

NOTES ON THE FTSE ACTUARIES SHARE INDICES (UNITED KINGDOM SERIES) IN 1997

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ABSTRACT

Consolidation of the *FTSE* Actuaries Share Indices and of the revised 1994 industry classification system. All-Share Index now in 'real time'.

KEYWORDS

FTSE Actuaries Share Indices; Ordinary Shares; London Market

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1. CONSTITUENT CHANGES IN THE UNITED KINGDOM EQUITY INDICES DURING 1997

After the 1996 year-end changes, 49 constituents were deleted from the indices constituting the All-Share Index during 1997; these deletions are recorded in Table A, and the 67 deleted at the year end, for 1998, are listed in Table I. Eighty-three companies were deleted from the Fledgling Index (the constituents of which are *not* included in the All-Share), together with another 17 deleted at the year end for 1998. There were 34 deletions from the AIM Index — also excluded from the All-Share Index.

Twenty-three new constituents were added to the All-Share Index during 1997; these companies are shown in Table B. This figure excludes the more numerous year-end changes, those effective on 2 January 1997 were dealt with in the 1996 note in this series, and the 48 effective on 2 January 1998 are set out in Table J. The rules of the Fledgling Index only allow entries annually at the year end; however, the reinstatement of constituents deleted because of protracted suspension is allowed, and there were five such reinstatements of 1996 deletions, together with three other additions deriving from two demergers and an investment trust reconstruction. There were 139 Fledgling new entrants for 1998. New constituents were to be added to the AIM Index annually, but, following the launch of the new market in 1995, it was agreed to make Index additions in quarterly batches *until the end of 1997*. However, it was agreed by the *FTSE* Actuaries U.K. Indices Committee on 11 June 1997 that quarterly new entrant

additions should continue to be made indefinitely; 95 constituents were added in 1997's quarterly batches.

The nine All-Share constituents reclassified during 1997 are listed in Table C, together with another 20 changed for 1998. Forty-one All-Share constituents which changed their names (one twice) are set out in Table D; 44 Fledgling companies and 12 in the AIM index were also renamed in 1997.

The eight constituents promoted and 13 relegated between the *FTSE 100* and *250* Indices during 1997 are set out in Table E — the imbalance reflects two *FTSE 100* constituents taken over or merged, offset by two demerged companies and five recent new issues admitted directly into the *FTSE 100*. Similarly, the 28 promoted and 30 relegated constituents moving between the *FTSE 250* and SmallCap Indices are set out in Table F — after 10 *FTSE 250* constituents had been deleted on take-over or reconstruction, five recent issues and two demerged companies inserted, and one former constituent re-inserted directly into the *FTSE 250* on its return from suspension, and the knock-on effect of the imbalance in Table E.

Other changes not listed elsewhere in this note — usually of weightings, reflecting the number of shares issued for acquisitions, options, rights and scrip issues — totalled:

	100	250	SmallCap	All-Share	Fledgling	AIM	Total
January	30	77	51	158	60	26	244
February	47	78	70	195	28	14	237
March	41	65	59	165	41	19	225
April	44	90	63	197	53	23	273
May	47	107	85	239	46	19	304
June	38	69	67	174	34	16	224
July	67	97	75	239	45	23	307
August	38	62	55	155	38	28	221
September	49	88	68	205	60	18	283
October	48	59	91	198	66	21	285
November	43	77	57	177	41	22	240
December	27	84	75	186	45	21	252
1997 totals	519	953	816	2,288	557	250	3,095
1996 totals	537	1,104	841	2,482	668	198	3,348

2. YEAR-END CHANGES OF CLASSIFICATION OF STOCK EXCHANGE SECURITIES BY INDUSTRY FOR 1998

The current U.K. industry classification system had been in force for four years by the end of 1997. The *FTSE* Actuaries Industry Classification Committee is anxious to minimise the number of year-to-year changes in the system, particularly those which will involve the index reclassification of constituents — and the consequent moving of companies between sectors in the Share Information Service towards the end of the *Financial Times*; there is, therefore, less constraint on

improvements which only involve subsector reclassification (i.e. changes of subsector *within a single sector*).

