



Press Release

S&P Report: S&P 500 Treasury Shares Increase 19.7% in 2006 as Buybacks Hit Record Level

Cash and Treasury Shares Now Represent 12.4% of the Index's Market Value

New York, July 19, 2007 – A report released today by Standard & Poor's, the leading provider of financial market intelligence, shows that the cash and treasury share buildup for the S&P 500 companies is at a very high level, and that the availability of this discretionary liquid asset makes almost every company a potential growth issue and, for many, a potential takeover target. The full S&P report can be found by www.standardandpoors.com/indices.

“The cash and current market value of treasury shares represents the S&P 500 companies’ largest and most overlooked asset,” says Howard Silverblatt, Senior Index Analyst at Standard & Poor’s and author of the report. “What companies choose to do with this enormous asset is perhaps the most important decision facing them, and it could have a long-lasting impact on their profitability and market value for years to come.”

According to the report, *S&P 500: Buybacks and Treasury Shares - The Overlooked and Hidden Assets*, the record \$432 billion in buybacks during 2006 resulted in 56.8% of the S&P 500 issues reducing their share count. Consistent with the values and history, these repurchased shares remain in corporate treasuries and have not been retired. The impact of these buybacks boosted EPS by at least 4% for more than 20% of the S&P 500 issues in 2006.

S&P 500 treasury shares increased 19.7% in 2006 as 338 issues were found to have treasury shares with a cost basis of \$1,002 billion. If a mark-to-market adjustment were made, the issues would have had a market value of \$1,591 billion, representing 17.6% of their market value.

“The availability of such high levels of cash and treasury shares makes every company a potential growth issue, and with over a third of them having more cash and treasury shares than long-term debt, a potential takeover target,” adds Silverblatt.

With second quarter earnings reports just now coming in, Standard & Poor’s is finding that buybacks are reaching an unprecedented level of acceptance by investors and are continuing their material impact on earnings per share. In year-over-year comparisons, 101 issues (over 20% of the S&P 500) reduced their Q1 2007 actual shares by at least 4%, and 72 issues reduced their average diluted shares (which are used to determine EPS) by at least 4% -- meaning that at least 4% of their growth was attributed to share count reduction, rather than operating earnings.

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S&P 500 ISSUES WITH FULL TREASURY DATA**

	VALUES MILLIONS	% OF IN MARKET VALUE
Cost of treasury less than market value - 338 issues		
Market value of companies	\$9,036,332	
Cost basis of treasury shares	\$1,002,352	11.09%
Market value of treasury shares	\$1,591,655	17.61%
Difference	\$589,303	6.52%
Current market value of treasury shares	\$1,708,270	18.90%
Difference	\$705,918	7.81%

S&P 500, Values in billions, estimates in bold

QUARTER END	MARKET VALUE	AS REPORTED EARNINGS	DIVIDENDS	BUYBACKS
06/30/2007	\$13,350	\$208	\$59	
03/31/2007	\$12,706	\$191	\$58	\$118
12/31/2006	\$12,729	\$182	\$62	\$105
09/30/2006	\$12,020	\$193	\$55	\$110
06/30/2006	\$11,497	\$182	\$54	\$117
03/31/2006	\$11,660	\$177	\$53	\$100
12/31/2005	\$11,255	\$156	\$55	\$104
09/30/2005	\$11,083	\$161	\$49	\$81
06/30/2005	\$10,890	\$167	\$49	\$81
03/31/2005	\$10,820	\$154	\$49	\$82
12/31/2004	\$11,289	\$130	\$50	\$66
09/30/2004	\$10,398	\$132	\$46	\$46
06/30/2004	\$10,623	\$142	\$43	\$42
03/31/2004	\$10,461	\$141	\$42	\$43
12/31/2003	\$10,286	\$122	\$47	\$39
09/30/2003	\$9,208	\$116	\$40	\$34
06/30/2003	\$9,001	\$103	\$38	\$28

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 \$1.32 trillion invested and \$4.91 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>.

For more information contact:

David R. Guarino
Communications
Standard & Poor's
212 438 1471
dave_guarino@standardandpoors.com

Howard Silverblatt
Senior Index Analyst
Standard & Poor's
212 438 3916
howard_silverblatt@standardandpoors.com