

FTSE VALUE-STOCKS INDICES

FTSE Value-Stocks Korea Index Review Changes Overview - September 2011

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KT Corp (030200), OCI (010060) and SK Holdings (003600) will account for 10.00 per cent, 9.20 per cent and 7.52 per cent of the turnover of the FTSE Value-Stocks Korea Index respectively

Review Overview

The FTSE Value-Stocks Korea Index offers investors an exciting opportunity to access quality value stocks in the Korea market through a unique, transparent, and rules-based value strategy. This value-based equity index combines FTSE's globally recognised index expertise with Value Partners' proven track record in disciplined value investing. The value-based methodology is designed by Value Partners Index Services Limited and the index is calculated and maintained by FTSE Group, capturing the performance of 35 quality value stocks amongst liquid and tradable Korean companies listed on the Korea Exchange.

The following changes will be made to the FTSE Value-Stocks Korea Index after the September review. Effective on Monday 19th September 2011, KT Corp (030200), OCI (010060), SK Holdings (003600) and 15 other companies will be included in the FTSE Value-Stocks Korea Index, replacing 20 existing constituents, including E-Mart (139480), Honam Petrochemical (011170) and LG Display (034220). The total two-way index turnover is estimated to be 123.12 per cent.

Key changes are highlighted below:

Table One: FTSE Value-Stocks Korea Index Constituent Weightings

Rank	Local Code	Constituent Name	ICB Subsector	Weight in Index before change (%)	Weight in Index after change (%)	Change in Weight (%)	Turnover (2-Way) (%)
1	010140	Samsung Heavy Industries	Commercial Vehicles & Trucks	7.82	10.00	2.18	2.18
2	030200	KT Corp	Fixed Line Telecommunications	-	10.00	10.00	10.00
3	010060	OCI	Commodity Chemicals	-	9.20	9.20	9.20
4	017670	SK Telecom	Mobile Telecommunications	7.08	8.68	1.60	1.60
5	003600	SK Holdings	Specialty Finance	-	7.52	7.52	7.52
6	000240	Hankook Tire	Tires	5.23	6.41	1.18	1.18
7	053000	Woori Finance Holdings	Banks	-	5.97	5.97	5.97
8	005830	Dongbu Insurance	Property & Casualty Insurance	-	5.32	5.32	5.32
9	004800	Hyosung Corp	Diversified Industrials	2.91	3.57	0.66	0.66
10	004940	Korea Exchange Bank	Banks	2.35	2.89	0.53	0.53
11	010620	Hyundai Mipo Dockyard	Commercial Vehicles & Trucks	-	2.83	2.83	2.83
12	012630	Hyundai Development	Heavy Construction	2.04	2.50	0.46	0.46
13	088350	Korea Life Insurance Co. Ltd.	Life Insurance	-	2.25	2.25	2.25
14	002380	KCC Corp	Building Materials & Fixtures	1.70	2.08	0.38	0.38
15	001230	Dongkuk Steel Mill	Iron & Steel	1.65	2.02	0.37	0.37
16	032640	LG Uplus	Mobile Telecommunications	1.52	1.86	0.34	0.34
17	000100	Yuhan	Pharmaceuticals	-	1.84	1.84	1.84
18	010520	Hyundai Hysco	Iron & Steel	-	1.74	1.74	1.74
19	004370	Nong Shim	Food Products	1.24	1.52	0.28	0.28
20	006380	Capro	Commodity Chemicals	1.17	1.44	0.27	0.27
21	072870	Mega Study Co	Specialized Consumer Services	0.73	0.90	0.17	0.17
22	028150	GS Home Shopping	Broadline Retailers	0.71	0.87	0.16	0.16
23	015750	Sungwoo Hitech	Auto Parts	0.70	0.86	0.16	0.16
24	082640	Tong Yang Life Insurance	Life Insurance	-	0.81	0.81	0.81
25	064420	KP Chemical Corp	Commodity Chemicals	-	0.81	0.81	0.81
26	069260	Huchems Fine Chemical Corp	Commodity Chemicals	0.63	0.77	0.14	0.14
27	077970	STX Engine	Commercial Vehicles & Trucks	0.52	0.64	0.12	0.12
28	064960	S&T Daewoo	Auto Parts	-	0.62	0.62	0.62
29	009410	Taeyoung Engineering & Construction	Heavy Construction	-	0.62	0.62	0.62
30	009970	Youngone Holdings	Clothing & Accessories	-	0.61	0.61	0.61
31	001680	Daesang	Food Products	-	0.59	0.59	0.59
32	003570	S&T Dynamics	Auto Parts	-	0.59	0.59	0.59
33	004150	Hansol Paper	Paper	-	0.59	0.59	0.59
34	005180	Bing-Grae	Food Products	0.45	0.55	0.10	0.10
35	007310	Ottogi	Food Products	-	0.52	0.52	0.52
-	139480	E-Mart	Broadline Retailers	7.56	-	-7.56	7.56

Note: New additions after the September 2011 review are highlighted in blue, and deletions are highlighted in red
Source: FTSE Group, data as at 9th September 2011

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Table One: FTSE Value-Stocks Korea Index Constituent Weightings continued

