



FTSE4Good

SEMI - ANNUAL REVIEW OF THE FTSE4GOOD INDICES

SEPTEMBER 2004

This paper provides the details of the September 2004 FTSE4Good Semi-Annual index review. The FTSE4Good Committee has approved all constituent changes.

1. INCLUSIONS

As a result of the review, a total of 79 companies are new entrants to the FTSE4Good Index Series. The table below shows the nationality of these 79 companies (see Appendix 1 for their names and sectors).

Country	No Companies	Country	No Companies
Australia	1	Singapore	1
Canada	1	Sweden	1
France	2	Switzerland	1
Germany	1	UK	17
Japan	45	USA	6
Luxemburg	1		
Netherlands	1		
New Zealand	1	Total	79

2. DELETIONS (REMOVALS FROM THE INDEX)


Resulting from this review, there were 23 deletions from the FTSE4Good Index Series. Of these 23 deletions, three were removed as they were no longer constituents of the base universe benchmark due to changes in market capitalisation or corporate action. 17 were deleted due to failing Environmental Criteria and two for failing on Human Rights, and just one company was removed due to interests in excluded sectors.

2.1 Companies Not Meeting the New Environmental Criteria

In May 2002, the FTSE4Good Policy Committee approved changes to strengthen the FTSE4Good environmental criteria that companies would be required to meet to qualify for and remain a constituent of the index.

Please see the FTSE4Good criteria (<http://www.ftse.com/ftse4good/FTSE4GoodCriteria.pdf>) for full details on the environmental criteria.

The implementation deadlines approved are as follows:

Company deadline	Committee review	Low Impact	Medium Impact	High Impact
1 st Aug 03	Sept 03	No requirement	Basic policy (to low impact requirement)	Meet medium impact policy/ EMS requirements
1 st Feb 04	Mar 04	No requirement	Policy proper	Meet all requirements
 1 st Aug 04	Sept 04	No requirement	EMS	
1 st Feb 05	Mar 05	Policy requirement		

An extensive global company engagement program has been underway to ensure that all affected companies are aware of the deadlines and fully aware of what steps they have to take.

At this review, the following companies have failed to meet the FTSE4Good environmental criteria requirements and have therefore been excluded from the index series. Medium-impact companies have been excluded for not achieving the requirements for an environmental policy and environmental management system (EMS) that meets prescribed FTSE4Good standards.

Deletions due to not meeting the Environmental Criteria requirements:

- Canadian Tire
- Great-West Lifeco
- Benetton
- Capitalia
- Blacks Leisure Group
- Brewin Dolphin Holdings
- BSS Group
- Close Brothers Group
- Davis Service Group
- Enodis
- House of Fraser
- Mothercare
- N.Brown Group
- Oxford Instruments
- The Peacock Group
- Wembley
- Altera

2.2 Companies Not Meeting the Social and Stakeholder Relations Criteria

No current constituents have been removed at this review due to non-compliance with stakeholder relations criteria.

2.3 Companies Not Meeting New Human rights Criteria

In February 2003, the FTSE4Good Policy Committee approved proposed changes to strengthen the FTSE4Good human rights criteria.

Please see the FTSE4Good criteria (<http://www.ftse.com/ftse4good/FTSE4GoodCriteria.pdf>) for full details on the human rights criteria.

At this review, the following companies have failed to meet the new FTSE4Good Human Rights Criteria requirements:

Deletions due to not meeting the Human Rights Criteria requirements:

Petro-Canada
Time Warner

2.4 Companies Not Meeting Criteria Within Excluded Sectors

The following company has been removed on exclusion grounds at this review due to marketing of infant formula:

Deletions due to interests within excluded sectors:

Meiji Dairies

2.4 Exclusions from the Benchmark Universe

There are three companies who have fallen out of the FTSE4Good Index Series at this review due to changes in their market capitalisation or corporate action, which make them ineligible from the starting universe.

For more information on these exclusions, please see the technical releases.

