

Media Information

No changes to FTSE country classification in 2005

London, 14th September 2004: Global index provider FTSE Group, said today that no changes will be made to the current classification (ie designation as developed or emerging markets) of any countries in the FTSE Global Equity Index Series during 2005. The decision has been confirmed by the FTSE Equity Index Committee, following a six-month engagement period between FTSE Group and stock exchanges around the world, including a close examination of market structures and conditions. FTSE's analysis showed that no countries currently meet the criteria to be moved to a new category or to join the FTSE Global Equity Index Series.

The Committee confirmed a watch list of countries, which will be closely monitored over the next twelve months. These countries will be reviewed again at the next country classification review in September 2005. The watch list countries are:

- South Korea (possible promotion from Advanced Emerging to Developed);
- Taiwan (possible promotion from Advanced Emerging to Developed);
- China "A" shares (possible inclusion in FTSE Global Equity Index Series).

Countries will remain on the watch list for a minimum of twelve months before any change is made to its status. FTSE will give investors a minimum of six-months notice prior to any changes being implemented in its indices as a result of a country classification review. No changes to the classification of any countries are therefore expected to be implemented before March 2006 at the very earliest.

FTSE Group is currently the only index provider to use a transparent and objective methodology to assess country classification. The rules used are based on feedback obtained from an extensive market consultation programme with international investors which was conducted during 2003.

In order to allow investors to analyse and assess the impact of potential changes in country classification, FTSE will release a set of indicative indices based on the watch list. The indicative indices, which are due to be released in March 2005, are:

- Global Developed Markets, including South Korea and Taiwan;
- Global Emerging Markets, excluding South Korea and Taiwan;
- Global Emerging Markets, excluding South Korea and Taiwan, including China A shares;
- China Mainland, (A, B, H shares and Red Chips);
- China Mainland excluding A shares.
- All-China (HK and Mainland)
- China ex A shares (HK and Mainland ex A shares)
- Greater China (HK and Mainland and Taiwan)
- Asia Pacific ex Japan (including China A shares)

More details about country classification, including the results of the engagement process, can be accessed at www.ftse.com/country

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Notes to Editors

About FTSE Group

FTSE Group is a world-leader in the creation and management of indices. With offices in London, Frankfurt, Hong Kong, Madrid, Paris, New York, San Francisco and Tokyo, FTSE Group services clients in 77 countries worldwide. It calculates and manages the FTSE Global Equity Index series, which includes world-recognised indices ranging from the FTSE All-World Index, the FTSE4Good series and the recently launched Global Small Cap Index Series, as well as domestic indices such as the prestigious FTSE 100. The company has collaborative arrangements with the AMEX, Athens, Cyprus, Euronext, Johannesburg, London, Luxembourg, and Madrid exchanges, as well as with Nikkei of Japan (Nihon Keizai Shimbun, Inc), and Xinhua Financial Network of China. FTSE recently signed an agreement with Dow Jones Indexes to develop a single classification system for global investors, named the Industry Classification benchmark (ICB).

FTSE indices 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 indices to ensure that they are made objectively and without bias. Real-time FTSE indices are calculated on systems managed by Reuters. Prices and FX rates used are supplied by Reuters.