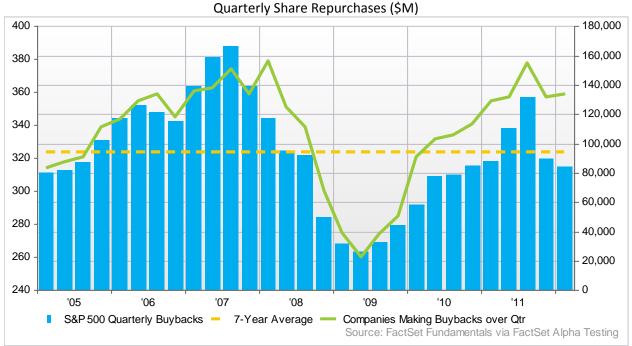


Media Questions/Requests media_request@factset.com

S&P 500 June 28, 2012

Key Metrics:

- + Aggregate Buybacks: Dollar-value share repurchases amounted to \$84.1 billion over the fourth quarter and \$407.8 billion over the trailing twelve months. On a quarterly basis, this represents a sequential decline of 6.2% and year-over-year decline of 4.0%. The Q1 2012 quarter was also the first quarter with consecutive sequential declines since Q3 2009.
- + Sector Trends: Of the sectors that spent more than \$3 billion on share repurchases, the Health Care and Consumer Staples sectors had the highest year-over year growth in quarterly dollar-value buybacks (31.0% and 10.2%). Meanwhile, the Consumer Discretionary sector spent the most on quarterly repurchases in Q1 2012. Prior to this quarter, the Information Technology sector led all sectors since Q1 2009 (twelve quarters).
- + Buyback Conviction: The most active sector in regards to buybacks relative to free cash flow continued to be the Energy sector. Its trailing twelve month buybacks amount to more than 12.0 times free cash flow, which is more than ten times the seven-year median ratio for the sector.
- + Historical, Forward Performance: For companies making share repurchases over the trailing twelve months (TTM), the relative size of TTM repurchases was not a factor that significantly predicted share performance. Since 2005, companies in the first quintile by TTM dollar-value share repurchases relative to the company's market value ("buyback yield") have had a market-cap-weighted, cumulative return of -14.7%.



"Buyback Quarterly" is one part of three reports ("<u>Dividend Quarterly"</u> and "<u>Cash & Investments Quarterly"</u>) analyzing cash and discretionary spending within the S&P 500. The other reports can be found at www.factset.com/insider/product_insight or within the FactSet Market News application of your FactSet workstation. All data published in this report is available on FactSet. Please contact media_request@factset.com of 1-877-FACTSET for more information.



Buybacks Decline for Second Consecutive Quarter

Dollar-value share repurchases declined sequentially (-6.2%) for the second consecutive quarter in Q1 2012. This also represented a year-over-year decline of 4.0%. The last time that quarterly buybacks had consecutive, sequential declines was Q2 2009, and the last time they had a year-over-year decline was Q4 2009. The quarterly sum of \$84.1 billion was also the lowest since Q3 2010 (\$79.0 billion).

Despite the decline in buybacks, the number of diluted shares outstanding in the S&P 500 was only slightly above the level recorded in Q3 2011 (the recent peak in share repurchase activity). The total of 303.3 billion shares for Q1 2012 was up just 0.7% relative to Q3 2011, and up just 0.3% year-over-year. In addition, the number of companies making share repurchases ticked upward slightly in Q1 2012 to 359 (+2), which slightly reversed the decline in Q4 2011 (-11). Due to the decline in quarterly buybacks and the slight uptick in the number of companies making buybacks, the average dollars spent on quarterly repurchases fell to \$234.2 million, which was the lowest since Q2 2010 (when buybacks were still in a trough from the recession). The average buyback dollars per company figure for Q1 2012 is also 14.4% below the seven-year average.

