



Press Release

S&P 500 Q1 Earnings Down 25.9%; Financials Again Posts Negative Earnings

Non-Financial Issues Up 8.8%

New York, May 16, 2008 – According to preliminary figures released today by Standard & Poor's Index Services, first quarter 2008 operating earnings for the S&P 500 declined 25.9% over the first quarter of 2007, marking the third consecutive quarter the index has reported declining earnings - an event not seen since the fourth quarter of 2001.

With 95% of the data in, first quarter operating earnings for the S&P 500 are preliminarily set at \$16.59 per share, compared to \$22.39 for the first-quarter of 2007. For the third consecutive quarter, S&P 500 As Reported earnings also posted a decline, falling 27.1% to \$15.56 per share from the \$21.33 per share posted in Q1 2007.

“The shift in earnings continues, with Energy contributing 23.2% of S&P 500 operating earnings during the first quarter, up from 13.6% a year ago,” says Howard Silverblatt, Senior Index Analyst at Standard & Poor's. “Conversely, Financials have now become a negative contributor after accounting for 29.7% of operating earnings this time last year.”

In terms of aggregate dollars, operating earnings for the first quarter were set at \$144.4 billion (versus \$200.2 billion for Q1 2007) and As Reported earnings were set at \$135.4 billion (versus \$190.7 billion in Q1 2007).

Standard & Poor's also notes that, when excluding the 92 Financial issues that make up 16.7% of the S&P 500, the remaining issues show an 8.8% weighted gain. Similar results were seen during the fourth quarter of 2007 when the index recorded a 30.8% decline; however, when excluding Financials, the index showed a weighted earnings gain of 12.2%.

“While the negative news surrounding Financials received all of the headlines during the first quarter, 53% of the non-Financial issues within the S&P 500 recorded double-digit earnings gains. Those same issues have posted an average price gain of 11.8% since the end of the first quarter,” notes Silverblatt.

According to Silverblatt, the second quarter 2007 marked the highest level of index earnings in the index's history which sets the stage for an extremely difficult comparison for the upcoming quarter.

For more information, please visit www.marketattributes.standardandpoors.com.

S&P 500

QUARTER	OPERATING Y-OVER-Y		AS REPORTED Y-OVER-Y	
	EARNINGS PER SHARE	CHANGE	EARNINGS PER SHARE	CHANGE
03/31/2008 (95%)	\$16.59	-25.90%	\$15.56	-27.05%
12/31/2007	\$15.22	-30.79%	\$7.82	-61.36%
09/30/2007	\$20.87	-9.38%	\$15.15	-29.44%
06/30/2007	\$24.06	9.61%	\$21.88	8.81%
03/31/2007	\$22.39	7.90%	\$21.33	8.33%
12/31/2006	\$21.99	8.92%	\$20.24	16.99%
09/30/2006	\$23.03	22.24%	\$21.47	23.46%
06/30/2006	\$21.95	13.03%	\$20.11	9.95%
03/31/2006	\$20.75	15.28%	\$19.69	16.17%
12/31/2005	\$20.19	12.48%	\$17.30	24.10%
09/30/2005	\$18.84	11.61%	\$17.39	22.64%
06/30/2005	\$19.42	14.37%	\$18.29	19.93%
03/31/2005	\$18.00	13.42%	\$16.95	11.66%

S&P 500 OPERATING EARNINGS CONTRIBUTION

	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Consumer Discretionary	7.30%	11.10%	6.16%	7.95%	7.25%
Consumer Staples	12.23%	13.61%	9.93%	8.19%	7.64%
Energy	23.15%	25.97%	16.17%	16.36%	13.64%
Financials	-3.26%	-17.58%	18.49%	28.41%	29.65%
Health Care	16.08%	15.45%	12.45%	10.28%	11.66%
Industrials	14.68%	18.18%	12.19%	10.68%	10.19%
Information Technology	15.92%	20.82%	12.47%	9.31%	10.62%
Materials	5.10%	4.08%	3.53%	3.54%	3.51%
Telecommunication Services	4.03%	4.59%	3.38%	2.74%	2.58%
Utilities	4.77%	3.79%	5.24%	2.55%	3.25%
S&P 500	100.00%	100.00%	100.00%	100.00%	100.00%
S&P 500 Qtly EPS Change	-25.89%	-30.79%	-9.37%	9.59%	7.91%
Ex/Financials	8.77%	12.23%	-0.06%	8.02%	6.72%

S&P 500 OPERATING EARNINGS CHANGES

	Q1 2008 OVER Q1 2007	Q4 2007 OVER Q4 2006	Q3 2007 OVER Q3 2006	Q2 2007 OVER Q2 2006	Q1 2007 OVER Q1 2006
S&P 500	-25.89%	-30.77%	-9.37%	9.59%	7.91%
Consumer Discretionary	-21.13%	-10.74%	-39.85%	-1.77%	-6.77%
Consumer Staples	17.76%	12.73%	13.04%	7.92%	6.02%
Energy	23.83%	25.50%	-9.02%	8.70%	1.70%
Financials	-107.87%	-142.74%	-37.46%	12.99%	10.86%
Health Care	2.68%	14.53%	14.59%	21.69%	13.25%
Industrials	7.18%	11.78%	12.19%	9.28%	14.34%
Information Technology	11.73%	27.02%	13.98%	5.16%	10.75%
Materials	6.46%	-12.31%	5.69%	8.85%	16.74%
Telecommunication Services	17.39%	8.81%	4.09%	2.93%	-1.13%
Utilities	14.92%	-0.87%	3.40%	-2.01%	3.66%

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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