FTSE International had become aware that many banking and broking firms in the City, and on Continental Europe, were moving towards arranging their analytical teams on an industrial, as opposed to a 'by country', basis. Aware that the FT/S&P Actuaries World Indices were not progressing a proposed 1993 updating of their original (1986) classification system, these firms had therefore used the U.K. system for their analyses. A review had indicated that, with minor amendments, the U.K. system might be formally adapted for international use. Clearly some industries do not have significant quoted U.K. company representation (e.g. 'Agriculture & Fishing'), and there would be no intention to introduce such sectors into the U.K. system, although they would be introduced to its 'international' version. Reflecting Classification Ground Rule 4.2.1 — which recommends deletion of index sectors not representing 0.5% of the capitalisation of the All-Share Index — it is unlikely that a new sector weighted less than 1% would be introduced.

The *FTSE* Actuaries Industry Classification Committee meeting on 9 June therefore approved, in principle, some minor changes to the U.K. classification system for 1998 in order to 'internationalise' it. Work has commenced on applying the 'international' version to the constituents of the International Finance Corporation's emerging markets indices, and also to the newly introduced *FTSE* Eurotop indices. These proposals were confirmed, with others, at the following meeting, held on 1 September. In several cases it was found that existing international classification systems split certain sectors, which were unsubdivided in the U.K. system, into two or more subsectors; and that it was possible to subdivide the U.K. sectors similarly into 'viable' subsectors (which, of course, would *not* involve changing sectors), and it was therefore agreed to make these subdivisions to the U.K. system for 1998. The most immediate visible result of the 'internationalisation' changes was the renaming of the 'Mineral Extraction' Economic Group to 'Resources'.

As well as the 'internationalisation' changes, following the discontinuation of Sector 72, 'Banks, Merchant'; at the end of 1996, on the grounds that its constituents had, for the two previous annual reviews, aggregated substantially less than the 0.5% of the aggregate capitalisation of the All-Share Index suggested in the Classification Ground Rule 4.2.1 as the minimum size for a sector, a similar fate befell Sector 29, 'Textiles & Apparel', at the end of 1997, since it only represented 0.29% of the All-Share Index on 31 December 1996 (and fell further to 0.21% by the end of 1997); its constituents were used to bolster Sector 34; 'Household Goods', which had itself shrunk to 0.47% of the All-Share Index at the end of 1996, and to 0.45% a year later.

At its 9 June meeting, apart from agreeing the 'internationalisation' subdivisions of the 'Building & Construction' and 'Transport' Sectors — the former was also renamed simply 'Construction' — the *FTSE* Actuaries Industry Classification Committee also agreed to subdivide Subsector 805 — 'Geographical Specialist

Investment Trusts', to distinguish those specialising in emerging markets, and also to rename the 'Retailers & Wholesalers, Food' (Subsector 440) simply as 'Retailers — Food', and made the corresponding change to its definition.

Apart from the new and changed definitions resulting from the sector changes mentioned above (affecting new Subsectors 213, 217, 341, 342, 345 to 349, 440, 492, 494 and 496), the Committee meeting on 9 June also tidied up the definitions of Subsectors 150, 413, 794, 807 and 840. All these changes are set out in a single list, arranged in code number order, which follows later in this section, covering the changes agreed at all the three 9 June, 1 September and 1 December meetings.

Also, at its 1 September meeting, the *FTSE Actuaries Industry Classification Committee* agreed the 'internationalisation' subdivision of the 'Health Care' Sector and also, after consulting users, accepted a proposal from Oftel suggesting that 'Telecommunications' be removed from the 'Utilities' Economic Group and join that for 'Services'. This required definitions for the new Subsectors 364, 366 and 367. The opportunity was also taken to tidy up the definitions for Subsectors 165, 268, 320, 330 (renumbered from 333), 370, 428, 436, 680, 732, 820 and 880, which are also set out in the list referred to in the previous paragraph. All these changes were made at the year end, for 1998.

