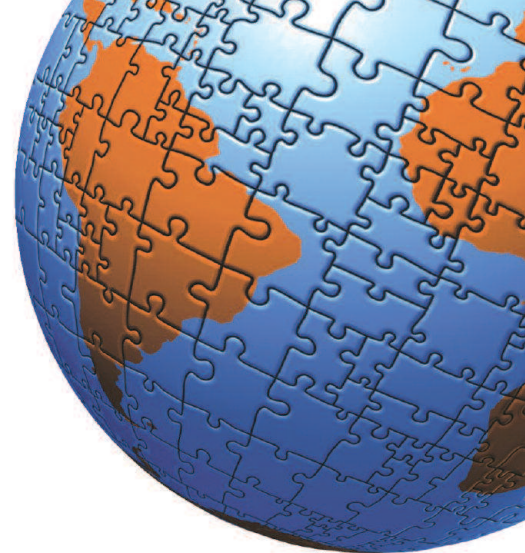


FTSE Global Equity Index Series Country Classification



SEPTEMBER 2010 UPDATE

1. Classification of Markets 2010 Results

FTSE Group ("FTSE") has confirmed the results of its annual country classification review, the process by which stock markets are classified as either Developed, Emerging or Frontier status within the FTSE Global Equity Index Series.

The FTSE Policy Group has approved three changes to the designation of countries in the FTSE Global Equity Index Series. These changes will be implemented in the FTSE Global Equity Index Series in June 2011:

- **Czech Republic** – Promoted from Secondary Emerging to Advanced Emerging
- **Malaysia** – Promoted from Secondary Emerging to Advanced Emerging
- **Turkey** – Promoted from Secondary Emerging to Advanced Emerging.

2. FTSE Watch List 2011

In order to ensure that the potential, as well as confirmed, movement of markets between categories is completely transparent for investors, FTSE operates a Watch List of countries that may be subject to a change in their classification if a number of conditions are met. Addition to the FTSE Watch List is the first step in a change of designation status.

The following markets have been confirmed as Watch List countries at this Review:

- **China "A" Share** – Possible inclusion as Secondary Emerging
- **Colombia** – Possible demotion from Secondary Emerging to Frontier
- **Ghana** – Possible inclusion as Frontier
- **Greece** – Possible demotion from Developed to Advanced Emerging
- **Kazakhstan** – Possible inclusion as Frontier
- **Kuwait** – Possible inclusion as Secondary Emerging
- **Taiwan** – Possible promotion to Developed from Advanced Emerging
- **Thailand** – Possible promotion to Advanced Emerging from Secondary Emerging

Thailand and Ghana are new additions to the Watch List. The remaining countries above have been retained on the Watch List from previous years.

All of these Watch List countries will be reviewed at the next country classification review in September 2011. Each must remain on the Watch List for a minimum of twelve months before any change is made to their status.

FTSE will give investors a minimum of six-month's notice prior to changes being implemented in its indices, as a result of a country classification review. A further update on FTSE's assessment of each of these Watch List markets against its Quality of Markets criteria will be published in March 2011.

FTSE GLOBAL EQUITY INDEX SERIES

Developed	Advanced Emerging	Secondary Emerging	Frontier
Australia	Brazil	Chile	Argentina
Austria	Hungary	China	Bahrain
Belgium/Luxembourg	Mexico	Colombia	Bangladesh
Canada	Poland	Czech Republic*	Botswana
Denmark	South Africa	Egypt	Bulgaria
Finland	Taiwan	India	Côte d'Ivoire
France		Indonesia	Croatia
Germany		Malaysia*	Cyprus
Greece		Morocco	Estonia
Hong Kong		Pakistan	Jordan
Ireland		Peru	Kenya
Israel		Philippines	Lithuania
Italy		Russia	Macedonia
Japan		Thailand	Malta
Netherlands		Turkey*	Mauritius
New Zealand		UAE	Nigeria
Norway			Oman
Portugal			Qatar
Singapore			Romania
South Korea			Serbia
Spain			Slovakia
Sweden			Slovenia
Switzerland			Sri Lanka
UK			Tunisia
USA			Vietnam

*Czech Republic, Malaysia and Turkey will be promoted to Advanced Emerging market status from September 2011

QUALITY OF MARKETS CRITERIA

Markets are assessed against the criteria outlined below. Inclusion as Developed status requires that all criteria are met, Advanced Emerging requires that the specified 15 criteria are met, inclusion as Secondary Emerging requires that the specified 9 criteria are met, while inclusion as Frontier requires that the specified 5 criteria are met. Assessment of markets included in FTSE GEIS against these criteria can be found at www.ftse.com/country

	DEV	ADV EMG	SEC EMG	FRONTIER
Market and Regulatory Environment				
Formal stock market regulatory authorities actively monitor market (e.g., SEC, FSA, SFC)	X	X	X	X
Fair and non-prejudicial treatment of minority shareholders	X	X		
Non or selective incidence of foreign ownership restrictions	X	X		
No objections or significant restrictions or penalties applied on the repatriation of capital	X	X	X	X
Free and well-developed equity market	X	X		
Free and well-developed foreign exchange market	X	X		
Non or simple registration process for foreign investors	X	X		
Custody and Settlement				
Settlement - Rare incidence of failed trades	X	X	X	X
Custody-Sufficient competition to ensure high quality custodian services	X	X	X	
Clearing & settlement - T +3 or shorter, T+7 or shorter for Frontier	X	X	X	X
Stock Lending is permitted	X			
Settlement - Free delivery available	X			
Custody - Omnibus account facilities available to international investors	X	X		
Dealing Landscape				
Brokerage - Sufficient competition to ensure high quality broker services	X	X	X	
Liquidity - Sufficient broad market liquidity to support sizeable global investment	X	X	X	
Transaction costs - implicit and explicit costs to be reasonable and competitive	X	X	X	
Short sales permitted	X			
Off-exchange transactions permitted	X			
Efficient trading mechanism	X			
Transparency - market depth information / visibility and timely trade reporting process	X	X	X	X
Derivatives				
Developed derivatives market	X			

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