
FTSE index selected as basis for new fixed income BGI ETF

London, 5 December 2006: FTSE Group (FTSE), the award-winning index provider, announced today that it has licensed BGI to use a series of FTSE indices as a basis of a new ETF - the first UK Government bond ETF available to UK investors.

Product issuers are increasingly using FTSE tradable indices as the basis for ETFs and other indexed derivative products. Worldwide, FTSE indices are already supporting 40 ETFs* in a range of asset classes on stock exchanges such as NYSE, LSE, Nasdaq, Euronext, and HKEX.

Imogen Dillon Hatcher, Managing Director, FTSE Group commented: "We are excited that BGI has decided to base this new ETF on our FTSE UK Gilts Index Series. FTSE is well known for its equity index methodology which is also applied to fixed income markets and is now being used to give ETF investors access to this investment space. This new license demonstrates FTSE's skill in developing index solutions in line with global investor needs."

The FTSE UK Gilts Indices are a comprehensive family of indices and related bonds data and are based on all eligible British Government Securities. The indices are divided into conventional gilts and index linked gilt indices.

More information about FTSE's suite of index products is available at www.ftse.com

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For more information

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Notes to Editors

About FTSE Group

FTSE Group is a world-leader in the creation and management of indexes. With offices in Beijing, London, Frankfurt, Hong Kong, Madrid, Paris, New York, San Francisco, Boston, Shanghai and Tokyo, FTSE Group services clients in 77 countries worldwide. It calculates and manages the FTSE Global Equity Index Series, which includes world-recognized indexes ranging from the FTSE All-World Index, the FTSE4Good series and the FTSEurofirst Index series, as well as domestic indexes such as the prestigious FTSE 100. The company has collaborative arrangements with the Athens, AMEX, Cyprus, Euronext, Johannesburg London, Madrid, NASDAQ and Taiwan exchanges, as well as Nomura Securities and Xinhua Finance of China. FTSE also has a collaborative agreement with Dow Jones Indexes to develop a single sector classification system for global investors.

FTSE indexes are used extensively by investors world-wide for investment analysis, performance measurement, asset allocation, portfolio hedging and for creating a wide range of index tracking funds. Independent committees of senior fund managers, derivatives experts, actuaries and other experienced practitioners review all changes to the indexes to ensure that they are made objectively and without bias. Real-time FTSE indexes are calculated on systems managed by Reuters. Prices and FX rates used are supplied by Reuters.

*source: September 2006 Morgan Stanley Report