One of the individual company reclassifications made on 1 October, agreed on 1 September, reduced the number of companies in Subsector 255; 'Office Machinery'; to only three, so it was also agreed to delete that subsector at the year end, and to reallocate the remaining three companies in it.

During 1997 increasing interest had been shown in the development — following overseas precedent — of a Technology sector. An initial step towards this was taken when the 1 December meeting of the Industry Classification Committee agreed to rename Subsector 487 from 'Computer Software & Services' to 'Information Technology', but, as this would only be capitalised at 0.82% of the All-Share Index, it would not justify a new index sector. The market enthusiasm greeting this was such that in 1998 *FTSE International* is publishing an 'Information Technology' Index for the All-Share constituents classified in that subsector of 'Support Services'; it appears in the table on the previous page in the Fledgling Index. In the interests of clarity, Subsector 236 'Chemicals — Materials Technology' was renamed 'Chemicals — Advanced Materials'.

The full list of agreed changes in Economic Group, Industry Sector and Subsector names and codes appears below (the numbers of fully quoted U.K.-registered companies — not just index constituents — in the newly subdivided sectors at the year end are shown bracketed after each name):

- Economic Group 10 is to be renamed 'Resources' rather than 'Mineral Extraction' (but the only other changes within it are additions to definitions of Subsectors 150 and 165).
- Industry Sector 21 was renamed simply 'Construction' rather than 'Building & Construction'. This avoids the problems which arose because the names of both Sectors 21 and 22 commenced with the same word, 'Building':

- Subsector 210, 'Building & Construction', was subdivided into two new subsectors: 213 'House Building' (34), and 217 'Other Construction' (45).
- In Industry Sector 23, 'Chemicals' — Subsector 236, 'Chemicals — Materials Technology', was renamed 'Chemicals — Advanced Materials'.
- In Industry Sector 27, 'Engineering, Vehicles' Subsector 270, 'Vehicle Components and Assemblers', was renamed (as the sector) 'Engineering, Vehicles', and redefined.
- Industry Sector 29, 'Textiles and Apparel', was discontinued, by merging it into Sector 34 (*q.v. infra*), most of its subsectors reappearing in that sector.
- Industry Sector 34 was renamed 'Household Goods & Textiles', rather than simply 'Household Goods', to reflect its absorption of the five subsectors from the discontinued Sector 29. The eight subsectors from the two old sectors were rearranged into seven thus:
 - Subsector 341 'Clothing & Footwear' (32) combining Subsectors 291, 'Clothing Manufacturers' and 297, 'Footwear & Leather'.
 - Subsector 342 'Furnishings & Floor Coverings' (21) incorporating Subsector 344, 'Floor Covering' and the housewares and furnishing companies from Subsector 342, 'Furniture & Household Equipment'.
 - Subsector 345 'Household Appliances & Housewares' (13) incorporating the remainder of Subsector 342.
 - Subsector 346 'Household Products' (6) incorporating most of the companies in Subsector 346, 'Household Requisites', after extracting those more appropriately classified in the new Subsector 348 (*q.v.*).
 - Subsector 347 'Leisure Equipment' (9) taking the appropriate companies classified in Subsector 428, 'Home Entertainment'; three of them All-Share constituents, which therefore change index sectors.
 - Subsector 348 'Personal Care & Cosmetics' (4) incorporating the appropriate companies in Subsector 346, 'Household Requisites'.