Rank	Local Code	Constituent Name	ICB Subsector	Weight in Index before change (%)	Weight in Index after change (%)	Change in Weight (%)	Turnover (2-Way) (%)
-	011170	Honam Petrochemical	Commodity Chemicals	7.24	-	-7.24	7.24
-	034220	LG Display	Computer Hardware	6.00	-	-6.00	6.00
-	033780	KT&G	Tobacco	5.96	-	-5.96	5.96
-	001300	Cheil Industries	Commodity Chemicals	5.14	-	-5.14	5.14
-	069960	Hyundai Department Store	Broadline Retailers	5.01	-	-5.01	5.01
-	097950	CJ Cheiljedang	Food Products	3.80	-	-3.80	3.80
-	021240	Woojin Coway	Durable Household Products	3.39	-	-3.39	3.39
-	004170	Shinsegae	Broadline Retailers	2.61	-	-2.61	2.61
-	009830	Hanwha Chemical	Commodity Chemicals	2.58	-	-2.58	2.58
-	011200	Hyundai Merchant Marine	Marine Transportation	2.34	-	-2.34	2.34
-	006120	Sk Chemicals	Specialty Chemicals	1.87	-	-1.87	1.87
-	012750	S1 Corporation	Business Support Services	1.82	-	-1.82	1.82
-	035760	CJ O Shopping	Broadline Retailers	1.52	-	-1.52	1.52
-	008770	Hotel Shilla	Hotels	1.49	-	-1.49	1.49
-	018880	Halla Climate Control	Auto Parts	1.23	-	-1.23	1.23
-	000080	Jinro Ltd.	Distillers & Vintners	1.01	-	-1.01	1.01
-	052690	Korea Power Engineering Co. Inc.	Heavy Construction	0.54	-	-0.54	0.54
-	008060	Daeduck Electronics	Electrical Components & Equipment	0.40	-	-0.40	0.40
-	138040	Meritz Finance Holdings	Property & Casualty Insurance	0.07	-	-0.07	0.07
Totals			-	100.00	100.00	-	123.12

Note: New additions after the September 2011 review are highlighted in blue, and deletions are highlighted in red
Source: FTSE Group, data as at 9th September 2011

Table Two: FTSE Value-Stocks Korea Index Sector Breakdown

ICB Industry / Sector	Number of Constituents after change	Change in Constituents	Weight in Index before change (%)	Weight in Index after change (%)	Change in Weight (%)	Turnover (2-Way) (%)
Basic Materials	7	0	20.27	16.57	-3.70	29.94
Chemicals	4	-2	18.62	12.22	-6.40	27.24
Forestry & Paper	1	1	0.00	0.59	0.59	0.59
Industrial Metals & Mining	2	1	1.65	3.76	2.11	2.11
Industrials	7	-2	20.08	22.24	2.16	12.35
Construction & Materials	3	0	4.27	5.20	0.93	2.00
General Industrials	1	0	2.91	3.57	0.66	0.66
Electronic & Electrical Equipment	0	-1	0.40	0.00	-0.40	0.40
Industrial Engineering	3	1	8.34	13.47	5.13	5.13
Industrial Transportation	0	-1	2.34	0.00	-2.34	2.34
Support Services	0	-1	1.82	0.00	-1.82	1.82
Consumer Goods	9	0	23.00	12.28	-10.72	20.04
Automobiles & Parts	4	1	7.16	8.48	1.32	3.78
Beverages	0	-1	1.01	0.00	-1.01	1.01
Food Producers	4	1	5.49	3.19	-2.30	5.30
Household Goods & Home Construction	0	-1	3.39	0.00	-3.39	3.39
Personal Goods	1	1	0.00	0.61	0.61	0.61
Tobacco	0	-1	5.96	0.00	-5.96	5.96
Health Care	1	1	0.00	1.84	1.84	1.84
Pharmaceuticals & Biotechnology	1	1	0.00	1.84	1.84	1.84
Consumer Services	2	-5	19.64	1.77	-17.87	18.52
General Retailers	2	-4	18.14	1.77	-16.37	17.03
Travel & Leisure	0	-1	1.49	0.00	-1.49	1.49
Telecommunications	3	1	8.59	20.54	11.95	11.95
Fixed Line Telecommunications	1	1	0.00	10.00	10.00	10.00
Mobile Telecommunications	2	0	8.59	10.54	1.95	1.95
Financials	6	4	2.42	24.76	22.34	22.48
Banks	2	1	2.35	8.86	6.50	6.50
Nonlife Insurance	1	0	0.07	5.32	5.25	5.39
Life Insurance	2	2	0.00	3.06	3.06	3.06
Financial Services	1	1	0.00	7.52	7.52	7.52
Technology	0	-1	6.00	0.00	-6.00	6.00
Technology Hardware & Equipment	0	-1	6.00	0.00	-6.00	6.00
Totals	35	38	100.00	100.00	-	123.12

Source: FTSE Group, data as at 9th September 2011

E-Mart (139480), Honam Petrochemical (011170) and LG Display (034220) before the Index rebalance accounted for 7.56 per cent, 7.24 per cent and 6.00 per cent of the FTSE Value-Stocks Korea Index respectively

Fixed Line Telecommunications will see the largest change in Index weighting, up 10.00 per cent

General Retailers will see the largest fall in Index weighting, down 16.37 per cent to 1.77 per cent

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