

## S&P 500 Q1 2015 Buybacks Rise 8.7% Over Q4 2014

*Share Count Reductions Continue by 20% of the Issues, Adding a Tail Wind to EPS*

**NEW YORK, June 25, 2015:** S&P Dow Jones Indices ("S&P DJI") announced today that preliminary results show that S&P 500® first quarter 2015 stock buybacks, or share repurchases, increased 8.7% to \$144.2 billion, up from the \$132.6 billion posted in Q4 2014.

Historical S&P 500 buyback data can be found at: [www.spdji.com/indices/equity/sp-500](http://www.spdji.com/indices/equity/sp-500).

According to **S&P Dow Jones Indices**:

- The \$144.1 billion Q1 spend represents a 9.5% decrease from the \$159.2 billion spent during Q1 2014.
- For the 1-year period ending March 2015, S&P 500 issues ticked up their buyback expenditures by 0.6% to \$538.1 billion from \$534.9 billion posted in the prior 12-month period.
- For the fifth consecutive quarter, over 20% of the S&P 500 issues reduced their year-over-year diluted share count by at least 4%, therefore boosting their EPS by at least 4%.
- The high mark quarter was reached in Q3 2007, when companies spent \$172.0 billion.
- The recession quarterly low point was \$24.2 billion, recorded in Q2 2009.

"The continued takeaway is that over 20% of the companies are buying their earnings-per-share (EPS) growth via buybacks," says **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices**. "The reduced share count has significantly increased EPS for a fifth of the companies in the S&P 500 by at least 4% year-over-year in each of the past five quarters."

"Reduced share count comes at a time when earnings growth is becoming the key quest for most companies. Share count reduction now appears to be their favorite tool for enhancing earnings. At this point, even if diluted share counts are flat for the second quarter, 12% of the index will have at least a 4% tail wind built-in to the upcoming earnings. And 'Flat shares' haven't been the talk on the street or from the board room," adds Silverblatt.

Additionally, **S&P Dow Jones Indices** data shows:

- Fewer issues reduced their share count this quarter than last, with 299 doing so in Q1 2015, down from 308 in Q4 2014, but up from 290 in Q1 2014.
- Significant changes (generally considered 1% or greater for the quarter) continued to be strong, but did not increase for the quarter, as 116 issues reduced their share count by at least 1%, compared to last quarter's 117 and the 123 which did so in Q1 2014.
- Share count reduction change impacts of at least 4% (Q1 2015 over Q1 2014), which can be seen in EPS comparisons, were up, at 104 in Q1 2015 from 99 posted in both Q4 2014 and Q1 2014.

### Total Shareholder Returns:

Silverblatt also notes that total shareholders' returns, through regular cash dividends, as well as buybacks, increased to \$237.7 billion, or 5.4% over Q4 2014, but still trailed the \$241.2 billion quarterly record set in Q1 2014. For the trailing 12-month period, companies returned \$900.2 billion in buybacks and dividends, which was slightly less than the record holding 12-month Q4 2014 amount of \$903.7 billion.

Silverblatt stated that issues used significantly more cash in Q1 than they took in, as cash levels for the S&P 500 Industrial (Old) fell to \$1.23 trillion, from the record \$1.33 trillion set at the end of 2014.

"The shareholder return trend is now entrenched in the market – many investors now expect continued buybacks, as buybacks have now become part of the market support system," says **Silverblatt**. "The logic of market (and economic) support offered from low interest rates, has been extended to buybacks. Based on the current data, absent a major catastrophe or government action, dividends will safely set a new record for 2015. Buybacks, however, are more discretionary and can be modified quickly. Given the pressure on buybacks from investors, companies need to show immediate use for the cash if they pull back on buybacks - at this point, M&A would be the only type of acceptable expenditure."

### **Sectors:**

On a sector basis, **Information Technology** continued to dominate buybacks as their percentage of the Q1 2015 buybacks remained constant at 24.3%, slightly up the 24.2% posted last quarter. **Consumer Discretionary** notably declined to 13.3% from the prior quarter's 17.2%, however, the sector is cyclical. **Telecommunications** was the eye-catcher, as Verizon Communications (VZ) entered the buyback market with a \$5 billion expenditure, bringing the total sector spend to \$5.18 billion, after posting \$92 million last quarter. Verizon's last reported buyback expenditure was \$153 million in Q1 2013, and prior to that, in Q3 2008, Verizon spent \$252 million.

