

**S&P 500 3<sup>rd</sup> Quarter Buybacks At \$110 billion**

*Wide Impact On EPS Expected To Continue*

**New York, November 27, 2006** – Standard & Poor's, the world's leading index provider, announced today that S&P 500 stock buyback activity continues to grow at a record pace, surging 35% from that of the third quarter of 2005 and 140% from that of the third quarter of 2004. In US dollar terms, stock buybacks in the S&P 500 were \$110 billion during the third quarter, slightly less than the record set during the second quarter at \$117 billion. It was the twelfth consecutive quarter of strong growth (+20%) in buybacks for the index. For the 12-month period, total buybacks are at a record \$431 billion.

“The 2-year old buyback bonanza continues, with the buildup of treasury shares adding to the corporate war chest for additional M&A activity,” says Howard Silverblatt, Senior Index Analyst at Standard & Poor's. “The unprecedented expenditure on buybacks and the resulting share count reduction has had a material impact on earnings-per-share for over 20% of the S&P 500 issues. S&P is concerned that investors may not fully appreciate the full impact that share count reduction has on EPS, especially considering the recent double-digit market gain for the S&P 500 since its August 11<sup>th</sup> low. Left unabated, continued share count reduction can impact the supply of open market shares, and therefore the share price itself.”

According to Standard & Poor's, buyback activity within the S&P 500 began to substantially pick up during the fourth quarter of 2004, and has continued to grow in both the size and number of participating companies. Over the past eight quarters, S&P 500 issues have spent over \$742 billion on buybacks with over half of the issues posting fewer shares now than they did two-years ago. “Buybacks and dividends have switched positions, with buybacks now the favored form of return of shareholder value over that of traditional dividend payments,” adds Silverblatt.

Standard & Poor's data shows that on a sector basis, Information Technology remains the constant, representing 25% of buybacks during the third quarter. Energy however continues to increase its aggregate buyback activity, and now accounts for 15% of overall buybacks, surpassing the declining Financial sector that represents 12% of the buybacks.

“For the remainder of the year and into 2007, Standard & Poor's expects the strong buyback activity within the S&P 500 to continue,” concludes Silverblatt. “The activity is fueled in part by the positive impact it is having on earnings-per-share, and the desire of S&P 500 companies to satisfy the demands of investors to utilize built-up cash reserves. Looking further into 2007, we believe many of these shares will find their way back into the public domain via increased M&A activity.”

<b>S&amp;P 500 QUARTER END</b>	<b>DIVIDENDS \$ BILLIONS</b>	<b>BUYBACKS \$ BILLIONS</b>	<b>12-MONTH DIVIDEND &amp; BUYBACKS \$ BILLIONS</b>	<b>12-MONTH DIVIDEND &amp; BUYBACKS YIELD</b>
09/30/2006 Preliminary	54.78	109.81	430.93	5.39%
06/30/2006	54.46	116.66	402.59	5.34%
03/31/2006	53.25	100.18	367.36	4.92%
12/31/2005	54.83	104.28	349.23	4.90%
09/30/2005	48.99	81.47	311.36	4.58%
06/30/2005	49.03	81.42	275.57	4.31%
03/31/2005	48.99	82.05	236.61	3.92%
12/31/2004	49.68	66.42	197.47	3.35%
09/30/2004	45.54	45.68	169.58	3.34%
06/30/2004	43.43	42.46	158.04	3.11%
03/31/2004	42.36	42.92	143.94	2.97%
12/31/2003	46.76	38.53	131.05	2.84%
09/30/2003	39.96	34.13	123.13	3.00%
06/30/2003	37.74	28.36	124.18	3.04%
03/31/2003	36.19	30.03	126.81	3.53%
12/31/2002	39.22	30.62	127.25	3.39%
09/30/2002	35.97	35.18	129.39	3.65%
06/30/2002	38.11	30.98	128.83	3.03%
03/31/2002	34.51	30.47	131.47	2.61%
12/31/2001	36.27	32.75	132.21	2.62%
09/30/2001	37.53	34.63	133.15	2.91%

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