- Subsector 349 ‘Other Textiles and Leather Goods’ (25) incorporating Subsectors 293, ‘Wool’, and 295, ‘Other Textiles’.
- Within Industry Sector 36, ‘Health Care’, Subsector 360 was subdivided into three: 364, Hospital Management (6); 366, ‘Medical Products & Supplies’ (23); and 367, ‘Other Health Care’ (6).
- The agreement to move ‘Telecommunications’ from the ‘Utilities’ Economic Group into ‘Services’ required the renumbering of Sector 66 to 46, and of Subsector 660 to 460.
- Within Industry Sector 49, ‘Transport’, Subsector 490 was subdivided into three: 492, ‘Airlines & Airports’ (5); 494, ‘Rail & Road’ (23); and 496, ‘Shipping & Ports’ (12).
- In Industry Sector 73, ‘Insurance’, Subsector 734 was renamed from ‘Insurance, Composite’ to ‘Insurance, Non-Life’.
- Within Industry Sector 80, ‘Investment Trusts’, Subsector 805, ‘Geographical Specialists’, was subdivided into two: 805, ‘Geographical Specialists, Developed Markets’ (43); and 806, ‘Emerging Markets’ (28).

The following sets out the full list of new and changed definitions summarised above:

(The names of new subsectors are emboldened.) Changes to existing names and definitions are indicated by *italicising new wording* and ~~striking through deletions~~.)

150 Oil, Integrated

Companies engaged in the exploration for, production, refining, distribution and supply of mineral oil and gas products.
Companies providing services to oil companies, other than those specified elsewhere.

165 Oil Services

Providers of services for oil and natural gas exploration and production.

213 House Building
217 Other Construction

Constructors of residential buildings.

Constructors of non-residential buildings and civil engineering contractors.

268 Engineering, Aerospace & Defence

Producers of components and equipment for the aircraft and defence industries.

Assemblers of aircraft and ~~defence~~ ships.

270 Engineering, Vehicles ~~Vehicle Components and Assemblers~~

320 Alcoholic Beverages

330 (renumbered from 333)

Food Producers

341 Clothing & Footwear

342 Furnishings & Floor Coverings

345 Household Appliances & Housewares

346 Household Products

347 Leisure Equipment

348 Personal Care & Cosmetics

349 Other Textiles & Leather Goods

364 Hospital Management

366 Medical Products & Supplies

367 Other Health Care

370 Pharmaceuticals

413 Vehicle Distribution

Manufacturers of vehicle components and the assembly thereof.

Distillers of spirits, cidermakers, vintners and importers of wines, and including makers of beer not classified in Subsector 470.

Producers and processors and wholesalers of food and soft drinks.

Manufacturers of all types of clothing and footwear, including those for sportswear.

Manufacturers of furniture (including office furniture) and furnishings, carpets and other materials for covering floors.

Manufacturers of domestic appliances, lighting, tools for use in the home, hardware, cutlery, tableware, giftware and watches.

Producers of detergents, soaps and polishes.

Manufacturers of leisure equipment.

Producers of toiletries, cosmetics and hygiene products.

Manufacturers of textile materials and goods other than clothing, and of leather goods other than footwear. Processors of hides and skins.

Owners and operators of hospitals, clinics, nursing homes, rehabilitation and retirement centres.

Manufacturers of eye care products, medical products and devices.

Diversified and other health care companies.

Biotechnology and drug research and development and/or exploitation. Developers and manufacturers of ethical drugs.

Distributors, sellers, ~~renters~~ and/or servicers of vehicles and ~~the distribution distributors~~ of vehicle parts and components.