Consumer Discretionary, Telecom Services, Health Care, and Consumer Staples Trending Upwards

In Q1 2012, the Consumer Discretionary surpassed the Information Technology sector as the sector with the highest dollar amount spent on buybacks in a quarter. This marked the first time in twelve quarters (since Q1 2009) that the Information Technology sector didn't lead the index in this metric. Growth of 5.3% in quarterly buybacks in the Consumer Discretionary sector coupled with consecutive declines (-11.9% in Q4 2011 and -36.4% in Q1 2012) in quarterly buybacks in the Information Technology sector helped cause the change in sector leadership. Within the Consumer Discretionary sector, Amazon.com Inc., News Corp CI A, and Lowe's Cos. increased quarterly buyback activity by the highest dollar amounts (\$961.3 million, \$817.0 million, and \$765.5 million) year-over-year. Due to growth in buyback activity for companies in the Consumer Discretionary sector since the recession, the dollar-value of buybacks in Q1 2012 was 34.3% above the seven-year average for the sector, which was the second highest percentage difference in the index.

The sector with the highest percentage difference between dollars spent on buybacks in Q1 2012 and its trailing seven-year average was the Telecommunication Services sector (45.4%). This growth in buybacks was solely due to AT&T Inc. The \$2,066 million spent on share repurchases by AT&T was especially significant when considering that the company had not previously made substantial share repurchases since 2008. In addition, all companies in the sector had combined for less than \$1 billion in quarterly repurchases in each of fourteen consecutive quarters and had spent an average of just \$197 million on quarterly share repurchases over that period.

The Health Care sector had the largest year-over-year growth at 31.0% even though its quarterly dollar-value buybacks declined sequentially (-20.1%). Still, the sector's Q1 2012 buybacks were 15.7% above the seven-year average, which reflected the sector's continued transition from dividends to share repurchases (additional detail regarding this trend can be found in the Q4 2011 "Dividend Quarterly" report). The Consumer Staples sector recorded the next highest year-over-year growth (10.2%) and its Q1 2012 buybacks were also well above the seven-year average (+23.0%). As a result of this increased activity, the sector spent the most dollars on buybacks on a per-company basis (\$298.9) in Q1 2012. Procter & Gamble Co. led all companies within this sector with \$2,256 million in share repurchases, representing \$1,252 million more than its total for Q1 2011.

Information Technology, Industrials, and Financials Trending Down

Three sectors that witnessed declines in buyback activity in Q1 2012 were the Information Technology, Industrials, and Financials sectors. All three sectors had consecutive quarters of year-over-year declines, and reduced activity in these sectors resulted in their Q1 2012 buybacks being well below their seven-year averages. The amount spent in Q1 2012 in the Financials, Industrials, and Information Technology



sectors amounted to 48.6%, 60.2%, and 67.6% of each sector's seven-year average. In the Financials sector, the total dollar-value for repurchases for the past two quarters (\$14.6 billion for Q1 2012 and Q4 2011) were less than 40% of the total for the prior two quarters (\$37.5 billion for Q2 and Q3 of 2011). Within these three sectors, Intel Corp., Goldman Sachs Group Inc. and United Technologies Corp. led all companies in year-over-year declines in quarterly buybacks (-\$2,500 million, -\$1,116 million, and -\$750 million, respectively).

Overall Trend of Increased Parity

Overall, these sector trends contributed to an increase in parity for buyback activity amongst the S&P 500 sectors. The standard deviation in the relative weight of buyback dollars amongst the sectors is at a two-year low. However, based on companies' shares available for repurchase, this trend may be unlikely to continue in the future. Deviation of buyback dollars available for repurchase is at a fourteen-quarter high. In terms of dollars available for repurchase, the Information Technology sector remained the largest sector. But the Consumer Discretionary sector is gaining, as the sector grew its total by 26.4% year-over-year (compared to just 6.8% for the Information Technology sector).

