S&P Indices: S&P 500 Stock Buybacks Decrease for First Time Since Q2 2009

Third Quarter Success May Have Led to Fourth Quarter Pull Back

NEW YORK, March 28, 2012 /PRNewswire/ -- S&P Indices announced today that preliminary results show that S&P 500 stock buybacks decreased 22.8% to $91.5 billion during the fourth quarter of 2011, the first quarterly decline since the second quarter of 2009. For calendar year 2011, S&P 500 issues increased their buyback expenditures by 36.9% to $409.0 billion from the $298.8 billion posted in 2010.

"Companies appear to have finally gotten it right," says Howard Silverblatt, Senior Index Analyst at S&P Indices. "With average share prices declining 14.3% during the third quarter of 2011, companies poured $118 billion into stock buybacks (the most since the heydays of 2007), buying back shares at reduced prices. With depressed prices, companies were able to scoop up additional shares, which reduced the number needed for year-end employee options. In the fourth quarter, with share prices increasing an average of 11.2%, they pulled back."

On a sector basis, Silverblatt notes that Health Care and Energy were the lone sectors to increase their buyback activity during the fourth quarter, with a 7.5% and 2.9% respective increase. "At this point I would not read a pullback into the quarter; however, corporate willingness to live off their prior quarter's gains is not a strong vote of confidence."

Exxon Mobil continues to be the poster child for share repurchases spending $5.4 billion on buybacks during the fourth quarter, slightly down from its $5.5 billion share repurchase level for the third quarter. Trailing Exxon during the fourth quarter was Amgen with $5.3 billion in buybacks, Intel with $4.2 billion, International Business Machines with $3.6 billion, and Pfizer with $3.2 billion.

For the first quarter of 2012, Silverblatt expects companies to retake the $100 billion level; however, as share prices have increased, the net result should be flat to fewer shares repurchased. "The current bull market run has increased prices 25% over the last two quarters. As a result, more options are now in the money, costing companies more to protect their earnings-per-share."

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

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S&P 500, $ U.S. BILLIONS

PERIOD	MARKET VALUE $ BILLIONS	AS REPORTED EARNINGS $ BILLIONS	DIVIDENDS $ BILLIONS	BUYBACKS $ BILLIONS	DIVIDEND & BUYBACK YIELD
12/31/2011 Prelim.	$11,385	$186.76	$65.89	$91.46	5.70%
09/30/2011	$10,303	$206.08	$59.20	$118.41	6.14%
6/30/2011	$12,021	$202.44	$59.03	$109.24	4.88%
3/31/2011	$12,068	$195.15	$56.08	$89.84	4.52%
12/31/2010	$11,430	$187.67	$54.85	$86.36	4.42%
09/30/2010	$10,336	$176.80	$51.26	$79.56	4.45%
06/30/2010	$9,323	$178.00	$50.44	$77.64	4.41%
03/31/2010	$10,560	$157.85	$49.28	$55.26	3.36%
12/31/2009	$9,928	$135.14	$49.04	$47.82	3.36%
09/30/2009	$9,337	$130.37	$47.21	$34.85	3.71%
06/30/2009	$8,045	$118.22	$47.63	$24.20	5.17%
03/31/2009	$6,928	$65.29	$51.73	$30.78	7.13%
12/31/2008	$7,852	-$202.11	$62.19	$48.12	7.48%
09/30/2008	$10,181	$86.16	$61.44	$89.71	6.73%
06/30/2008	$11,163	$112.15	$61.94	$87.91	6.88%
03/30/2008	$11,511	$135.24	$61.72	$113.90	7.25%
12/31/2007	$12,868	$68.53	$67.09	$141.71	6.49%
09/30/2007	$13,470	$133.66	$61.21	$171.95	5.89%

06/30/2007	$13,350	$194.30	$59.76	$157.76	5.44%
03/31/2007	$12,706	$190.75	$58.53	$117.70	5.35%
12/31/2006	$12,729	$181.65	$61.79	$105.18	5.16%

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S&P 500 20 LARGEST Q4 2011 BUYBACKS, $ MILLIONS

Company	**SECTOR**	**Q4 2011**	**BUYBACKS**
			Q4,'04-Q4,'11
Exxon Mobil	Energy	$5,422	$170,186
Amgen	Healthcare	$5,298	$29,149
Intel Corporation	Information Technology	$4,153	$43,051
Intl Bus. Machines	Information Technology	$3,581	$81,846
Pfizer	Healthcare	$3,211	$26,193
ConocoPhillips	Energy	$3,152	$33,104
Time Warner	Consumer Discretionary	$1,528	$29,042
Wal-Mart Stores	Consumer Staples	$1,341	$37,350
News Corp	Consumer Discretionary	$1,205	$6,418
The Travelers Companies	Financials	$1,164	$17,599
The Mosaic Co	Materials	$1,163	$1,163
Chevron Corporation	Energy	$1,147	$24,042
DIRECTV	Consumer Discretionary	$1,130	$18,499
Microsoft Corp	Information Technology	$1,042	$101,201
Philip Morris Int;	Consumer Staples	$1,005	$21,283
Oracle Corporation	Information Technology	$998	$16,197
The Goldman Sachs Group	Financials	$908	$36,148
The Coca-Cola Co	Consumer Staples	$905	$16,380
Unitedhealth Group	Healthcare	$900	$21,497
The McGraw-Hill Companies	Consumer Discretionary	$864	$6,270
Top 20		**$40,117**	**$736,618**
S&P 500		**$91,461**	**$2,617,665**
Top 20 % of S&P 500		**43.86%**	**28.14%**

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 $1.45 trillion is directly indexed to our 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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