392	<i>Notes on the FTSE Actuaries Share Indices</i>
428 Home Entertainment	Providers of entertainment services and products generally enjoyed in the home or garden. Newspaper, periodical, book and electronic data Publishers.
436 Publishing	Retailers and wholesalers of food products.
440 Retailers and Wholesalers, Food	Consultants for information technology, producers and distributors of computer software and providers of computer services.
487 <i>Information Technology Computer Software & Services</i>	Air transport companies and operators of airports and related facilities and services.
492 Airlines & Airports	Land transport and related facilities, including road and tunnel operators and vehicle rental.
494 Rail & Road	Water-borne transport and related services and terminal facilities.
496 Shipping & Ports	Companies and Authorities responsible for the provision of water and the removal of sewage.
680 Water	Insurance and life assurance agencies and other services related to insurance.
732 Insurance Brokers	Estate agents and surveyors, architects, civil engineers and space planners.
794 Property Agencies	Investment trust companies with at least 80% of their portfolio in a specified developed geographical region or country and less than 20% of their portfolio in the U.K.
805 Geographical Specialists — Developed Markets	Investment trust companies with at least 80% of their portfolios in emerging markets.
806 Emerging Markets	Investment trust companies where a significant portion of their portfolio is invested in the securities of unquoted unlisted companies which are subject to directors' valuations.
807 Venture & Development Capital	Companies investing up to £125,000 in the South East of England and up to £85,000 elsewhere in each individual property in the private rented housing market.
820 Housing Income Investment Trusts	

840 Open-Ended Investment Companies

880 Venture Capital Trusts

United Kingdom-registered open-ended investment companies which can have a variable share structure and prices 'on a single price' basis are denominated, quoted and account in sterling.

Companies investing up to £1 million each in U.K. unlisted and AIM companies which have gross assets not greater than £10 million *just prior to investment*. These vehicles for venture & development capital have special taxation arrangements for private individuals and are approved under s.842AA.

It was indicated earlier that under the 'internationalisation' proposals, certain sectors and subsectors were either 'for United Kingdom Only use' (UKO) or 'Not for United Kingdom use' (NUK). The former category covers Sector 27, and Subsectors 270, 336, 487, 778 and 801 upwards. The sectors and definitions of Subsectors 'Not for United Kingdom use' are as follows (**the names of 'NUK' sectors and subsectors are emboldened**):

11 Farming & Fishing 111 Agriculture & Fishing

Crop growers excluding forestry. Companies which raise livestock, commercial fishers, manufacturers of livestock feeds.

115 Forestry

Owners and operators of timber tracts, forest tree nurseries, sawmills.

26 Engineering

266 Commercial Vehicles:

Manufacturers of commercial vehicles, railway rolling stock and heavy agricultural and construction machinery. Manufacturers of vehicle components.

31 Automobiles

269 Vehicle Components

Companies which manufacture and assemble passenger automobiles.

36 Health Care

362 Health Maintenance Organisations

Owners and operators of health maintenance organisations.

39 Diversified Consumer Products

390 Diversified Consumer Products

Manufacturers of consumer goods not classified elsewhere.

51 Information Technology	510 Information Technology	Consultants for information technology, producers and distributors of computer software and providers of computer services.
73 Insurance	737 Re-insurance	Re-insurance companies.
	738 Other Insurance	Insurance companies with life assurance, non-life insurance and reinsurance interests, no one of which predominates.
78 Investment Companies	780 Investment Companies	Companies engaged primarily in owning stakes not giving control in a diversified range of companies.

3. MISCELLANEOUS

Since 12 May 1997 the All-Share Index has been calculated in real time, like its constituent parts. At the same time 'excluding investment trusts' versions of both the 350 and All-Share Indices were added to the existing versions of the SmallCap and Fledgling Indices. The values diverged from the 'including investment trusts' versions as at the close on 9 May, and are being worked back to appropriate end-1996 base values.

Following the withdrawal of the rights of major investors (companies and pension funds) to use tax credits to gross up their dividend receipts from that day, effected in the Chancellor of the Exchequer's Budget Speech on 2 July, the calculation of the indices' total return was changed on 7 July from a gross to a net basis — in respect of dividends *payable* after 1 July. The adjustments made included a negative one in respect of the tax credit on each dividend marked *xd* before 2 July, *but not paid by that date*. Index adjustments reflecting subsequent special dividend declarations have also been on a net basis.