Energy Shows Conviction Despite Depressed Free Cash Flow

Of the seven major buyback sectors, the Energy sector actually showed the least variation in activity from its recent historical standards. Its 2.7% year-over-year growth and -10.7% sequential growth in quarterly buybacks were the smallest and third smallest absolute growth rates, respectively, in the S&P 500. However, the ratio of trailing twelve month (TTM) buybacks to adjusted free cash flow (operating cash flow minus fixed capital expenditures and dividends), was unusually large in this sector. The ratio of 12.0 was multiples higher than most other sectors (most were under 2). However, this large ratio was due to small TTM free cash flow (at \$3.8 billion, it's the smallest positive free cash flow figure in the index by a wide margin) in the denominator, which was largely the result of recently large capital expenditures in the sector (the Q1 2012 and Q4 2011 "Cash & Investments Quarterly" examine this trend in more detail).

Companies Repurchasing Shares at a Relative Discount (Price and P/E)

In attempting to discover companies that have made prudent share repurchases, this report has examined companies' average price paid for repurchases over the trailing twelve months and compared it to the company's 52-week average price. Using this metric, Ecolab Inc. and Eastman Chemical Co. led the index in the period ending Q1 2012 by repurchasing shares at 59.5% and 69.3% of their 52-week average price. However, this examination is based on short-term prices and does not consider company value. Therefore, an examination of the average price-to-earnings ratio (P/E) of the company using the Q1 2012 average price paid for share repurchases and the TTM earnings per share was included. This "buyback P/E" was then compared to each company's seven-year median price to earnings ratio (on a monthly frequency). Using this examination, Calgene Corp. and Symantic Corp. repurchased their shares at some of the lowest valuations relative to their historical, median valuation (31.0% and 35.7%, respectively).

Back Test Results on "Buyback Yield" and P/E

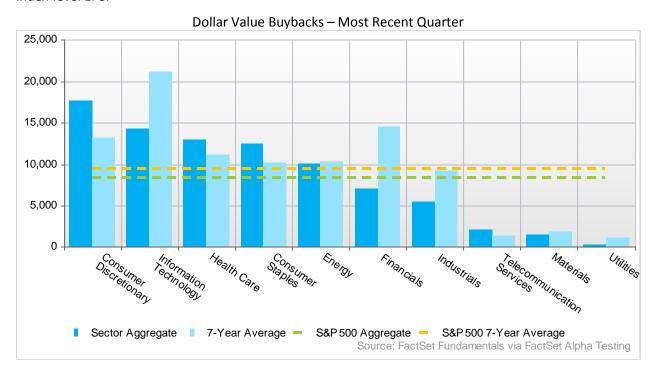
For companies making share repurchases over the trailing twelve months (TTM), the relative size of TTM repurchases has not been a factor that significantly predicted share performance. Since 2005, companies in the first quintile by TTM dollar-value share repurchases relative to the company's market value (referred to here as "buyback yield") have had a market-cap-weighted, cumulative return of -14.7%. On an equal-weighted basis, the average monthly returns are more impressive at 0.49% versus 0.29% for the S&P 500 Total Return index, but these returns were not statistically significant. Even when modifying the back test to include a company's trailing price to earnings ratio as an equal-weighted factor with "buyback yield" (with lower P/E ratios ranking better), market-cap-weighted, cumulative returns for the top quintile were below returns of groups with lower buybacks as a percentage of market cap (especially the second and third quintiles).



Dollar-Value Buybacks: Quarterly

All aforementioned and forthcoming values are in millions, unless otherwise designated. Quarterly data is organized by adjusted calendar quarters. Adjusted calendar quarters are mapped in three month denominations with 1C capturing quarters ending in February, March, and April.

Company-level EPS figures using prior quarter's shares are calculated using the current quarter's net income and dividing that by the corresponding quarter-end diluted shares outstanding. S&P aggregate earnings per share (EPS) figures utilize float shares in their calculation (as of the last trading day for Q4 2011 and as of three months ago for "EPS using last quarter's shares"). Due to the aggregation methodology of the index, an aggregate decrease in share count may not correspond to an increase in index-level EPS.



