

S&P 500 1st Quarter Buyback Activity Sets Record at \$118 Billion

Q1 2007 Buybacks Eclipse \$116.7 Billion Spent in Q2 2006

New York, June 8, 2007 – Standard & Poor's, the world's leading index provider, announced today that S&P 500 stock buyback activity accelerated during the first quarter of 2007, posting its sixth consecutive quarter of \$100 billion-plus in stock buybacks. Standard & Poor's Index Services estimates that \$117.7 billion was spent on stock buybacks during the first quarter of 2007, a 17.5% increase from the \$100.2 billion registered during the first quarter of 2006.

"The continued, high-level of stock buybacks is being fueled by the abundance of cash, its immediate effect on EPS and the upward impact it has on share price," says Howard Silverblatt, Senior Index Analyst at Standard & Poor's.

Standard & Poor's notes that the buyback activity within the S&P 500 substantially picked up during the fourth quarter of 2004, and has continued to grow in both the size and number of participating companies. Over the past ten quarters, S&P 500 issues have spent over \$965 billion on stock buybacks with 58% of the issues posting fewer shares now than they did when the buyback trend began.

"Authorized buybacks and corporate actions are now matching up much better, with companies aggressively following through on authorizations," continues Silverblatt. "However, if companies wish to get the same level of impact on EPS as they did in prior years, they will have to invest more. With today's higher share prices, the same buyback dollar doesn't buy as many shares and therefore doesn't reduce the share count by as much as it did in previous years."

Standard & Poor's data shows that on a sector basis, Information Technology companies continue to be the largest user of share buybacks, disproportionately accounting for 22.8% of the total buybacks during the first quarter, while representing 15.1% of the market value. Consumer Discretionary companies also emerged as a major player in the buyback arena last quarter, accounting for 14.7% of stock buybacks and 10.2% of the market value.

Standard & Poor's also notes that the top-ten buyback issues accounted for 31% of all stock buybacks during the 12-month period ending March 2007. Chief among these issues was Exxon Mobil, which spent \$31.6 billion on buybacks during the past year, reducing its share count for the 27th quarter in a row. Other prominent users of stock buybacks were Microsoft (\$24.3 billion), Time Warner (\$11.8 billion) and Procter & Gamble (\$10.3 billion).

"The positive reaction of investors to stock buybacks, the ability of companies to internally fund buyback programs without tapping into CapX or R&D and the desire for companies to support EPS and stock prices, all point to a healthy remainder of the year for stock buybacks," concludes Silverblatt. "At some point, however, if buybacks decline, the question as to where will the EPS growth come from and what will the companies do with the shares will have to be answered."

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S&P 500	MARKET VALUE \$ BILLION	AS REPORTED EARNINGS \$ BILLION	DIVIDENDS \$ BILLION	BUYBACKS \$ BILLION	12-MONTH DIVIDEND & BUYBACK YIELD
03/31/2007 Prelim.	\$12,706	\$191.73	\$58.32	\$117.70	5.34%
12/31/2006	\$12,729	\$181.65	\$61.76	\$105.18	5.15%
09/30/2006	\$12,020	\$193.19	\$54.78	\$109.81	5.39%
06/30/2006	\$11,497	\$182.02	\$54.46	\$116.66	5.34%
03/31/2006	\$11,660	\$177.30	\$53.25	\$100.18	4.92%
12/31/2005	\$11,255	\$155.98	\$54.83	\$104.28	4.90%
09/30/2005	\$11,083	\$156.84	\$48.99	\$81.47	4.58%
06/30/2005	\$10,890	\$167.19	\$49.03	\$81.42	4.31%
03/31/2005	\$10,820	\$154.43	\$48.99	\$82.05	3.92%
12/31/2004	\$11,289	\$129.85	\$49.68	\$66.42	3.35%
09/30/2004	\$10,398	\$132.28	\$45.54	\$45.68	3.34%
06/30/2004	\$10,623	\$142.01	\$43.43	\$42.46	3.11%
03/31/2004	\$10,461	\$141.01	\$42.36	\$42.92	2.97%
12/31/2003	\$10,286	\$121.74	\$46.76	\$38.53	2.84%
09/30/2003	\$9,208	\$116.12	\$39.96	\$34.13	3.00%
06/30/2003	\$9,001	\$102.53	\$37.74	\$28.36	3.04%
03/31/2003	\$7,827	\$109.99	\$36.19	\$30.03	3.53%
12/31/2002	\$8,107	\$27.64	\$39.22	\$30.62	3.39%
09/30/2002	\$7,518	\$78.66	\$35.97	\$35.18	3.65%
06/30/2002	\$9,091	\$63.09	\$38.11	\$30.98	3.03%
03/31/2002	\$10,502	\$84.11	\$34.51	\$30.47	2.61%
12/31/2001	\$10,463	\$49.67	\$36.27	\$32.75	2.62%
09/30/2001	\$9,437	\$47.41	\$37.53	\$34.63	2.91%
06/30/2001	\$11,027	\$43.50	\$34.58	\$33.62	2.44%
03/31/2001	\$10,385	\$82.16	\$33.83	\$31.21	2.63%

About Standard & Poor's Index Services

Standard & Poor's Index Services, the world's leading index provider, maintains a wide variety of investable and benchmark indices to meet an array of investor needs. Its family of indices includes the S&P 500, an index with \$1.3 trillion invested and \$4.8 trillion benchmarked, and the S&P Global 1200, a composite index comprised of seven regional and country headline indices. For more information, please visit www.standardandpoors.com/indices.

About Standard & Poor's

Standard & Poor's, a division of The McGraw-Hill Companies (NYSE:MHP), is the world's foremost provider of financial market intelligence, including independent credit ratings, indices, risk evaluation, investment research and data. With approximately 8,500 employees, including wholly owned affiliates, located in 21 countries. Standard & Poor's is an essential part of the world's financial infrastructure and has played a leading role for more than 140 years in providing investors with the independent benchmarks they need to feel more confident about their investment and financial decisions. For more information, visit <http://www.standardandpoors.com>.

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