

---

### **FTSE Announces the Results of the Market Consultation on Minimum Free Float Requirement for the FTSE UK Index Series**

---

**London, 14 December 2011:** FTSE Group ("FTSE"), the award winning global index provider, today announces the results of the market consultation on minimum free float requirement for the FTSE UK Index Series. The consultation showed a clear preference from respondents for setting a minimum 25% free float requirement for UK Series constituents. As a result, the FTSE Policy Group have approved a change to the Ground Rules of the FTSE UK Index Series, which increases the minimum free float for a company to be eligible for inclusion to 25%.

Mark Makepeace CEO of FTSE Group comments, "With the guidance and direction of FTSE's independent practitioner committees, FTSE regularly consults the market on changes to the Ground Rules of its indices to ensure that the indices continue to meet investors' requirements and define and lead global standards in indexing. Both FTSE and our shareholder, the London Stock Exchange Group recognise that this strong stance on governance underpins the value of our business."

#### **Background**

The current ground rules for both the FTSE UK Index Series and the FTSE Global Equity Index Series allow a minimum free float of 15% for a company to be eligible for inclusion in either index series (there is an exception for very large companies). However, in respect of the UK Index Series, FTSE received a number of requests to raise the minimum free float requirement for a company incorporated in the UK to 25%; this float would be comparable with the minimum "shares in public hands" required by the UK Listing Authority (UKLA) for a company to obtain a premium listing. FTSE consulted the market on this proposal, and also on whether FTSE should maintain its 25% free float or follow the UKLA's decision in those circumstances where the UKLA has itself granted an exception for a premium listing. Please note that this

consultation does not affect companies incorporated outside of the UK, which are already subject to a higher free float threshold of 50%.

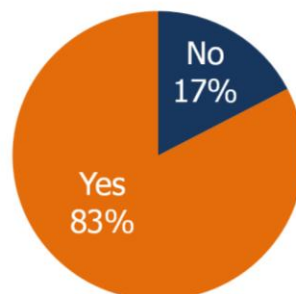
## Consultation Results

Market participants from all sectors of the investment community were invited to submit their views on the minimum free float requirement for index inclusion for UK incorporated companies in the FTSE UK Index Series (which includes the FTSE 100 Index and FTSE All-Share Index). The responses represent the views of a balanced cross section of the market, including asset owners and their consultants, investment managers, investment banks (corporate brokers and trading functions), trading venues, and trade bodies or associations.

The results of the market consultation were presented to the FTSE Policy Group on 13 December 2011. FTSE committees, including the FTSE Policy Group, are made up of leading investment market professionals from around the world who serve in a voluntary capacity, providing a credible “voice of the market” which FTSE can rely upon to offer informed and expert advice. The committees ensure that all FTSE indices reflect their underlying market and that FTSE index ground rules meet the highest standards of the industry, and evolve so that they continue to meet market needs. Expert industry opinion also lends substance and authority where FTSE is required to make complex decisions, with the committees ensuring that all FTSE indices are managed and calculated according to the Index Rules, so that they remain impartial, transparent and accurate. Any changes to the Ground Rules of an index series, must be approved by FTSE Policy Group.

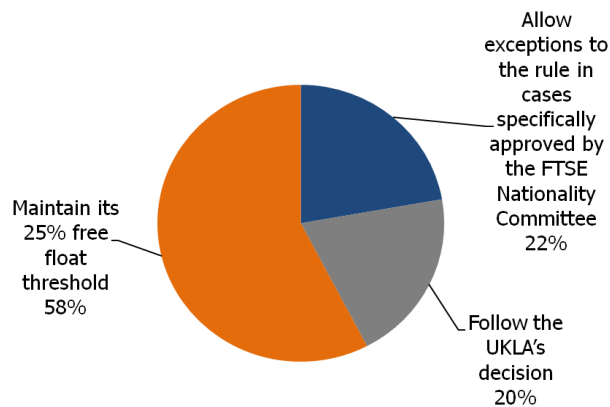
- 83% of respondents agreed that FTSE should apply a minimum free float threshold of 25% for UK incorporated companies when determining eligibility for inclusion in the FTSE UK Index Series (including the FTSE All-Share and the FTSE 100 Index)

Should FTSE apply a minimum free float threshold of 25%?



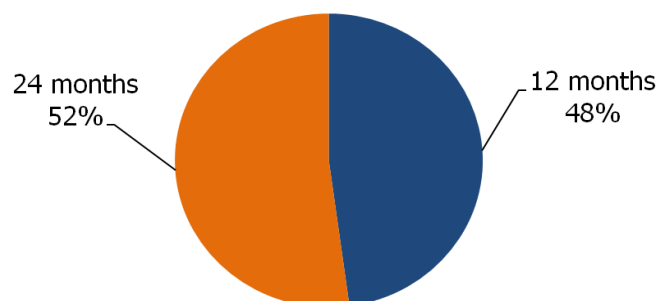
- In the event of FTSE applying a minimum 25% threshold and in cases where the UKLA has granted an exception to the 25% minimum shares in public hands it requires of UK incorporated companies seeking a premium listing, 58% of respondents believed that FTSE should maintain its 25% threshold, 22% felt that exceptions to the rule should be allowed in cases specifically approved by the FTSE Nationality Committee, and 20% felt that FTSE should follow the UKLA's decision.