The *FTSE U.K.* Indices Committee also agreed to include the 'net' annualised dividend yield for each index to the daily tabulation, by no longer grossing it up by the tax credit, resulting in a corresponding fall in yield, as well as retaining the 'gross' annualised yield. For logistical reasons, the net yield was not included in the tabulation in the *Financial Times* until that for 30 September.

When the Stock Exchange introduced SETS, its electronic order book, on 20 October — initially only for the *FTSE 100* constituents and 6 reserve list stocks — trading prices replaced middle prices for the stocks concerned, and these were therefore used in the index calculations. As the opening process is not instantaneous, initially each morning the index value is an amalgam of new prices and those at the previous evening close, and there is no longer a true 'opening value' for the indices.

The only material change made in 1997, because of the existence of secondary lines of a constituent's shares, was the addition of a Non-Voting Ordinary line of Amersham International shares on 22 October, issued in its merger with Nycomed of Norway, which had A and B lines, on class-to-class terms. The merged company was renamed Nycomed Amersham the following day. One of the Fledgling entrants at the year-end — Brockhampton Holdings — also had 2 lines.

A number of companies issued 'B' shares during the year as a means of minimising the advanced corporation tax payable when a capital repayment (i.e. by repaying the B shares) was to be made; these 'B' shares were not included in index weightings, due to the uncertainty as to when (or if) they were to be repaid. The intention was that they should be converted into Ordinary shares if unrepaid after a period, and *when* this happened those converted were added to the relevant weightings.

One change made to the layout of this note, compared to those of previous years, is to group all the 'events' provoking changes to Tables A to F, but excluding those *only* affecting Tables A or D, into a single chronological list — beginning on the next page — indicating which tables each 'event' affects.

A guide explaining how the *FTSE* Actuaries Share Indices and related dividend and earnings statistics are calculated was published in February 1995, and reviewed by Eric Short in the March 1995 issue of *The Actuary*. An October 1996 update of the '*FTSE* Actuaries Share Indices Guide to Calculation Methods', a guide to the industry classification system and updated listings of the classifications of all companies with equity quoted in London, are all available free of charge from:

Customer Relations Department, *FTSE* International Limited, St Alpheage House — Podium Floor, 2 Fore Street London EC2Y 5DA; Telephone: +44(0)171-448-1800; Facsimile: + 44(0)171-448-1804

Note: A full version of this paper, giving details of the individual constituent changes in the Fledgling & AIM Indices, is available in the '*FTSE* Library' on the *FTSE* International Internet website: <http://www.ftse.com>.

SCHEDULE OF EVENTS PROVOKING ALL-SHARE INDICES CAPITAL CHANGES DURING 1997, AS SET OUT IN TABLES A TO F, I & J
 (but excluding those *only* affecting Tables A or D)

