



Press Release

Record Buyback Activity Results in Reduced Share Count for Eight S&P 500 Sectors

New York, September 18, 2006 – The record level of stock buybacks by S&P 500 companies has resulted in a reduced share count for 8 of the 10 S&P 500 sectors, as well as a reallocation of over \$60 billion in sector representation, Standard & Poor's announced today, on the first trading day of the quarterly rebalancing for its U.S. indices. The rebalancing permits Standard & Poor's indices to stay in tune with the market, which in turn permits investors to properly match their investments to the overall market.

“The record \$116 billion in S&P 500 buybacks during the second quarter resulted in a reduced share count in all but two S&P 500 sectors,” says Howard Silverblatt, Senior Index Analyst at Standard & Poor's. “We expect the strong buyback activity to continue as companies reap the dual benefits of improved reported earnings per share, as well as short-term price support from the buybacks.”

Companies take advantage of stock buybacks for several reasons: to reduce their overall share count (thereby increasing current shareholder value), to reissue shares for mergers and acquisitions, and to satisfy employees looking to exercise their stock options. While the re-issuance of shares to cover existing employee stock options was the traditional use, Standard & Poor's has noted the increasing tendency among companies to reduce their actual share count, and therefore improve earnings per share.

Standard & Poor's data shows that, over the last seven quarters, S&P 500 issues have spent over \$630 billion on stock buybacks, and that buyback expenditures are now on track to match capital expenditures. According to Standard & Poor's, the strong buybacks within the S&P 500 began during the fourth quarter of 2004, and has reached an unprecedented level in both the number of issues reducing their shares and the aggregate dollar value.

“Over 20% of the issues within the S&P 500 have reduced their year-over-year share count by at least 4% last quarter, adding a similar increase to their reported earnings per share,” continues Silverblatt. “The record \$116 billion in buybacks also supports the stock and reduces the supply of shares in the open market, which if left unabated, will eventually impact the supply of open market shares, and therefore the share price itself.

Standard & Poor's released a detailed report on March 24, 2006 on the impact of buybacks and share count reductions. It has since posted updates on June 12th and August 24th. To access the information, please visit www.marketattributes.standardandpoors.com

S&P 500 SEPTEMBER 15, 2006 SHARE REBALANCING

	CHANGE BILLIONS	CHANGE IN REPRESENTATION	AGGREGATE SHARE CHANGE
Consumer Discretionary	-\$9,006	-0.24%	-0.88%
Consumer Staples	-\$8,719	-0.24%	-0.48%
Energy	-\$9,362	-0.34%	-0.63%
Financials	\$6,023	0.74%	-0.52%
Health Care	-\$21,560	-0.90%	-0.68%
Industrials	-\$5,627	0.07%	-0.65%
Information Technology	-\$11,297	-0.12%	-1.19%
Materials	-\$2,020	-0.08%	-0.73%
Telecommunication Services	-\$133	0.48%	0.05%
Utilities	\$1,505	0.88%	0.40%
S&P 500	-\$60,195	0.00%	-0.71%

S&P 500 QUARTER	OPERATING EARNINGS BILLIONS	AS REPORTED EARNINGS BILLIONS	DIVIDENDS BILLIONS	BUYBACKS BILLIONS
06/30/2006P	\$198.58	\$182.20	\$54.46	\$116.66
03/31/2006	\$186.85	\$177.30	\$53.25	\$100.18
12/31/2005	\$182.03	\$155.89	\$54.83	\$104.28
09/30/2005	\$169.92	\$156.84	\$48.99	\$81.47
06/30/2005	\$177.52	\$167.19	\$49.03	\$81.42
03/31/2005	\$164.97	\$154.43	\$48.99	\$82.05
12/31/2004	\$167.20	\$129.85	\$49.68	\$66.42
09/30/2004	\$157.47	\$132.28	\$45.54	\$45.68
06/30/2004	\$158.12	\$142.01	\$43.43	\$42.46
03/31/2004	\$147.42	\$141.01	\$42.36	\$42.92
12/31/2003	\$137.65	\$121.74	\$46.76	\$38.53
09/30/2003	\$133.22	\$116.12	\$39.96	\$34.13
06/30/2003	\$119.34	\$102.53	\$37.74	\$28.36
03/31/2003	\$115.16	\$109.99	\$36.19	\$30.03

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 \$1.26 trillion invested and \$4.45 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 7,500 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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