



SEMI- ANNUAL REVIEW OF THE FTSE4GOOD INDICES

SEPTEMBER 2006

This paper provides the details of the September 2006 FTSE4Good Semi-Annual index review. The FTSE4Good Committee has approved all constituent changes.

1. INCLUSIONS

As a result of the review, a total of 24 companies are new entrants to the FTSE4Good Index Series. The table below shows the nationality of these companies (see Appendix 1 for their names and sectors).

| Country | No Companies | Country | No Companies |
|-----------|--------------|--------------|--------------|
| Australia | 3 | Spain | 1 |
| Canada | 1 | Switzerland | 1 |
| France | 3 | UK | 4 |
| Japan | 8 | USA | 3 |
| | | Total | 24 |

2. DELETIONS (REMOVALS FROM THE INDEX)

Resulting from this review, there were nine deletions from the FTSE4Good Index Series. Of these, seven were deleted due to failing to meet the Environmental Criteria; one was deleted for failing to meet the Supply Chain Labour Standards and one was deleted due to their acquisition of a nuclear power producer (see sections 2.1, 2.2 and 2.3 respectively, for details). Appendix 2 lists all the deleted companies.

For full details on the FTSE4Good inclusion criteria please see www.ftse.com/Indices/FTSE4Good_Index_Series/Downloads/FTSE4Good_Inclusion_Criteria_Brochure_Feb_06.pdf.

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 in order to gain or maintain inclusion in the index.

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

At this review, the following 7 companies have failed to meet the FTSE4Good environmental criteria requirements and have therefore been deleted from the index series.

AutoNation
Discovery Holding
Harley-Davidson
Hartford Financial
Mitchells & Butlers
Northgate
Seat-Pagine Gialle

2.2 Companies Not Meeting Supply Chain Labour Standards

In September 2004, the FTSE4Good Policy Committee approved changes to strengthen the FTSE4Good stakeholder relations criteria by introducing new requirements for supply chain labour standards.

An extensive global company engagement program has been underway to ensure that all affected companies are fully aware of the deadlines and what steps they have to take. At this review one company, Hasbro, has failed to meet the FTSE4Good supply chain labour standards criteria requirements and has therefore been deleted from the index series.

2.3 Companies Deleted For Activities in Excluded Sectors

At this review one company, Enel, was identified as having acquired a nuclear power producer and has therefore been deleted from the index series.

APPENDIX 1 - NEW FTSE4GOOD INDEX CONSTITUENTS*

| | Company | Country | Sector |
|----|-----------------------------|----------------|-----------------------------------|
| 1 | Australian Stock Exchange | Australia | General Financial |
| 2 | Computershare | Australia | Support Services |
| 3 | SP AusNet | Australia | Gas, Water & Multiutilities |
| 4 | Brookfield Asset Management | Canada | Real Estate |
| 5 | Groupe Lagardere | France | Media |
| 6 | Imerys | France | Construction & Materials |
| 7 | Vivendi | France | Media |
| 8 | All Nippon Airways | Japan | Travel & Leisure |
| 9 | Daiwa Securities Group | Japan | General Financial |
| 10 | Hirose Electric | Japan | Electronic & Electrical Equipment |
| 11 | House Foods Corporation | Japan | Food Producers |
| 12 | Nippon Express | Japan | Industrial Transportation |
| 13 | Nomura Holdings | Japan | General Financial |
| 14 | Nomura Research | Japan | Software & Computer Services |
| 15 | Toyobo Company | Japan | Personal Goods |
| 16 | Enagas | Spain | Gas, Water & Multiutilities |
| 17 | Novartis | Switzerland | Pharmaceuticals & Biotechnology |
| 18 | Drax Group | UK | Electricity |
| 19 | Mapeley | UK | Real Estate |
| 20 | Metalrax Group | UK | Industrial Engineering |
| 21 | Zetex | UK | Technology Hardware & Equipment |
| 22 | American Tower | USA | Technology Hardware & Equipment |
| 23 | CNA Financial | USA | Nonlife Insurance |
| 24 | Cummins | USA | Industrial Engineering |

* Changes will be effective from close of business on 15th September 2006.

APPENDIX 2 - FTSE4GOOD INDEX DELETES*

| | Company | Country | Sector | Reason for deletion |
|---|---------------------|----------------|---------------------------|--------------------------------------|
| 1 | Enel | Italy | Electricity | Nuclear power exclusion |
| 2 | Seat-Pagine Gialle | Italy | Media | Environmental delete |
| 3 | Mitchells & Butlers | UK | Travel & Leisure | Environmental delete |
| 4 | Northgate | UK | Industrial Transportation | Environmental delete |
| 5 | AutoNation | USA | General Retailers | Environmental delete |
| 6 | Discovery Holding | USA | Media | Environmental delete |
| 7 | Harley-Davidson | USA | Automobiles & Parts | Environmental delete |
| 8 | Hartford Financial | USA | Nonlife Insurance | Environmental delete |
| 9 | Hasbro | USA | Leisure Goods | Supply chain labour standards delete |

* Changes will be effective from close of business on 15th September 2006.

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