**APPENDIX 1
NEW FTSE4GOOD INDEX CONSTITUENTS**

	Company	Country	Sector	Also new to Eligible Universe*
1	Transurban Group	Australia	Transport	
2	BCE	Canada	Telecommunication Services	
3	Carrefour	France	Food & Drug Retailers	
4	Veolia Environnement	France	Water	
5	Beiersdorf	Germany	Personal Care & Household Products	
6	Asahi Nation Broadcasting	Japan	Media & Entertainment	Yes
7	C&S	Japan	Food & Drug Retailers	Yes
8	CSK Corporation	Japan	Software & Computer Services	
9	Daido Steel Company	Japan	Steel & Other Metals	
10	Daihatsu Motor	Japan	Automobiles & Parts	Yes
11	Daimaru	Japan	General Retailers	Yes
12	Dainippon Screen Manufacturing	Japan	Information Technology Hardware	Yes
13	Disco	Japan	Engineering & Machinery	Yes
14	Futaba	Japan	Electronic & Electrical Equipment	Yes
15	Hitachi Software Engineering	Japan	Software & Computer Services	
16	Ibiden	Japan	Electronic & Electrical Equipment	Yes
17	Juroku Bank	Japan	Banks	Yes
18	Kansai Paint	Japan	Chemicals	Yes
19	Kose	Japan	Personal Care & Household Products	Yes
20	Mitsubishi Rayon	Japan	Chemicals	
21	Mitsui & Company	Japan	Diversified Industrials	
22	NEC Fielding	Japan	Software & Computer Services	Yes
23	NEC Soft	Japan	Software & Computer Services	Yes
24	NGK Insulators	Japan	Diversified Industrials	
25	Nichicon	Japan	Electronic & Electrical Equipment	Yes
26	Nippon Television Network Corporation	Japan	Media & Entertainment	
27	Nisshinbo Industries	Japan	Household Goods & Textiles	
28	Noritsu Koki	Japan	Media & Entertainment	Yes
29	Obayashi	Japan	Construction & Building Materials	
30	PanaHome	Japan	Construction & Building Materials	
31	O.P.	Japan	Food Producers & Processors	Yes
32	Rinnai	Japan	Household Goods & Textiles	Yes
33	Sapporo Breweries	Japan	Beverages	
34	Sekisui House	Japan	Construction & Building Materials	
35	Seven-Eleven Japan	Japan	Food & Drug Retailers	
36	Shiga Bank	Japan	Banks	Yes
37	Shizuoka Bank	Japan	Banks	
38	Showa Denko	Japan	Chemicals	
39	Showa Shell Sekiyu K.K.	Japan	Oil & Gas	
40	Stanley Electric	Japan	Automobiles & Parts	
41	Sumitomo Forestry	Japan	Construction & Building Materials	
42	Suzuken	Japan	Pharmaceuticals & Biotechnology	Yes
43	Taiyo Yuden	Japan	Electronic & Electrical Equipment	
44	Toppan Forms	Japan	Media & Entertainment	Yes
45	Toshiba TEC	Japan	Electronic & Electrical Equipment	Yes
46	Toyo Seikan Kaisha	Japan	Support Services	
47	Toyoda Gosei	Japan	Automobiles & Parts	
48	Toyota Auto Body	Japan	Engineering & Machinery	Yes
49	Ushio	Japan	Electronic & Electrical Equipment	Yes
50	Yoshinoya D&C	Japan	Leisure & Hotels	Yes
51	SES Global	Luxemburg	Media & Entertainment	
52	DSM	Netherlands	Chemicals	
53	Kiwi Income Property Trust	New Zealand	Real Estate	
54	Chartered Semiconductor Manufacturing	Singapore	Information Technology Hardware	
55	Tele2	Sweden	Telecommunication Services	
56	Holcim	Switzerland	Construction & Building Materials	
57	AEA Technology	UK	Support Services	
58	Autonomy Corporation	UK	Software & Computer Services	
59	Cairn Energy	UK	Oil & Gas	
60	Daily Mail & General Trust	UK	Media & Entertainment	
61	DS Smith	UK	Forestry & Paper	
62	Eidos	UK	Software & Computer Services	
63	Fenner	UK	Engineering & Machinery	
64	Filtronic	UK	Information Technology Hardware	
65	Homeserve	UK	Support Services	
66	Liberty International	UK	Real Estate	
67	Marlborough Stirling	UK	Software & Computer Services	
68	Mouchel Parkman	UK	Support Services	
69	Northumbrian Water Group	UK	Utilities – Other	
70	Spirent	UK	Information Technology Hardware	
71	Taylor Woodrow	UK	Construction & Building Materials	
72	The Laird Group	UK	Electronic & Electrical Equipment	
73	TTP Communications	UK	Information Technology Hardware	
74	Apple Computer	USA	Information Technology Hardware	
75	Eastman Chemical	USA	Chemicals	

	Company	Country	Sector	Also new to Eligible Universe*
76	Hospira	USA	Health	
77	Liberty Media Intl Class A	USA	Media & Entertainment	
78	MoneyGram International	USA	Speciality & Other Finance	
79	Simon Property Group	USA	Real Estate	

* These Japanese companies have become eligible at this review with the enhanced methodology, which under the rollout plan currently covers Japan only. This is in support of the increase in the number of mid-cap companies in FTSE's Global Equities Index Series Large/Mid Index.