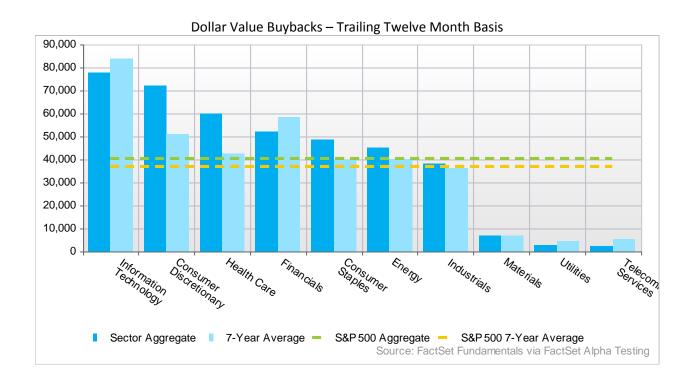
Top 10 Companies by Dollar-Value Buybacks – Most Recent Quarter

Company	Sector	Quarter's Buybacks (\$M)	% Change in Shares (Qtr)	EPS	EPS using Prev Qtr's Shares
Exxon Mobil Corp.	Energy	\$5,704	-3.3%	\$2.00	\$1.94
IBM Corp.	Information Technology	\$3,003	-3.3%	\$2.61	\$2.53
Procter & Gamble Co.	Consumer Staples	\$2,256	-0.4%	\$0.82	\$0.82
AT&T Inc.	Telecom Services	\$2,066	-0.2%	\$0.60	\$0.60
ConocoPhillips	Energy	\$1,900	-6.8%	\$2.27	\$2.12
Lowe's Cos.	Consumer Discretionary	\$1,788	-5.1%	\$0.43	\$0.41
Pfizer Inc.	Health Care	\$1,734	-3.5%	\$0.24	\$0.23
Oracle Corp.	Information Technology	\$1,659	-0.8%	\$0.49	\$0.49
Wal-Mart Stores Inc.	Consumer Staples	\$1,589	-1.4%	\$1.09	\$1.08
Philip Morris International Inc.	Consumer Staples	\$1,551	-2.4%	\$1.25	\$1.22
S&P 500	_	\$83,729	0.4%	\$23.11	\$23.17



Dollar-Value Buybacks: Trailing Twelve Months

Company-level EPS figures using prior year's shares are calculated using the trailing twelve month's net income and dividing that by the corresponding quarter-end diluted shares outstanding. S&P aggregate earnings per share (EPS) figures utilize float shares in their calculation (as of the last trading day for TTM and as of twelve months ago for "EPS using last year's shares"). Due to the aggregation methodology of the index, an aggregate decrease in share count may not correspond to an increase in index-level EPS.



Top 10 Companies by Dollar-Value Buybacks – Trailing Twelve Months

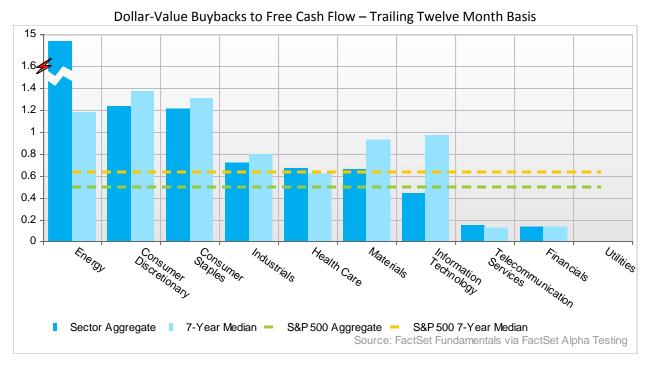
Company	Sector	TTM Buybacks (\$M)	% Change in Shares (TTM)	EPS* (TTM)	EPS Using Last Yr's Shares
Exxon Mobil Corp.	Energy	\$22,106	-5.1%	\$8.23	\$8.09
IBM Corp.	Information Technology	\$14,017	-4.8%	\$13.32	\$13.26
Intel Corp.	Information Technology	\$11,634	-6.2%	\$2.34	\$2.35
ConocoPhillips	Energy	\$11,398	-12.8%	\$9.03	\$8.51
Amgen Inc.	Health Care	\$9,736	-16.3%	\$4.25	\$4.01
Pfizer Inc.	Health Care	\$9,321	-5.2%	\$1.23	\$1.21
JPMorgan Chase & Co.	Financials	\$8,866	-4.2%	\$4.47	\$4.38
Bank of America Corp.	Financials	\$7,768	6.4%	-\$0.12	-\$0.13
Procter & Gamble Co.	Consumer Staples	\$6,808	-1.8%	\$3.52	\$3.45
Hewlett-Packard Co.	Information Technology	\$6,270	-7.0%	\$2.58	\$2.46
S&P 500	-	\$406,840	-1.6%	\$88.61	\$89.27