For the quarter **Apple** (AAPL) continued to lead with \$7.0 billion spent, up 38.6% from their \$5.0 billion Q4 expenditure. **Pfizer** (PFE) came in second with \$6.0 billion, up from the prior quarter's \$1.2 billion, followed by **Microsoft** (MSFT) with \$5.1 billion, up from \$2.1 billion. **Verizon** (VZ), and **Gilead Sciences** (GILD), rounded out the top-five buyback spenders. Notable off the top-5 list was **Exxon Mobile** (XOM), which ranked 16<sup>th</sup> for the quarter, with \$1.8 billion in buybacks, down from their \$3.3 billion Q4 2014 expenditure.

For more information, please visit [www.spdji.com](http://www.spdji.com)

-more-

S&P Dow Jones Indices										
S&P 500, \$ U.S. BILLIONS, preliminary values in bold										
PERIOD	MARKET VALUE	OPERATING EARNINGS	AS REPORTED EARNINGS	DIVIDENDS	BUYBACKS	DIVIDEND YIELD	BUYBACK YIELD	DIVIDEND & BUYBACK YIELD	DIVIDENDS & BUYBACKS	
	\$ BILLIONS	\$ BILLIONS	\$ BILLIONS	\$ BILLIONS	\$ BILLIONS	YIELD	YIELD	YIELD	\$ BILLION	
3/31/2015 Prelim.	\$18,303	<b>\$228.36</b>	<b>\$193.05</b>	\$93.55	<b>\$144.13</b>	1.98%	2.94%	4.92%	<b>\$237.69</b>	
12/30/2014	\$18,245	\$237.14	\$202.31	\$92.80	\$132.63	1.92%	3.03%	4.95%	\$225.43	
9/30/2014	\$17,519	\$262.92	\$244.00	\$89.02	\$145.19	1.96%	3.14%	5.10%	\$234.22	
6/30/2014	\$17,404	\$260.50	\$240.96	\$86.65	\$116.17	1.91%	3.06%	4.98%	\$202.82	
3/31/2014	\$16,700	\$243.67	\$221.82	\$81.96	\$159.28	1.93%	3.20%	5.14%	\$241.24	
12/31/2013	\$16,495	\$252.10	\$236.31	\$84.98	\$129.41	1.89%	2.88%	4.77%	\$214.40	
9/30/2013	\$14,960	\$239.50	\$219.13	\$79.26	\$128.16	2.05%	2.98%	5.03%	\$207.42	
6/30/2013	\$14,310	\$234.84	\$221.56	\$76.67	\$118.05	2.07%	2.94%	5.02%	\$194.72	
3/31/2013	\$13,979	\$229.57	\$215.76	\$70.86	\$99.97	2.06%	2.97%	5.02%	\$170.82	
12/31/2012	\$12,742	\$206.84	\$184.50	\$79.83	\$99.15	2.20%	3.13%	5.33%	\$178.98	
9/30/2012	\$12,881	\$214.58	\$189.64	\$69.48	\$103.72	2.07%	3.01%	5.08%	\$173.20	
6/30/2012	\$12,303	\$229.69	\$195.27	\$67.31	\$111.75	2.08%	3.27%	5.35%	\$179.05	
3/31/2012	\$12,730	\$219.09	\$208.15	\$64.07	\$84.29	1.95%	3.14%	5.09%	\$148.37	
12/31/2011	\$11,385	\$214.83	\$186.85	\$65.89	\$87.59	2.11%	3.56%	5.67%	\$153.47	
09/30/2011	\$10,303	\$230.30	\$206.08	\$59.20	\$118.41	2.22%	3.92%	6.14%	\$177.61	
6/30/2011	\$12,021	\$226.29	\$202.44	\$59.03	\$109.24	1.84%	3.04%	4.88%	\$168.27	
3/31/2011	\$12,068	\$205.34	\$195.15	\$56.08	\$89.84	1.76%	2.76%	4.52%	\$145.91	
12/31/2010	\$11,430	\$199.40	\$187.67	\$54.85	\$86.36	1.80%	2.61%	4.42%	\$141.21	
09/30/2010	\$10,336	\$195.28	\$176.80	\$51.26	\$79.56	1.94%	2.52%	4.45%	\$130.81	
06/30/2010	\$9,323	\$189.04	\$178.00	\$50.44	\$77.64	2.10%	2.31%	4.41%	\$128.08	
03/31/2010	\$10,560	\$175.00	\$157.85	\$49.28	\$55.26	1.83%	1.54%	3.36%	\$104.54	
12/31/2009	\$9,928	\$152.77	\$135.14	\$49.04	\$47.82	1.97%	1.39%	3.36%	\$96.86	
09/30/2009	\$9,337	\$139.37	\$130.37	\$47.21	\$34.85	2.24%	1.48%	3.71%	\$82.06	
06/30/2009	\$8,045	\$120.85	\$118.22	\$47.63	\$24.20	2.01%	1.28%	3.29%	\$71.83	
03/31/2009	\$6,928	\$87.78	\$65.29	\$51.73	\$30.78	1.64%	1.14%	2.78%	\$82.51	
12/31/2008	\$7,852	-\$0.78	-\$202.11	\$62.19	\$48.12	0.79%	0.61%	1.40%	\$110.31	

