



Press Release

S&P 500 Quarterly Stock Buybacks Back to \$100 Billion Level; Q2 2011 Buybacks Up 21.6% from Q1 2011

Share Count Remains Flat As Few Companies Reduce Outstanding Shares

New York, September 20, 2011 – S&P Indices announced today that preliminary results show that S&P 500 stock buybacks increased 21.6% to \$109.2 billion during the second quarter of 2011, up from the \$89.8 billion registered during the first quarter of 2011 and up 40.7% from the \$77.6 billion posted in the second quarter of 2010. The 2nd quarter represents the eighth consecutive quarterly increase for stock buybacks.

“Companies returned to the \$100 billion quarterly buyback level in the second quarter as they continued to match and control employee options, thereby protecting their earnings per share,” says Howard Silverblatt, Senior Index Analyst at S&P Indices. “At this point, companies are continuing to use buybacks to prevent earnings dilution from employee options, as well as shares used for dividend reinvestment programs. Few companies are venturing outside of the box to purchase additional shares, as was the common practice from late 2005 through mid-2007.”

On a sector basis, Silverblatt notes that the Information Technology sector continues to dominate the buyback market. For the second quarter of 2011, Information Technology issues accounted for 22.2% of all buybacks, down slightly from the 23.4% registered during the first quarter of 2011. Financials posted the largest increase, spending \$14.4 billion for the quarter - a 95.7% increase over the \$7.3 billion expenditure in the first quarter.

Exxon Mobil continues to be the poster child for share repurchases, spending \$5.5 billion on buybacks during the second quarter, compared to \$5.7 billion during the first quarter of 2011. Ironically, it is this buyback program, which reduced Exxon’s share count by 18.5% over the past five-years (\$129 billion), which may cost it its position as the largest company in the world. Trailing behind Exxon is Hewlett-Packard Company with \$4.6 billion in share repurchases, International Business Machines with \$4.0 billion, JP Morgan Chase & Company with \$3.5 billion, and ConocoPhillips at \$3.1 billion.

For the third quarter of 2011, Silverblatt expects companies to maintain the \$110 billion buyback level, protecting their earnings and adding a slight tailwind for the third quarter as they reduce share count. Silverblatt adds: “The fourth quarter will depend, as so many things will, on the economy.”

Historical S&P 500 buyback data can be found at: www.marketattributes.standardandpoors.com.

S&P Indices
S&P 500, \$ U.S.
BILLIONS

PERIOD	MARKET VALUE \$ BILLIONS	OPERATING EARNINGS \$ BILLIONS	AS REPORTED EARNINGS \$ BILLIONS	DIVIDENDS \$ BILLIONS	BUYBACKS \$ BILLIONS	DIVIDEND YIELD	BUYBACK YIELD	DIVIDEND & BUYBACK YIELD
06/30/2011Prelim	\$12,021	\$226.20	\$202.44	\$59.03	\$109.24	1.84%	3.04%	4.88%
3/31/2011	\$12,068	\$205.71	\$195.33	\$56.08	\$89.84	1.76%	2.76%	4.52%
12/31/2010	\$11,430	\$199.40	\$187.67	\$54.85	\$86.36	1.80%	2.61%	4.42%
09/30/2010	\$10,336	\$195.28	\$176.80	\$51.26	\$79.56	1.94%	2.52%	4.45%
06/30/2010	\$9,323	\$189.04	\$178.00	\$50.44	\$77.64	2.10%	2.31%	4.41%
03/31/2010	\$10,560	\$175.00	\$157.85	\$49.28	\$55.26	1.83%	1.54%	3.36%
12/31/2009	\$9,928	\$152.77	\$135.14	\$49.04	\$47.82	1.97%	1.39%	3.36%
09/30/2009	\$9,337	\$139.37	\$130.37	\$47.21	\$34.85	2.24%	1.48%	3.71%
06/30/2009	\$8,045	\$120.85	\$118.22	\$47.63	\$24.20	2.77%	2.40%	5.17%
03/31/2009	\$6,928	\$87.78	\$65.29	\$51.73	\$30.78	3.43%	3.70%	7.13%
12/31/2008	\$7,852	-\$0.78	-\$202.11	\$62.19	\$48.12	3.15%	4.33%	7.48%
09/30/2008	\$10,181	\$142.90	\$86.16	\$61.44	\$89.71	2.48%	4.26%	6.73%
06/30/2008	\$11,163	\$148.43	\$112.15	\$61.94	\$87.91	2.26%	4.62%	6.88%
03/30/2008	\$11,511	\$144.63	\$135.24	\$61.72	\$113.90	2.17%	5.08%	7.25%
12/31/2007	\$12,868	\$133.38	\$68.53	\$67.09	\$141.71	1.92%	4.58%	6.49%
09/30/2007	\$13,470	\$184.13	\$133.66	\$61.21	\$171.95	1.79%	4.10%	5.89%
06/30/2007	\$13,350	\$213.65	\$194.30	\$59.76	\$157.76	1.76%	3.67%	5.44%
03/31/2007	\$12,706	\$200.23	\$190.75	\$58.53	\$117.70	1.81%	3.54%	5.35%
12/31/2006	\$12,729	\$197.35	\$181.65	\$61.79	\$105.18	1.77%	3.39%	5.16%

