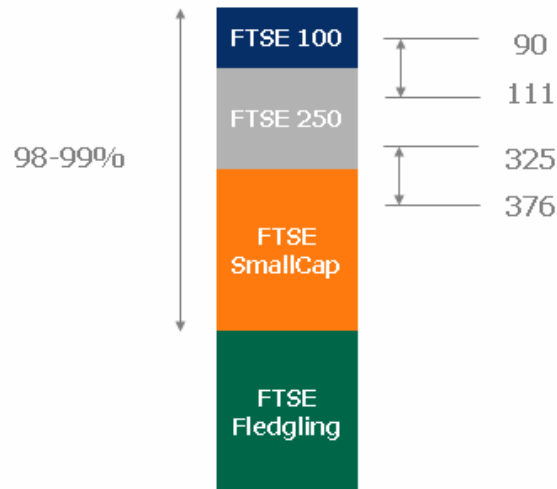


How does the FTSE UK Index Series review work?

- The constituents of the FTSE UK indices (FTSE 100, FTSE 250, FTSE SmallCap, FTSE Fledgling) are ranked by their full market cap, at the close of business the night before the review (Tuesday).
- Any company falling to 111th position or below is automatically deleted from the FTSE 100. Any company rising to 90th position or above is automatically added to the FTSE 100.
- A similar process occurs for changes to the FTSE 250 index, although the “bands” for these changes are 325th or above or 376th or below.
- These index changes are known as automatic additions or deletions.



- As the FTSE 100 and FTSE 250 have a fixed number of constituents, there may also be “rebalancing” additions to and deletions from the indices.
- For example, if a company leaves the FTSE 100 because it has fallen to 111th position or below, the highest ranking FTSE 250 company will enter the FTSE 100, as the number of constituents in the FTSE 100 must remain at 100.
- An example is shown below (from Dec 2004 review):

| Rank | Company | Index | Result |
|------|---------------------|----------|---|
| 90 | Tate & Lyle | FTSE 250 | Move into FTSE 100 (automatic addition) |
| 91 | Cairn Energy | FTSE 100 | Stay in FTSE 100 |
| 92 | International Power | FTSE 250 | Stay in FTSE 250 |
| 110 | Tomkins | FTSE 100 | Move into FTSE 250 (rebalancing delete) |

- There may be companies which are new listings on the London Stock Exchange. These are known as “monitored” stocks.
- If a monitored stock is large enough to enter an index, and meets various other nationality, free float, liquidity and trading criteria as defined by the UK Ground Rules, it will enter a FTSE UK index.