^{*}Unofficial/derived earnings per share calculations were substituted for companies when the artificial EPS using last year's share counts produced inconsistent results with official EPS figures.

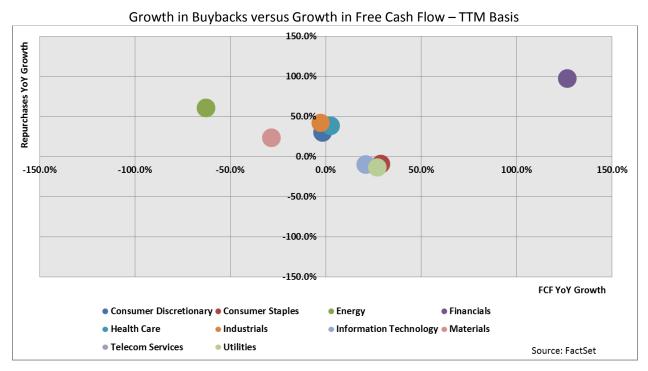


Buybacks to Adj'd Free Cash Flow: Trailing Twelve Months

Adjusted free cash flow is defined as cash from operating activities minus capital expenditures from fixed assets and cash dividends paid. Periods where aggregate free cash flow is negative have been removed from the charts below.



The following chart shows sector-level year-over-year growth in trailing twelve months of adjusted free cash flow (x-axis) and dollar-value buybacks (y-axis).



^{*}Note that the Telecommunications sector is not shown because it's Q1 2011 TTM buybacks were extremely low, resulting in an outlier for the growth rate (1,819.6%)



Share Repurchase Discounts: Company-Level

The following list examines a company's average repurchase price over 52-weeks and compares that to the company's average share price over the same period. Companies with small repurchase programs (under \$50 million over the period), are excluded from this screen.

Top 10 Stocks by Average Share Buyback Price Discount Relative to Average Stock Price – TTM

Company	Sector	Average Buyback Price	Average Stock Price	Buyback Price / Average Price	1 Year Total Return
Ecolab Inc.	Materials	\$32.49	\$54.60	59.5%	24.1%
Eastman Chemical Co.	Materials	\$28.80	\$45.46	63.3%	-1.9%
McGraw-Hill Cos.	Consumer Discretionary	\$27.57	\$42.90	64.3%	11.6%
Marathon Petroleum Corp.	Energy	\$24.24	\$37.41	64.8%	17.1%
Dun & Bradstreet Corp.	Industrials	\$56.17	\$74.15	75.8%	-7.8%
Ball Corp.	Materials	\$28.36	\$36.87	76.9%	7.7%
Denbury Resources Inc.	Energy	\$13.97	\$17.92	77.9%	-26.6%
Hartford Financial Services Group	Financials	\$16.46	\$20.99	78.4%	-31.6%
FedEx Corp.	Industrials	\$69.99	\$86.03	81.4%	-4.1%
Moody's Corp.	Financials	\$29.07	\$35.62	81.6%	-4.7%
S&P 500	-	\$52.54	\$53.34	98.5%	6.2%

The following list calculates the price to earnings ratio (P/E) at which a company made its share repurchase by dividing the company's average repurchase price over the quarter by its trailing twelve month earnings per share. This "buyback P/E" is then compared to the company's median monthly P/E ratio over seven years (or maximum company history). The companies with the largest percentage spread between their buyback P/E and historical median P/E are presented in the list below.