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S&P 500 20 LARGEST Q2 2011 BUYBACKS, \$ MILLIONS

Company	SECTOR	Q2 2011	BUYBACKS Q4,'04-Q2,'11
Exxon Mobil Corp	Energy	\$5,512	\$163,012
Hewlett-Packard Co	Information Technology	\$4,641	\$57,599
International Business Machines	Information Technology	\$3,976	\$77,005
JPMorgan Chase & Co	Financials	\$3,480	\$21,352
ConocoPhillips	Energy	\$3,149	\$26,753
BlackRock, Inc	Financials	\$2,548	\$3,511
Express Scripts	Healthcare	\$2,516	\$6,730
Procter & Gamble Co	Consumer Staples	\$2,503	\$56,272
Pfizer Inc	Healthcare	\$2,249	\$25,354
Intel Corp	Information Technology	\$2,174	\$36,891
Philip Morris International	Consumer Staples	\$1,614	\$18,833
DIRECTV	Consumer Discretionary	\$1,508	\$15,916
The Goldman Sachs Group	Financials	\$1,499	\$33,620
Walt Disney Co	Consumer Discretionary	\$1,427	\$23,654
Wal-Mart Stores Inc	Consumer Staples	\$1,411	\$34,743
Lowe's Companies Inc	Consumer Discretionary	\$1,402	\$10,349
Cisco Systems, Inc	Information Technology	\$1,332	\$52,022
Microsoft Corp	Information Technology	\$1,256	\$99,194
Dell Inc	Information Technology	\$1,130	\$20,396
Visa, Inc	Information Technology	\$1,064	\$18,692
Top 20		\$46,391	\$801,897
S&P 500		\$109,244	\$2,302,533
Top 20 % of S&P 500		42.47%	34.83%

About S&P Indices

S&P Indices, a leading brand of the McGraw-Hill Companies (NYSE:MHP), maintains a wide variety of investable and benchmark indices to meet an array of investor needs. Over \$1.25 trillion is directly indexed to Standard & Poor's family of indices, which includes the S&P 500, the world's most followed stock market index, the S&P/Case-Shiller Home Price Indices, the leading measure of U.S. home prices, the S&P Global BMI, an index with approximately 11,000 constituents, the S&P GSCI, the industry's most closely watched commodities index, and the S&P National AMT-Free Municipal Bond Index, the premier investable index for U.S. municipal bonds. For more information, please visit: www.standardandpoors.com/indices.

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