first time by the Grantee when added to all Prior Grants without exceeding the $100,000 Limit; and

(2) if, viewed as of the date of the Current Grant, any portion of a Current Grant could not be exercised under the provisions of the immediately preceding provision during any calendar year commencing with the calendar year in which it is first exercisable through and including the last calendar year in which it may by its terms be exercised, such portion of the Current Grant shall not be an incentive stock option, but shall be exercisable as a separate non-qualified stock

option at such date or dates as are provided in the Current Grant;

(e) shall be granted within 10 years from the earlier of the date the Plan is adopted or the date the Plan is approved by the stockholders of the Company; and

(f) shall require the Grantee to notify the Committee of any disposition of any Stock issued pursuant to the exercise of the incentive stock option under the circumstances described in Section 421(b) of the Internal Revenue Code (relating to certain disqualifying dispositions), within 10 days of such disposition.

Notwithstanding the foregoing and Section 4.02(e), the Committee may, without the consent of the Grantee, at any time before the exercise of an Option (whether or not an incentive stock option), take any action necessary to prevent such Option from being treated as an incentive stock option.

SECTION 6.04. Nontransferability. Unless the Committee shall otherwise determine, each Option granted hereunder shall by its terms not be assignable or transferable other than by will or the laws of descent and distribution and may be exercised, during the Grantor's lifetime, only by the Grantee.

ARTICLE VII

Exercise of Options

SECTION 7.01. Exercise of Options. Subject to Sections 4.02(f), 7.04. and 7.05 and such terms and conditions as the Committee may impose, each Option shall be exercisable in such manner as the Committee, in its discretion, shall determine as set forth in the Option Agreement. Each Option shall be exercised by delivery to the Company of a written notice of intent to purchase (in such form as prepared by the Committee) a specific number of shares of Stock subject to the Option. The Option Price of any shares of Stock shall be paid in full at the time of the exercise.

SECTION 7.02. Payment of Option Price. In the discretion of the Committee, a Grantee may pay the Option Price payable upon the exercise of an Option in cash, previously acquired Stock valued at its Fair Market Value on the business day next preceding the date of exercise, or any combination thereof, and may be effected in whole or in part (a) with monies received from the Company at the time of exercise as a compensatory cash payment, or (b) with monies borrowed from the Company pursuant to repayment terms and conditions as shall be determined from time to time by the Committee, in its discretion, separately with respect to each exercise of options and each Grantee; provided, however, that each such method and time for payment and each such borrowing and terms and conditions of repayment shall be permitted by and be in compliance with applicable law and provided further, in the event the Option Price is paid with monies borrowed from the Company, such fact shall be noted conspicuously on the certificate for such shares in accordance with applicable law.

SECTION 7.03. Tax Withholding.

(a) Mandatory Tax Withholding.

(1) Whenever under the Plan, shares of Stock are to be delivered upon exercise of an Option that is a nonqualified stock option, the Company shall be entitled to require as a condition of delivery (i) that the Grantee remit an amount sufficient to satisfy all federal, state, and local withholding tax requirements related thereto, (ii) the withholding of such sums from compensation otherwise due to the Grantee or from any shares of Stock due to the Grantee under the Plan, or (iii) any combination of the foregoing; or

(2) If any disqualifying disposition described in Section 6.03(f) is made with respect to shares of Stock acquired under an incentive stock option granted pursuant to the Plan, then the person making such disqualifying disposition shall remit to the Company an amount sufficient to satisfy all federal, state, and local withholding taxes thereby incurred; provided that, in lieu of or in addition to the foregoing, the Company shall have the right to withhold such sums from compensation otherwise due to the Grantee or from any shares of Stock due to the Grantee under the Plan.

(b) Elective Share Withholding.