Top 10 Stocks by "Share Repurchase P/E" Discount Relative to 7-Year Median P/E

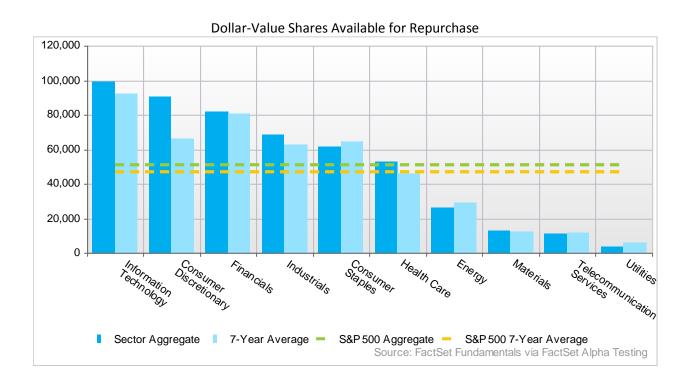
Company	Sector	Buyback P/E / 7Yr Median	Buyback P/E	Median 7Yr P/E	1 Year Total Return
Dollar Tree Inc.*	Consumer Discretionary	10.5%	1.8	17.0	70.1%
Celgene Corp.	Health Care	31.0%	22.5	72.6	7.6%
Marathon Petroleum Corp.	Energy	32.3%	3.5	10.9	17.1%
ONEOK Inc.	Utilities	34.3%	5.3	15.5	15.9%
Symantec Corp.	Information Technology	35.7%	11.4	31.9	-25.0%
Expedia Inc.	Consumer Discretionary	36.0%	8.3	23.1	78.2%
Ford Motor Co.	Consumer Discretionary	36.5%	2.7	7.3	-23.7%
Jabil Circuit Inc.	Information Technology	41.1%	11.3	27.6	0.9%
CME Group Inc. CI A	Financials	42.6%	11.6	27.2	-0.2%
DeVry Inc.	Consumer Discretionary	45.9%	12.3	26.9	-48.6%

^{*}Within Dollar Tree Inc.'s most recent 10-Q, the company discloses repurchasing 251,361 shares in March in accordance with an "callared" accelerated share repurchase (ASR) program at an average price of\$6.13. This compares to the stock's average price of\$46.36 in March.



Dollar-Value Shares Available for Repurchase

Some companies make share repurchases outside of publicly announced buyback programs, while other companies' announced programs may not publicly disclose closing, completing, or abandoning the program. Therefore, the following chart tracks dollar-value shares available for repurchase as disclosed in 10-Q's and 10-K's. This metric can either be presented in dollars or shares (in which case shares are converted to dollars by multiplying them by the stock's quarter-end price).



Top 10 Companies by Dollar-Value Shares Available for Repurchase

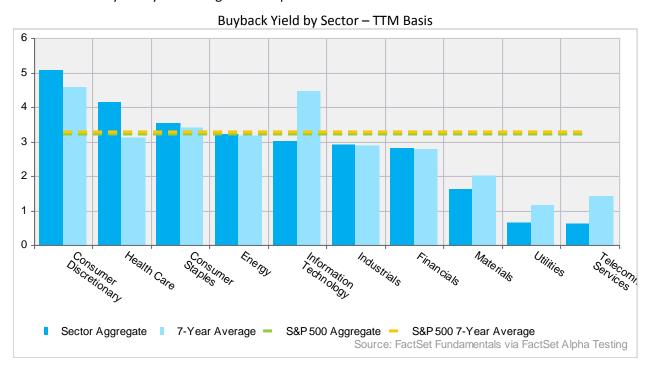
Company	Sector	Shares Available (\$M)	Quarter's Buybacks (\$M)	TTM Buybacks (\$M)	1 Year Total Return
JPMorgan Chase & Co.*	Financials	\$14,870	\$216	\$8,866	-7.0%
Walt Disney Co.	Consumer Discretionary	\$11,383	\$900	\$5,122	28.0%
PepsiCo Inc.	Consumer Staples	\$10,753	\$293	\$2,366	4.0%
Expeditors Int'l of WA Inc.	Industrials	\$9,752	\$22	\$114	-20.3%
Wal-Mart Stores Inc.	Consumer Staples	\$9,700	\$1,589	\$5,758	34.4%
Hewlett-Packard Co.	Information Technology	\$9,666	\$350	\$6,270	-43.4%
Microsoft Corp.	Information Technology	\$9,221	\$1,000	\$4,631	26.9%
Intel Corp.	Information Technology	\$8,598	\$1,500	\$11,634	26.8%
American Express Co.	Financials	\$8,593	\$324	\$2,617	17.8%
Pfizer Inc.	Health Care	\$8,375	\$1,734	\$9,321	16.4%
S&P 500	-	\$510,215	\$83,729	\$406,840	6.2%