Event number	Effective date	Tables concerned	Description of the event
1	7 & 8 January	B, F(ii)	Wickes — which had been deleted, after 10 days' suspension, from the Mid 250 Index on 9 July 1996 with a value of £258.9m — was requeued, and, in accordance with Ground Rule 7.5.1(iii), reinserted in the 250 Index at a value of £315.6m (allowing for a £56.7m rights issue) as a 251st constituent. At close of business on the first day of resumed trading, Wickes was deleted from the 250 Index and inserted into the SmallCap index at its then value of £148.6m.
2	14 January	A, B, F(i)	East Midlands Electricity taken over by DR Investments (U.K.).
3	17 January	A, F(i)	Calor Group taken over in Scheme of Arrangement by SHV Energy Holdings (U.K.).
4	22 January	A, F(i)	Lloyds Chemists taken over by Gebe Invest.
5	11 February	A, F(i)	London Electricity taken over by Entergy Power U.K.
6	17 February	B, D, E(ii), F(ii)	British Gas demerger into BG and Centrica (all three in FTSE-100).
7	20 February	A, F(i)	Clyde Petroleum taken over by Gulf Clyde Resources.
8	24 February	B, C, E(ii), F(ii)	The Energy Group demerged from Hanson (both FTSE-100).
9	24 March	B, E, F	Twelve days after the FTSE U.K. Indices Committee meeting on 12 March, using valuations based on closing prices the previous day: <i>FTSE 100:</i> One promotion and one relegation. <i>FTSE 250:</i> Four promotions and four relegations. <i>FTSE SmallCap:</i> One new issue in the preceding quarter, whose capitalisation was in excess of 0.25% of that of the SmallCap Index the preceding day (£203.84m), was added, together with a second reinserted on the basis of revised trading data confirming its eligibility
10	1 April	—	At the quarterly meeting of the FTSE Actuaries Industry Classification Committee held on 3 March, seven companies were reclassified with effect from 1 April 1997 — six were Fledgling Index constituents and one in the SmallCap. As the SmallCap reclassification change was only of subsector within a single sector, the effect was that no All-Share Index constituents were reclassified into new sectors on 1 April. Yorkshire Electricity Group taken over by Yorkshire Holdings (joint subsidiary of American Electric Power & Public Service Co. of Colorado). Nynex Communications (90% weighting) merged into Cable & Wireless Communications. Chubb Security taken over by Williams Holdings.
11	2 April	A, F(i)	
12	29 April	A, F(i)	
13	30 April	A, F(i)	

SCHEDULE OF EVENTS PROVOKING ALL-SHARE INDICES CAPITAL CHANGES DURING 1997, AS SET OUT IN TABLES A TO F, I & J
 (but excluding those *only* affecting Tables A or D) (continued)

Event number	Effective date	Tables concerned	Description of the event
14	23 June	B, E(ii), F	Twelve days after the <i>FTSE</i> U.K. Indices Committee meeting on 11 June, using valuations based on closing prices the previous day: <i>FTSE</i> 100: Two relegations were made in order to accommodate two new issues added during preceding quarter. <i>FTSE</i> 250: Three promotions and seven relegations were made; the number discrepancy reflected the two recent issues added to <i>FTSE</i> 100, and another two added directly into the 250 at the same time.
15	1 July	C	<i>FTSE</i> SmallCap: Apart from the above four entrants, no new issues were large enough to join the <i>SmallCap</i> Index. At the quarterly meeting of the <i>FTSE</i> Actuaries Industry Classification Committee held on 9 June, ten companies were reclassified with effect from 1 July — five were Fledgling constituents, one an AIM constituent and another U.S. domiciled, leaving three All-Share constituents to be reclassified.
16	4 August	A, B	The break-up of Amstrad included the demerger of Viglen Technology (and of Betacom — see Table L).
17	13 August	A, F(i)	Yorkshire-Tyne Tees Television Holdings taken over by Granada Group.
18	15 September	A, B	Fleming Far Eastern Investment Trust reconstructed prior to winding up: one option available to holders was a switch into the shares of The Fleming Asian Investment Trust.
19	22 September	B, E, F	Twelve days after the <i>FTSE</i> U.K. Indices Committee meeting on 10 September, using valuations based on closing prices the previous day:
			<i>FTSE</i> 100: Five relegations were made, in order to accommodate three new issues during the preceding quarter added direct, and a further two promotions. <i>FTSE</i> 250: Three promotions and seven relegations were made; the number discrepancy reflected the three recent issues added to <i>FTSE</i> 100, and another added directly into the 250 at the same time.
20	29 September	A, F(ii)	<i>FTSE</i> SmallCap: Two new issues, capitalised in excess of 0.25% of that of the SmallCap Index (£188.538m) were added. Aggreko demerged from Christian Salvesen (Aggreko was added to the <i>FTSE</i> 250 Index, but Christian Salvesen was relegated to <i>FTSE</i> SmallCap Index).

