World Wide Widgets

Worldwide Widgets, Inc.

Employee Savings 401(k) Plan

Personal Projection

Prepared For

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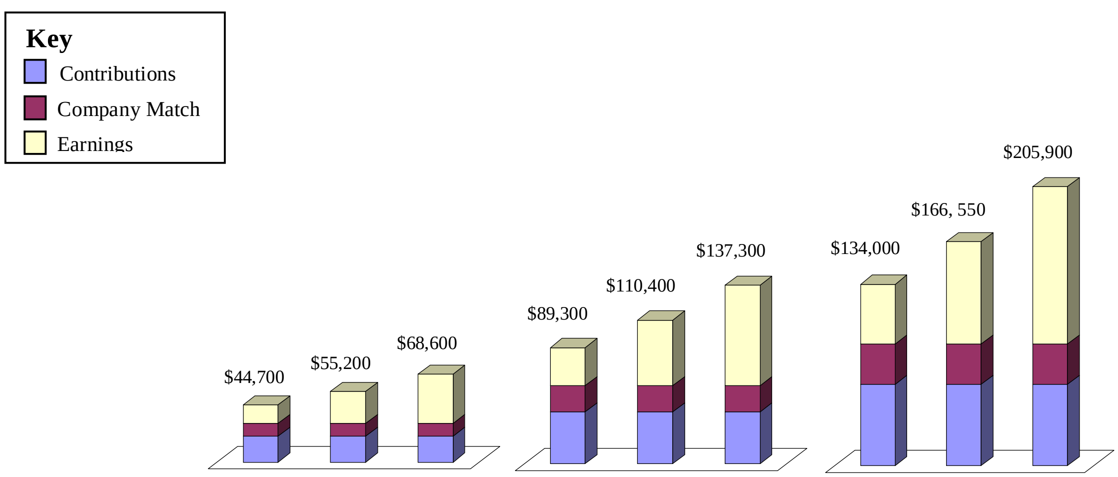
Enroll today to provide for tomorrow
Take advantage of your 401(k) plan, one of the most efficient vehicles for accumulating assets to provide for your retirement:

- Pre-tax contributions,
- Company matching contributions,
- Tax-deferred growth,
- Diversified investment choices,
- Professional investment management.

Assumptions

Date of birth:	5/5/55
Annual compensation	$50,000
…as of	1/15/00
Salary increase rate	3%/year
Date prepared	1/25/00

Potential Accumulation at Age 65
The amount you may accumulate at retirement depends on the amount you put into your plan (your contribution rate) and the amount you earn on your investments (your rate of return, or ROR). Here are some hypothetical combinations.



Contribute	2%	2%	2%	4%	4%	4%	6%	6%	6%
ROR	4%	6%	8%	4%	6%	8%	4%	6%	8%

Be Advised: *These estimates are hypothetical calculations for illustrative purposes only, based on the assumptions listed on the back of this page. The amount you accumulate will depend on your actual compensation each year, the amount you contribute, the amount of the company match, the investment mix you select, the investment return you earn each year and the number of years until your retirement. Results are rounded and are not guaranteed. Income taxes will be due as you withdraw funds from the plan.*

The Need To Save for Retirement

Nobody "wants" to save for retirement. After all, every dollar you put away for the future is a dollar you can't spend today, and everybody has plenty of places where they would like to spend more dollars today.

But another reality is that the future won't take care of itself. Even if you believe that Social Security will "be there," it will only replace a small portion of your final salary. And the more you earn, the smaller that percentage will be.

Plus, you can't depend on your employer. The mantra today is employee self-reliance, which often means replacing "defined benefit pensions" with "defined contribution plans," such as your 401(k). The theory works, but only if employees actually contribute and invest wisely.

Impact on Take Home Pay

The good news here is that because contributions are not subject to current income taxes, it doesn't cost you $1,000 to contribute $1,000 to your plan. For example, if you are in the 28% federal income tax bracket, you save $280 in taxes when you contribute $1,000, so it only costs you a net of $720—and that's not counting possible state and local tax benefits which might also apply.

Deciding How Much to Save

The amount you decide to save is up to you, but you should consider the following guidelines:

- Maximize the match. Subject to your plan's vesting schedule, this is the closest thing to "free money" you may ever receive, and it usually takes only a moderate contribution rate to entitle you to a full match.
- Use your 401(k) before most other saving plans. Because of its tax and other advantages, you should probably use your 401(k) first. Use taxable savings vehicles for shorter term goals and other retirement plans as a supplement to your 401(k).
- Save as much as you can afford. If you are concerned that you might save "too much," use the projection on the other side as a check. Many financial planners say you shouldn't plan on taking out more than 4-5% per year of your balance if you want the money to last for your lifetime.

Choosing Your Investments

Here's the dilemma:

- "Safe" investments are subject to inflation risk, or the risk that your assets will lose their purchasing power,
- "Risky" investments are subject to greater investment risk, especially in the short term as values go up and down.

Your challenge is to achieve the proper balance of these kinds of investments, based on your investment time frame, your required rate of return and your personal tolerance for risk.

Assumptions

In addition to the assumptions identified on the other side of this page, we also assumed that:

- Your contribution rate and the company match formula would stay the same throughout the illustration period,
- All earning are reinvested, and you make no loans or withdrawals,
- Current Plan and/or IRS limits continue,
- Company and employer contributions are made and compounded monthly.

And Finally, A Word From Our Lawyers…

- This projection is provided for illustrative purposes only and should not be read as a guarantee of future employment.
- The terms of your plan are set forth in the Plan Document, which is the final authority on how your plan will be administered and interpreted.
- For more complete information about any of the investment options available through the plan, including fees and expenses, please request free mutual fund prospectuses from the investment manager. Read them carefully before you make your investment choices.

People don't plan to fail—they just fail to plan.