

FTSE QUALITY OF MARKETS CRITERIA (EUROPE ADVANCED EMERGING & EMERGING) as at September 2007

CRITERIA	COUNTRY NAMES										
	ADV EMG	Israel	South Africa	EMG	Czech	Egypt	Hungary	Morocco	Poland	Russia	Turkey
World Bank GNI Per Capita Rating, 2006		High	Lower Middle		Upper Middle	Lower Middle	Upper Middle	Lower Middle	Upper Middle	Lower Middle	Lower Middle
Market and Regulatory Environment											
Formal stock market regulatory authorities actively monitor market (e.g., SEC, FSA, SFC)	X	Pass	Pass	X	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Corporate governance standards relevant to market's status and requirements of international		N/A	N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fair and non-prejudicial treatment of minority shareholders	X	Pass	Pass		Pass	Pass	Pass	Pass	Pass	Restricted	Pass
Non or selective incidence of foreign ownership restrictions	X	Pass	Pass		Pass	Pass	Pass	Pass	Pass	Not Met	Pass
No objection to or significant restrictions or penalties applied on the repatriation of capital and Free and well-developed equity market	X	Pass	Pass	X	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Free and well-developed foreign exchange market	X	Pass	Pass		Pass	Pass	Pass	Not Met	Pass	Not Met	Pass
Non or simple registration process for foreign investors	X	Pass	Pass		Pass	Pass	Pass	Pass	Pass	Pass	Pass
Custody and Settlement											
Settlement - Rare incidence of Not Meted trades	X	Pass	Pass	X	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Custody-Sufficient competition to ensure high quality custodian services	X	Pass	Pass	X	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Clearing & settlement - T +3 or shorter	X	T+2	T+5		T+3	T+3	T+3	T+3	T+3	T+7	T+2
Stock Lending is permitted		Pass	Pass		Pass	Restricted	Pass	Pass	Pass	Not Met	Pass
Settlement - Free delivery available		Pass	Pass		Pass	Pass	Pass	Not Met	Pass	Not Met	Pass
Custody - Omnibus account facilities available to international investors	X	Pass	Pass		Not Met	Restricted	Pass	Not Met	Pass	Not Met	Restricted
Dealing Landscape											
Brokerage - Sufficient competition to ensure high quality broker services	X	Pass	Pass	X	Pass	Pass	Pass	Pass	Pass	Not Met	Pass
Liquidity - Sufficient broad market liquidity to support sizeable global investment	X	Pass	Pass	X	Pass	Pass	Pass	Not Met	Pass	Pass	Pass
Transaction costs - implicit and explicit costs to be reasonable and competitive	X	Pass	Pass	X	Not Met	Pass	Pass	Pass	Pass	Pass	Pass
Short sales permitted		Pass	Pass		Pass	Not Met	Pass	Not Met	Pass	Restricted	Pass
Off-exchange transactions permitted		Pass	Pass		Pass	Not Met	Pass	Not Met	Pass	Pass	Pass
Efficient trading mechanism		Pass	Pass		Pass	Pass	Pass	Pass	Pass	Pass	Pass
Transparency - market depth information / visibility and timely trade reporting process	X	Pass	Pass	X	Pass	Pass	Pass	Pass	Pass	Pass	Pass
Derivatives											
Developed Derivatives Market		Pass	Pass		Not Met	Not Met	Pass	Not Met	Pass	Not Met	Not Met
Size of Market											
Market Capitalisation \$mn (as at 31st Dec 2006)		161,732	711,232		76,268	93,496	41,784	49,361	148,775	329,000	162,399
Total Number of Listed Companies (as at 31st Dec 2006)		606	389		32	595	41	63	265	257	316