(1) Subject to Section 7.03(b)(2), a Grantee may elect the withholding ("Share Withholding") by the Company of a portion of the shares of Stock otherwise deliverable to such Grantee upon the exercise of an Option ("Taxable Event") having a Fair Market Value equal to:

(i) the minimum amount necessary to satisfy required federal, state, or local withholding tax liability attributable to the Taxable Event; or

(ii) with the Committee's prior approval, a greater amount, not to exceed the estimated total amount of such Grantee's tax liability with respect to the Taxable Event.

(2) Each Share Withholding election by a Grantee shall be subject to the following restrictions:

(i) any Grantee's election shall be subject to the Committee's right to revoke such election of Share Withholding by such Grantee at any time before the Grantee's election if the Committee has reserved the right to do so in the Option Agreement;

(ii) if the Grantee is a Section 16 Grantee, such Grantee's election shall be subject to the disapproval of the Committee at any time, whether or not the Committee has reserved the right to do so;

(iii) the Grantee's election must be made before the date (the "Tax Date") on which the amount of tax to be withheld is determined;

(iv) the Grantee's election shall be irrevocable;

(v) a Section 16 Grantee may not elect Share Withholding within six months after the grant of the related Option (except if the Grantee dies or incurs a Disability before the end of the six-month period); and

(vi) (A) a Section 16 Grantee must elect Share Withholding either six months before the Tax Date or (B) such election must either be made or take effect during the ten business day period beginning on the third business day after the release of the Company's quarterly or annual summary statement of sales and earnings.

SECTION 7.04. Effects of a Change of Control. Notwithstanding any other provisions of the Plan or any Option Agreement, upon the occurrence of a Change of Control, (i) all Options granted under the Plan to a Grantee which have not been exercised or which have not expired by their terms shall immediately be fully exercisable for the remainder of their respective terms and (ii) the Committee may, in its sole discretion, determine that such options be immediately terminated in which case the Grantee will be paid an amount in cash in respect of each Option equal to the difference between the Fair Market Value of a share of Stock and the Option Price of such Option.

SECTION 7.05. Termination of Employment.

(a) Termination for Cause. If the Grantee has a Termination of Employment for Cause, any unexercised Option shall terminate immediately upon the Grantee's Termination of Employment.

(b) Termination other than for Cause. If the Grantee has a Termination of Employment for any reason other than Cause, then any unexercised Option, to the extent exercisable on the date of the Grantee's Termination of Employment, may be exercised as follows:

(i) Death. If the Grantee's Termination of Employment is caused by the death of the Grantee, then any unexercised Option to the extent exercisable on the date of the Grantee's death, may be exercised in whole or in part, at any time within one year after the Grantee's death by the Grantee's personal representative or by the person to whom the Option is transferred by will or the applicable laws of descent and distribution,but in no event beyond the scheduled expiration of the Option;

(ii) Disability. If the Grantee's Termination of Employment is on account of the Disability of the

Grantee, then any unexercised Option to the extent exercisable at the date of such Termination of Employment, may be exercised, in whole or in part, at any time within one year after the date of such Termination of Employment; provided that, if the Grantee dies after such Termination of Employment and before the end of such one year period, such Option may be exercised by the deceased Grantee's personal representative or by the person to whom the Option is transferred by will or the applicable laws of descent and distribution within one year after the Grantee's Termination of Employment, or, if later, within 180 days after the Grantee's death, but in no event beyond the scheduled expiration of the Option; and

(iii) Other. If the Grantee's Termination of Employment is for any reason other than Cause, death or Disability, then any unexercised Option, to the extent exercisable at the date of such Termination of Employment, may be exercised, in whole or in part, at any time within three months after such Termination of Employment; provided, however, that if the Grantee dies within such three-month period following such termination of Employment, such Option may be exercised by the deceased Grantee's personal representative or by the person to whom the Option is transferred by will or the applicable laws of descent and distribution within 180 days of the Grantee's death, but in no event beyond the scheduled expiration of the Option.