^{*}JPMorgan Chase announced suspension of its share repurchase program after the filing of its most recent 10-Q.



Buyback Yield

Buyback yield is calculated by dividing the TTM dollar-value share repurchases by the company's latest market value at close. It's also important to note the relationship between dividend and share yields. Share repurchases decrease the dividend burden of a company by reducing shares outstanding, and can reduce dividend yield by increasing a stock's price.



Top 10 Companies by Buyback Yield

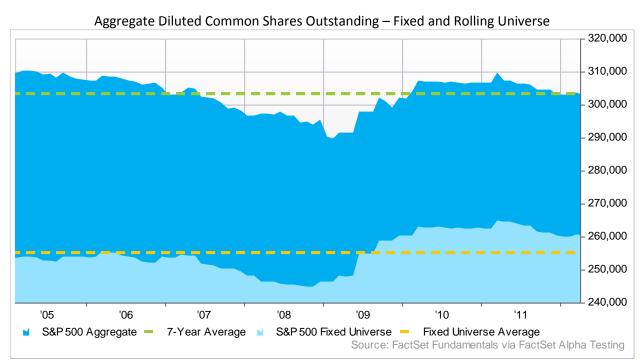
Company	Sector	Buyback Yield	TTM Buybacks (\$M)	Mkt Val (Comp. Level)	1 Year Total Return
Safeway Inc.	Consumer Staples	58.1%	\$2,417	\$4,161	-20.7%
DeVry Inc.	Consumer Discretionary	37.1%	\$712	\$1,920	-48.6%
R.R. Donnelley & Sons Co.	Industrials	28.2%	\$571	\$2,026	-36.0%
Apollo Group Inc. Cl A	Consumer Discretionary	23.0%	\$931	\$4,043	-14.6%
AutoNation Inc.	Consumer Discretionary	22.2%	\$932	\$4,200	-0.2%
Kohl's Corp.	Consumer Discretionary	21.1%	\$2,194	\$10,400	-10.1%
Torchmark Corp.	Financials	19.3%	\$927	\$4,789	17.8%
Tenet Healthcare Corp.	Health Care	18.4%	\$374	\$2,036	-17.9%
Big Lots Inc.	Consumer Discretionary	18.2%	\$463	\$2,545	23.1%
Iron Mountain Inc.	Industrials	18.2%	\$1,012	\$5,559	2.2%
S&P 500	-	3.4%	\$406,840	\$11,923,596	6.2%

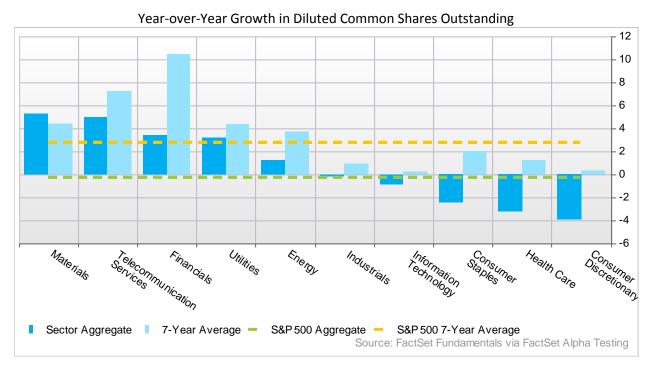


Trends in Diluted Common Shares Outstanding

While share repurchases are a large factor in determining the change in share count of a company, they do not capture such activities as exchange of common stock for debentures, conversion of preferred stock, convertible securities, or stock options, or the issuance of stock for acquisitions. Therefore, the charts below are included to show the aggregate change in diluted shares outstanding.

