

## Press Release

### **S&P 500 3<sup>rd</sup> Quarter Buybacks Reach Record \$172 Billion**

*Strong Buyback Activity Expected to Continue Into Q4, Through 2008*

**New York, December 13, 2007** – According to a report issued today by Standard & Poor's Index Services, third quarter buyback activity for the S&P 500 reached a record \$172 billion despite higher volatility, reduced liquidity and uncertainty in the markets. The \$172 billion in third quarter stock buybacks represents a 56.6% year-over-year increase and easily surpasses the previous record of \$158 billion set during the second quarter of this year.

“Given the current appetite for buybacks, the immediate gratification via EPS reporting, requirements for current option exercising, and resources of the non-financial companies, buybacks are expected to continue at a strong pace into the fourth quarter and throughout 2008,” says Howard Silverblatt, Senior Index Analyst at Standard & Poor's and author of the report, “*S&P 500 Buybacks: Three Years and \$1.3 Trillion Later.*”

#### **Three Years and \$1.3 Trillion Later**

According to the report, over the past three-years, the total amount of stock buybacks by S&P 500 companies (\$1,318 billion) has eclipsed Capital Expenditures (\$1,276 billion), Research & Development (\$376 billion) and common stock dividends (\$605 billion). The report also mentions that the total shares repurchased during this period amounted to 38 billion shares, which equates to 12.5% of the current outstanding shares.

On a sector basis, Information Technology has led the buyback bonanza since 2004 with 21.65% of the aggregate buying, reducing its share count by 3.95%. Conversely, the Financials sector has accounted for 20.93% of the buying, increasing its share count by 7.49%.

The report also shows that over the past three years:

- 279 issues spent more on buybacks than Capital Expenditures
- Buybacks represented 2.41% of exchange-listed trades
- Total share repurchased amounted to 38 billion shares, which equates to 12.5% of the current outstanding shares
- Long term debt for the S&P 500 companies increased 76.1%. Excluding Financials, the increase would only be 6.0%
- Financials pulled back on buybacks over the past six months
- Direct correlations between total return and buybacks were not established, partially due to the alternative use of shares
- 65.1% of the issues reduced their shares, but overall share reduction was limited to 1.44%, with diluted shares used for EPS calculations declining 0.89%

To access the report “*S&P 500 Buybacks: Three Years and \$1.3 Trillion Later*” please visit: [www.marketattributes.standardandpoors.com](http://www.marketattributes.standardandpoors.com).

**STANDARD & POOR'S INDEX SERVICES  
S&P 500 HISTORICAL MEMBERSHIP**

<b>QUARTER END</b>	<b>MARKET VALUE BILLIONS</b>	<b>AS REPORTED EARNINGS BILLIONS</b>	<b>DIVIDENDS BILLIONS</b>	<b>BUYBACKS BILLIONS</b>	<b>DIVIDEND &amp; BUYBACK YIELD</b>
09/30/2007	13,469.72	\$133.84	\$60.84	\$171.95	5.89%
06/30/2007	13,349.73	\$194.29	\$59.44	\$157.76	5.43%
03/31/2007	12,706.32	\$190.75	\$58.32	\$117.70	5.34%
12/31/2006	12,728.86	\$181.65	\$61.76	\$105.18	5.15%
09/30/2006	12,019.85	\$193.19	\$54.78	\$109.81	5.39%
06/30/2006	11,496.84	\$182.02	\$54.46	\$116.66	5.34%
03/31/2006	11,659.69	\$177.30	\$53.25	\$100.18	4.92%
12/31/2005	11,254.54	\$155.89	\$54.83	\$104.28	4.90%
09/30/2005	11,082.59	\$160.72	\$48.99	\$81.47	4.58%
06/30/2005	10,890.01	\$167.19	\$49.03	\$81.42	4.31%
03/31/2005	10,819.81	\$154.43	\$48.99	\$82.05	3.92%
12/31/2004	11,288.60	\$129.85	\$49.68	\$66.42	3.35%
09/30/2004	10,397.80	\$132.28	\$45.54	\$45.68	3.34%
06/30/2004	10,623.42	\$142.01	\$43.43	\$42.46	3.11%
03/31/2004	10,461.32	\$141.01	\$42.36	\$42.92	2.97%
12/31/2003	10,285.83	\$121.74	\$46.76	\$38.53	2.84%

**STANDARD & POOR'S INDEX SERVICES  
TOP 10 BUYBACK EXPENDITURES: Q4 2004 - Q3 2007, MILLIONS**

<b>THREE-YEAR EXPENDITURE</b>	<b>COMPANY</b>
\$76,208	Exxon Mobil Corp
\$57,414	Microsoft Corp
\$34,250	International Business Machines Corp
\$29,410	Procter & Gamble Co
\$26,203	Cisco Systems, Inc
\$25,325	Bank of America Corp
\$24,774	General Electric Co
\$22,180	Hewlett-Packard Co
\$21,734	Goldman Sachs Group Inc
\$21,515	Time Warner Inc

**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](http://www.standardandpoors.com/indices).

**About Standard & Poor's**

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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

Howard Silverblatt  
Senior Index Analyst  
Standard & Poor's  
212 438 3916