SECTION 7.06. Noncompetition. During the period of the Grantee's employment and for two years thereafter, the Grantee shall not, directly or indirectly, own, manage, operate, join or control, be employed by or participate in the ownership, management, operation or control of, or be a consultant to or connected in any other manner with, any business, firm or corporation which is similar to or competes with a principal business of the Company or its Subsidiaries (a "Competitive Activity"). For these purposes, the Grantee's ownership of securities of a public company not in excess of one percent of any class of such securities shall not be considered to be competition with the Company or its Subsidiaries. If the Grantee shall engage in a Competitive Activity, as determined by the Committee in good faith (a) all Options then held by the Grantee shall expire as of the date that the Grantee first engaged in such Competitive Activity, (b) the Company shall have the right to acquire any shares of Stock then owned by

the Grantee as the result of the exercise of an Option at a price equal to the lesser of (i) the Fair Market Value of such shares or (ii) the aggregate Option Price paid therefor by the Grantee, and (c) the Company shall have the right to require the Grantee to return to the Company any other gain (whether or not realized) the Grantee had on the exercise of any Options granted under this Stock Option Plan (that is, the amount by which, at the time of the exercise of any Option, the Fair Market Value of the shares to be received was greater than the aggregate Option Price paid therefor by the Grantee).

ARTICLE VIII

Miscellaneous

SECTION 8.01. Substituted Options. If the Committee cancels any Option granted under this Plan, or any plan of any entity acquired by the Company or any of its Subsidiaries), and a new Option is substituted therefor, then the Committee may, in its discretion, determine the terms and conditions of such new Option and may, in its discretion, provide that the grant date of the canceled option shall be the date used to determine the earliest date or dates for exercising the new substituted Option under Section 7.01 hereof so that the Grantee may exercise the substituted Option at the same time as if the Grantee had held the substituted Option since the grant date of the canceled option; provided that no Option shall be canceled without the consent of the Grantee if the terms and conditions of the new Option to be substituted are not at least as favorable as the terms and conditions of the option to be canceled.

SECTION 8.02. Securities Law Matters. (a) If the Committee deems it necessary to comply with the 1933 Act and there is not in effect a registration statement under the 1933 Act relating to the shares to be acquired pursuant to the Option, the Committee may require a written investment intent representation by the Grantee and may require that a restrictive legend be affixed to certificates for shares of Stock.

(b) If based upon the opinion of counsel for the Company, the Committee determines that the exercise or nonforfeitability of, or delivery of benefits pursuant to, any Option would violate any applicable provision of

(1) federal or state securities law or (2) the listing requirements of any securities exchange on which are listed any of the Company's equity securities, then the Committee may postpone any such exercise, nonforfeitability or delivery, as the case may be, but the Company shall use its best efforts to cause such exercise, nonforfeitability or delivery to comply with all such provisions at the earliest practicable date. The Committee's authority under this Section 8.02(b) shall expire on the date of any Change of Control.

SECTION 8.03. Funding. Benefits payable under the Plan to any person shall be paid directly by the Company. The Company shall not be required to fund, or otherwise segregate assets to be used for, benefits under the Plan.

SECTION 8.04. No Employment Rights. Neither the establishment of the Plan nor the granting of any Option shall be construed to (i) give any Grantee the right to remain employed by the Company or any of its Subsidiaries or to any benefits not specifically provided by the Plan or (ii) in any manner modify the right of the Company or any of its Subsidiaries to modify, amend, or terminate any of its employee benefit plans.

SECTION 8.05. Rights as a Stockholder. A Grantee shall not, by reason of any Option have any right as a stockholder of the Company with respect to the shares of Stock which may be deliverable upon exercise of such Option until such shares have been delivered to him. As a condition of exercise, a Grantee will be required to execute a stockholder agreement if any such agreement is then in effect with respect to the Stock.

SECTION 8.06. Nature of Payments. Any and all grants or deliveries of shares of Stock hereunder shall constitute special incentive payments to the Grantee and shall not be taken into account in computing the amount of salary or compensation of the Grantee for the purposes of determining any pension, retirement, death or other benefits under (i) any pension, retirement, profit-sharing, bonus, life insurance or other employee benefit plan of the Company or any of its Subsidiaries or (ii) any agreement between the Company or any Subsidiary, on the one hand, and the Grantee, on the other hand, except as such plan or agreement shall otherwise expressly provide.