-more-

S&P Dow Jones Indices									
S&P 500 SECTOR BUYBACKS									
SECTOR \$ MILLIONS	Q1,'15	Q4,'14	Q1,'14	12 MO 3/15	12 MO 3/14	5-YEARS	2007 YR (high)	Q2,'09 (low)	Q3,'07 (high)
Consumer Discretionary	\$19,230	\$22,841	\$18,610	\$82,367	\$73,508	\$346,838	\$80,435	\$2,350	\$34,902
Consumer Staples	\$10,873	\$11,817	\$12,031	\$41,190	\$44,469	\$234,067	\$51,589	\$4,013	\$16,088
Energy	\$5,538	\$10,311	\$13,091	\$33,375	\$45,707	\$186,329	\$67,031	\$5,343	\$14,717
Financials	\$22,526	\$19,371	\$18,262	\$79,668	\$63,784	\$271,700	\$107,328	\$1,170	\$27,762
Healthcare	\$20,897	\$15,104	\$15,814	\$65,152	\$61,006	\$307,729	\$63,775	\$4,699	\$18,660
Industrials	\$20,124	\$15,535	\$22,024	\$64,818	\$66,779	\$231,438	\$54,806	\$1,681	\$17,521
Information Technology	\$34,976	\$32,046	\$49,182	\$140,497	\$153,045	\$536,961	\$121,974	\$4,757	\$23,904
Materials	\$4,397	\$5,007	\$8,534	\$24,043	\$15,920	\$59,982	\$13,586	\$159	\$6,503
Telecommunication Services	\$5,185	\$92	\$1,565	\$5,887	\$9,947	\$36,106	\$17,627	\$13	\$3,947
Utilities	\$386	\$511	\$164	\$1,134	\$732	\$9,393	\$10,963	\$10	\$7,943
<b>TOTAL</b>	<b>\$144,133</b>	<b>\$132,634</b>	<b>\$159,277</b>	<b>\$538,131</b>	<b>\$534,897</b>	<b>\$2,220,543</b>	<b>\$589,113</b>	<b>\$24,195</b>	<b>\$171,947</b>
SECTOR BUYBACK MAKEUP %	Q1,'15	Q4,'14	Q1,'14	12 MO 3/15	12 MO 3/14	5-YEARS	2007 YR	Q2,'09	Q3,'09
Consumer Discretionary	13.34%	17.22%	11.68%	15.31%	13.74%	15.62%	13.65%	9.71%	20.30%
Consumer Staples	7.54%	8.91%	7.55%	7.65%	8.31%	10.54%	8.76%	16.59%	9.36%
Energy	3.84%	7.77%	8.22%	6.20%	8.55%	8.39%	11.38%	22.08%	8.56%
Financials	15.63%	14.60%	11.47%	14.80%	11.92%	12.24%	18.22%	4.84%	16.15%
Healthcare	14.50%	11.39%	9.93%	12.11%	11.41%	13.86%	10.83%	19.42%	10.85%
Industrials	13.96%	11.71%	13.83%	12.05%	12.48%	10.42%	9.30%	6.95%	10.19%
Information Technology	24.27%	24.16%	30.88%	26.11%	28.61%	24.18%	20.70%	19.66%	13.90%
Materials	3.05%	3.78%	5.36%	4.47%	2.98%	2.70%	2.31%	0.66%	3.78%
Telecommunication Services	3.60%	0.07%	0.98%	1.09%	1.86%	1.63%	2.99%	0.05%	2.30%
Utilities	0.27%	0.39%	0.10%	0.21%	0.14%	0.42%	1.86%	0.04%	4.62%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