What should FTSE do in cases where the UKLA has granted an exception to the 25% minimum free float rule?



- In the event of FTSE applying a minimum 25% threshold to UK incorporated companies, respondents were fairly evenly split on how much time they thought would be appropriate to give existing FTSE All-Share stocks with less than 25% free float to increase their free float and remain in the index. 52% of respondents felt that FTSE All-Share stocks with less than 25% free float should be grandfathered for 24 months to allow them to increase their free float, and 48% felt that this time period should be 12 months.

How long should existing FTSE All-Share stocks be given to increase their free float?



In response to this market feedback, the FTSE Policy Group have approved the following changes to the Ground Rules of the UK Index Series:

1. The minimum free float for a company to be eligible for inclusion will be set at 25%.
2. In the event of FTSE applying a minimum 25% threshold and in cases where the UKLA has granted an exception to the 25% minimum shares in public hands it requires of UK incorporated companies seeking a premium listing, FTSE will maintain its 25% free float threshold.
3. Companies which had previously been admitted to the FTSE All-Share with a free float of less than 25% will be given a time period of 24 months to increase their free float to 25%.

In response to concerns expressed by certain respondents that a 25% minimum free float threshold may prove insufficient, FTSE will undertake further consultation on whether a higher threshold would be appropriate, or whether additional governance standards should be incorporated in the FTSE All-Share Index.

These changes will be applied to the FTSE UK Index Series (which includes the FTSE 100 Index, the FTSE 250 Index and the FTSE All-Share Index) from 1 January 2012.

- ENDS -

**For more information please contact:**

**FTSE Group**

**London**

Mittal Shah / Simon Mott / Rachel Pawson Tel: +44 207 866 1821

[media@ftse.com](mailto:media@ftse.com)

## Notes to Editors:

### FTSE UK incorporated All-Share Constituents below 25%

The following FTSE All-Share constituents, whose free float currently falls below the new minimum of 25% requirement, will be given a time period of 24 months to increase their free float to 25%

<b>FTSE All-Share Constituent Name</b>	<b>ICB Supersector</b>
<b>Eurasian Natural Resources Corporation</b>	Basic Resources
<b>Essar Energy</b>	Oil & Gas
<b>Evraz</b>	Basic Resources
<b>Ferrexpo</b>	Basic Resources
<b>Fresnillo</b>	Basic Resources

\*It is important to note that the free float case of Glencore is separate to the above as it is a non UK incorporated company, making it subject to the 50% nationality rule – which it intends to meet in May 2012.

### About the FTSE Policy Group

Members of the FTSE Policy Group are selected by FTSE for their ability to provide strategic input to the development of FTSE indices. They are drawn from the ranks of asset owners, asset managers and consultants and include the chairs of the three regional equity committees, the nationality committee, the bond committee and the country classification committee. Policy Group members are typically of Chief Investment Officer level or the equivalent.

Although members may be drawn from representative FTSE clients, they are invited on the basis of their personal knowledge, strategic viewpoint and integrity. To protect them from lobbying, FTSE does not disclose member names.

### About FTSE Group

FTSE Group (FTSE) is a world-leader in the provision of global index and analytical solutions. FTSE calculates indices across a wide range of asset classes, on both a standard and custom basis. FTSE indices are used extensively by investors worldwide for investment analysis, performance measurement, asset allocation, portfolio hedging and the creation of a wide range of index derivatives, funds, Exchange Traded Funds (ETFs), and other structured products.

FTSE has built an enviable reputation for the reliability and accuracy of our indices and related data services. FTSE has a long tradition of listening and responding to the market so that it is at the forefront of developing new approaches to index design, many of which are now accepted as the market standard. FTSE prides itself in continuing to invest significant resource in researching and developing new index solutions.

The foundation for FTSE's global, regional, country and sector indices is the FTSE global equity universe, which covers over 8,000 securities in 48 different countries and captures 98% of the world's investable market capitalisation. FTSE's flagship global benchmark, the FTSE All-World, is used by investors worldwide to structure and benchmark their international equity portfolios.

Exchanges around the world have chosen FTSE to calculate their domestic indices. These include ATHEX, Bolsas y Mercados Españoles, Borsa Italiana, Bursa Malaysia, Casablanca SE, Cyprus Stock Exchange, IDX, JSE, LSE, NASDAQ Dubai, NYSE Euronext, PSE, SGX, Stock Exchange of Thailand and TWSE. In addition, FTSE works with a variety of companies and associations to deliver innovative index solutions which provide the market with fresh opportunities. For more information visit [www.ftse.com](http://www.ftse.com)