SECTION 8.07. Nonuniform Determinations. Neither the Committee's nor the Board's determinations under the Plan need be uniform and may be made by the Committee or the Board selectively among persons who receive, or are eligible to receive, Options (whether or not such persons are similarly situated). Without limiting the generality of the foregoing, the Committee shall be entitled, among other things, to make non-uniform and selective determinations and to enter into non-uniform and selective Option Agreements as to (a) the identity of the Grantees, (b) the terms and provisions of Options, and (c) the treatment, under Section 7.05, of Terminations of Employment. Notwithstanding the foregoing, the Committee's interpretation of Plan provisions shall be uniform as to similarly situated Grantees.

SECTION 8.08. Adjustments. (a) The Committee shall make equitable adjustment of:

(i) the aggregate numbers of shares of Stock available under Article III;

(ii) the number of shares of Stock covered by an Option; and

(iii) the Option Price of any Option;

to reflect a stock dividend, stock split, reverse stock split, share combination, recapitalization, merger, consolidation, asset spin-off, reorganization, or similar event, of or by the Company.

(b) In the event of a change in the Stock as presently constituted, the shares resulting from any such change shall be deemed to be the Stock within the meaning of the Plan.

(c) Any adjustment made by the Committee pursuant to this Section 8.08 shall be final, binding and conclusive, Any fractional shares resulting from such adjustment shall be eliminated.

SECTION 8.09. Amendment of the Plan. The Board may from time to time in its discretion amend or modify the Plan without the approval of the stockholders of the Company, except as such stockholder approval may be required (a) to permit transactions in Stock pursuant to the Plan to be exempt from liability under Section 16(b) of the 1934 Act

or (b) under the listing requirements of any securities exchange on which are listed any of the Company's equity securities.

SECTION 8.10. Termination of the Plan. The Plan shall terminate on the tenth anniversary of the Effective Date or at such earlier time as the Board may determine. Any termination, whether in whole or in part, shall not affect any Option or Option Agreement then outstanding under the Plan.

SECTION 8.11. No Illegal Transactions. The Plan and all Options granted pursuant to it are subject to all laws and regulations of any governmental authority which may be applicable thereto; and notwithstanding any provision of the Plan or any Option, Grantees shall not be entitled to exercise Options or receive the benefits thereof and the Company shall not be obligated to deliver any Stock or pay any benefits to a Grantee if such exercise, delivery, receipt or payment of benefits would constitute a violation by the Grantee or the Company of any provision of any such law or regulation.

SECTION 8.12. Severability. If all or any part of the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not serve to invalidate any portion of the Plan not declared to be unlawful or invalid. Any Section or part of a Section so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

SECTION 8.13. Headings. The headings of Articles and Sections are included solely for convenience of reference, and if there is any conflict between such headings and the text of this Plan, the text shall control.

SECTION 8.14. Number and Gender. When appropriate the singular as used in this Plan shall include the plural and vice versa, and the masculine shall include the feminine.

SECTION 8.15. Controlling Law. The laws of the State of Connecticut, except its laws with respect to choice of laws, shall be controlling in all matters relating to the Plan.

Exhibit 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in the Prospectus constituting part of this Registration Statement on Form S-1 of our report dated April 26, 1996, except as to Note 2 which is as of June 4, 1996, relating to the financial statements of FactSet Research Systems Inc., which appears in such Prospectus. We also consent to the references to us under the headings "Experts" and "Selected Historical Consolidated Financial Information" in such Prospectus. However, it should be noted that Price Waterhouse LLP has not prepared or certified such "Selected Historical Consolidated Financial Information."

/s/ Price Waterhouse LLP

PRICE WATERHOUSE LLP

New York, New York
June 4, 1996