S&P Dow Jones Indices			
S&P 500 Q1 2015 Buyback Report			
SECTOR	DIVIDEND YIELD	BUYBACK YIELD	COMBINED YIELD
Consumer Discretionary	1.46%	3.15%	4.61%
Consumer Staples	2.65%	2.06%	4.71%
Energy	3.11%	2.27%	5.38%
Financials	1.87%	2.40%	4.27%
HealthCare	1.46%	2.24%	3.70%
Industrials	2.21%	3.32%	5.54%
Information Technology	1.53%	3.46%	4.99%
Materials	2.00%	3.85%	5.85%
Telecommunication Services	4.93%	1.41%	6.34%
Utilities	3.84%	0.21%	4.05%
<b>S&amp;P 500</b>	<b>2.01%</b>	<b>2.70%</b>	<b>4.72%</b>
Uses full values (unadjusted for float)			
Dividends based on indicated; buybacks based on the last 12-months ending Q1,'15			
Source: S&P Dow Jones Indices			

S&P Dow Jones Indices							
S&P 500 20 LARGEST Q1 2015 BUYBACKS, \$ MILLIONS							
Company	Ticker	Sector	Q1,'15 Buybacks \$ Million	12-Month Buybacks \$ Million	5-Year Buybacks \$ Million	10-Year Buybacks \$ Million	Indicated Dividend \$ Million
Apple	AAPL	Information Technology	\$6,970	\$34,000	\$79,860	\$80,215	\$12,115
Pfizer	PFE	Healthcare	\$6,000	\$8,480	\$41,585	\$59,469	\$6,864
Microsoft	MSFT	Information Technology	\$5,131	\$11,334	\$43,263	\$123,667	\$10,173
Verizon Communications	VZ	Telecommunication Services	\$5,000	\$5,000	\$5,153	\$11,142	\$9,142
Gilead Sciences	GILD	Healthcare	\$3,001	\$7,900	\$15,842	\$20,005	\$0
United Technologies	UTX	Industrials	\$3,000	\$4,165	\$9,575	\$19,470	\$2,275
Wells Fargo	WFC	Financials	\$2,592	\$10,981	\$23,749	\$37,549	\$7,728
The Boeing	BA	Industrials	\$2,500	\$6,001	\$10,302	\$18,223	\$2,564
Johnson & Johnson	JNJ	Healthcare	\$2,198	\$8,548	\$29,433	\$51,031	\$8,341
Twenty-First Century Fox	FOXA	Consumer Discretionary	\$2,054	\$5,804	\$13,876	\$17,817	\$638
CVS Health	CVS	Consumer Staples	\$2,007	\$5,207	\$17,480	\$26,237	\$1,575
Comcast Corporation	CMCSA	Consumer Discretionary	\$2,000	\$5,501	\$14,292	\$24,628	\$2,541
Oracle	ORCL	Information Technology	\$1,992	\$8,051	\$34,183	\$47,168	\$2,635
QUALCOMM	QCOM	Information Technology	\$1,947	\$6,156	\$15,153	\$20,813	\$3,167
JPMorgan Chase	JPM	Financials	\$1,900	\$6,274	\$24,964	\$37,230	\$6,562
Exxon Mobil	XOM	Energy	\$1,781	\$11,104	\$84,683	\$219,129	\$12,248
Mondelez International	MDLZ	Consumer Staples	\$1,500	\$2,732	\$4,039	\$7,897	\$990
Illinois Tool Works	ITW	Industrials	\$1,479	\$2,920	\$9,229	\$12,280	\$736
American International Group	AIG	Financials	\$1,398	\$5,433	\$19,967	\$27,011	\$686
LyondellBasell Industries N.V.	LYB	Materials	\$1,359	\$4,080	\$7,230	\$7,230	\$1,489
<b>Top 20</b>			<b>\$55,809</b>	<b>\$159,671</b>	<b>\$503,858</b>	<b>\$868,211</b>	<b>\$92,470</b>
<b>S&amp;P 500</b>			<b>\$144,133</b>	<b>\$538,131</b>	<b>\$3,673,851</b>	<b>\$4,041,208</b>	<b>\$398,097</b>
<b>Top 20 % of S&amp;P 500</b>			<b>38.72%</b>	<b>29.67%</b>	<b>13.71%</b>	<b>21.48%</b>	<b>23.23%</b>
Gross values are not adjusted for float							
Source: S&P Dow Jones Indices							