The first chart shows aggregate common shares outstanding in the S&P 500 using a rolling universe and a universe of only the companies that were in the index throughout the time series. The latter view is intended to isolate the trend in share count from constituent changes. The number of companies included in this fixed universe is 338.

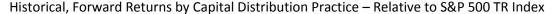






Historical Forward Performance – Buybacks Yield:

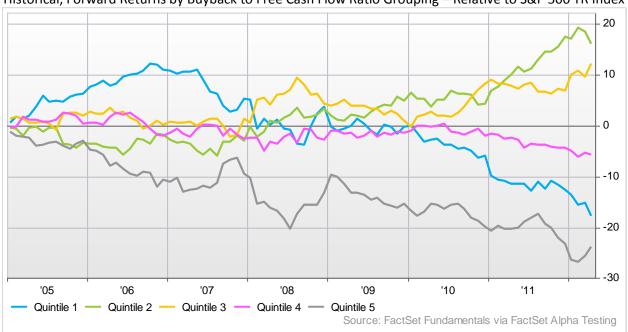
For this back test, S&P 500 companies were broken into groups by their trailing twelve month buybacks relative to current market value, or "buyback yield". If a company did not make share buybacks in the trailing twelve months, it was excluded from the tests on this page. For all back tests, securities are rebalanced monthly and are market cap weighted to ensure that historic, forward returns are not affected by differences in security weighting between the model and the benchmark.





The following back test was modified to include a company's trailing price to earnings ratio as an equal-weighted factor with "buyback yield" (with lower P/E ratios ranking better). Both factors were evaluated using normalized values of each factor (using a standard/"z" score), and were ranked in quintiles according to the average score of the two factors relative to the scores of their sector.

Historical, Forward Returns by Buyback to Free Cash Flow Ratio Grouping – Relative to S&P 500 TR Index

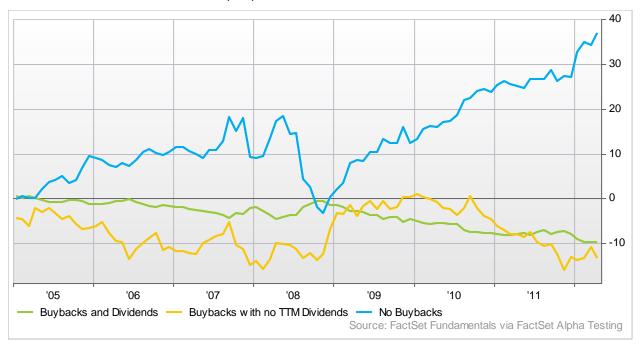




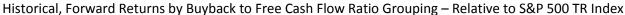
Historical Forward Performance – Buybacks to Free Cash Flow:

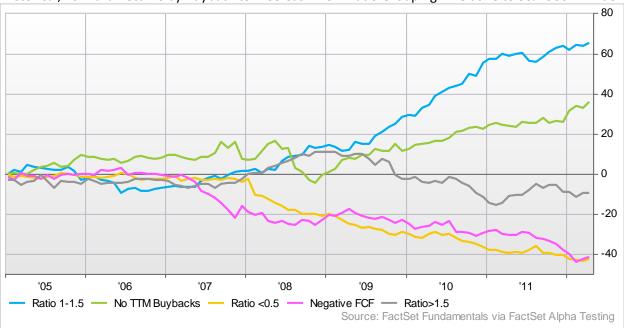
For this back test, S&P 500 companies were broken into groups by their methods of capital distribution.

Historical, Forward Returns by Capital Distribution Practice - Relative to S&P 500 TR Index



For this back test, S&P 500 companies were broken into groups by their buyback to free cash flow ratio on a trailing twelve month bases.







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