S&P Dow Jones Indices						
S&P 500 INDUSTRIAL (OLD) CASH AND EQUIVALENT LEVELS						
DATE	CASH & EQUIVALENT \$ MILLIONS	% HELD AS CASH	SHORT-TERM SECURITIES	CASH % OF LTD	LTD % OF MARKET VALUE	CASH % OF MARKET VALUE
03/31/2015 Prelim.	\$1,225,482	56.33%	43.67%	42.47%	18.59%	7.90%
12/31/2014	\$1,333,280	60.06%	39.94%	50.15%	17.78%	8.92%
9/30/2014	\$1,246,063	58.01%	41.99%	48.91%	17.18%	8.40%
6/30/2014	\$1,249,892	54.06%	45.94%	49.60%	17.01%	8.44%
3/31/2014	\$1,233,070	58.63%	41.37%	49.49%	17.86%	8.84%
12/31/2013	\$1,304,447	61.84%	38.16%	53.21%	17.68%	9.41%
9/30/2013	\$1,245,790	60.36%	39.64%	55.46%	19.09%	10.59%
6/30/2013	\$1,143,837	58.30%	41.70%	59.95%	16.02%	9.60%
3/31/2013	\$1,093,516	60.14%	39.86%	58.76%	15.91%	9.35%
12/31/2012	\$1,091,310	63.39%	36.61%	53.21%	18.94%	10.08%
9/30/2012	\$1,030,442	64.20%	35.80%	58.93%	15.93%	9.39%
6/30/2012	\$985,375	63.89%	36.11%	55.00%	17.26%	9.49%
3/31/2012	\$1,013,187	65.98%	34.02%	50.96%	18.36%	9.36%
12/31/2011	\$1,027,296	68.14%	31.86%	52.40%	20.39%	10.69%
9/30/2011	\$998,581	64.66%	35.34%	52.56%	21.85%	11.48%
6/30/2011	\$976,061	65.01%	34.99%	59.05%	17.32%	10.23%
3/31/2011	\$963,314	67.28%	32.72%	52.62%	18.39%	9.68%

Cash and equivalents (cash) are classified under current assets on the balance sheet, and represent the readily available discretionary liquid assets of a company. Cash is measured for the S&P Industrials (Old), which consist of the S&P 500 minus Financials, Utilities and Transportation issues since these issues maintain high cash reserves as part of their normal operating process [Note: The S&P Industrials (Old) date back for decades. When the GICS classifications were developed, one of the new sectors was the Industrials, so the former group is referred to as the S&P Industrials (Old)].

Source: S&P Dow Jones Indices

**About S&P Dow Jones Indices**

S&P Dow Jones Indices LLC, a part of McGraw Hill Financial, is the world's largest, global resource for index-based concepts, data and research. Home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®, S&P Dow Jones Indices LLC has over 115 years of experience constructing innovative and transparent solutions that fulfill the needs of investors. More assets are invested in products based upon our indices than any other provider in the world. With over 1,000,000 indices covering a wide range of asset classes across the globe, S&P Dow Jones Indices LLC defines the way investors measure and trade the markets. To learn more about our company, please visit [www.spdji.com](http://www.spdji.com).

*S&P® is a registered trademark of Standard & Poor's Financial Services LLC ("S&P"), a part of McGraw Hill Financial. Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks have been licensed to S&P Dow Jones Indices LLC. It is not possible to invest directly in an index. S&P Dow Jones Indices LLC, Dow Jones, S&P and their respective affiliates (collectively "S&P Dow Jones Indices") do not sponsor, endorse, sell, or promote any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. This document does not constitute an offer of services in jurisdictions where S&P Dow Jones Indices does not have the necessary licenses. S&P Dow Jones Indices receives compensation in connection with licensing its indices to third parties.*

**S&P DJI MEDIA CONTACTS:****David R. Guarino**

Global Head of Communications

New York, USA

(+1) 212 438 1471

[dave.guarino@spdji.com](mailto:dave.guarino@spdji.com)**Soogyung Cho Jordan**

Associate Director – Americas Communications

New York, USA

(+1) 212 438 2297

[soogyung.jordan@spdji.com](mailto:soogyung.jordan@spdji.com)**INDEX INVESTMENT STRATEGY:**

Howard Silverblatt

Senior Index Analyst

New York, USA

(+1) 212 438 3916

[howard.silverblatt@spdji.com](mailto:howard.silverblatt@spdji.com)