SCHEDULE OF EVENTS PROVOKING ALL-SHARE INDICES CAPITAL CHANGES DURING 1997, AS SET OUT IN TABLES A TO F, I & J
 (but excluding those *only* affecting Tables A or D) (continued)

Event number	Effective date	Tables concerned	Description of the event
21	1 October	C	At the quarterly meeting of the <i>FTSE Actuaries Industry Classification Committee</i> , held on 1 September, twenty-two companies were reclassified with effect from 1 October 1997 — fourteen were changes of subsector within the Insurance Sector, following a special review of the 'Lloyd's Funds', one other SmallCap reclassification was also only of subsector, and two were Fledgling constituents, leaving a total of five All-Share constituents to be reclassified.
22	6 October	B	Creative Publishing demerged from Fine Art Developments (both <i>FTSE SmallCap</i>).
23	8 December	A, F(i)	Redland taken over by Lafarge Minerals.
24	15 December	B, F(ii)	Cordiant demerged into Cordiant Communications Group and Saatchi & Saatchi (all <i>FTSE 250</i>).
25	17 December	A, D, E(i), F(i)	Guinness acquired Grand Metropolitan, and changed its name to Diageo.
26	22 December	B, E, F	Two days after the <i>FTSE U.K. Indices Committee meeting</i> on 10 December, using valuations based on closing prices the previous day:

FTSE 100: Three promotions and relegations were made.

FTSE 250: Five promotions and seven relegations were made; the number discrepancy reflected two recent issues added directly into the *FTSE 250*.

FTSE SmallCap: One new issue, capitalised in excess of 0.25% of the *SmallCap Index* (£191.37m) was added.

Mercury Asset Management Group taken over by ML Invest (a subsidiary of Merrill Lynch). The *FTSE U.K. Indices meeting* on 10 December, using valuations based on closing prices the previous day, also agreed the annual changes to be made to the *SmallCap* (and *Fledgling*) Indices. Reflecting a 22% increase in the All-Share Index, the criterion was raised to £65m, from the end-1996 level of £53m, again with a 15% 'stability' band either side of £65m — indicating that a Fledgling constituent needed to be capitalised on 9 December at over £74.75m to secure 'promotion', but an existing *SmallCap* constituent had to drop below £55.25m to be 'relegated'. Consequently there were 67 *SmallCap* constituents deleted for 1998 (65 relegated and two no longer eligible) — as set out in Table I, 48 new *SmallCap* constituents (19 promotions, 25 recent issues and four companies newly eligible) — as set out in Table J.

Also, as a result of the quarterly *FTSE Industry Classification Committee meeting* held on 1 December, 20 constituents were reclassified at the end of 1997 — ten of them moving from the discontinued 'Textiles and Apparel' Sector to the newly merged 'Household Goods & Textiles', three more moving there from 'Leisure & Hotels' on joining the new 'Leisure Equipment' subsector, and the remaining seven 'normal' quarterly reclassifications. The 20 are set out in Table C, after the other nine changes made during 1997. The figure does not include all nine 'Telecommunications' constituents moved from the 'Utilities' Economic Group to that for 'Services'.

Table A. All-Share constituents deleted during 1997

Date	Constituent	Section	Capitalisation £m	Industry classification	Control acquired by
2 January					
14 January	East Midlands Electricity	250	1320.4	Electricity	DR Investments (U.K.)
17 January	Calor Group	250	508.6	Gas Distribution	SHV Energy Holdings (U.K.)
22 January	Lloyds Chemists	250	661.5	Retailers, General	Gehe Invest
3 February	Ashbourne	SmallCap	94.1	Health Care	Exceler Health Care Group
7 February	JIB Group	SmallCap	201.2	Insurance	Lloyd Thompson Group
11 February	London Electricity	250	1227.3	Electricity	Energy Power U.K.
20 February	Clyde Petroleum	250	492.6	Oil Exploration & Production	Gulf Canada Resources
27 February	William Cook	SmallCap	78.7	Engineering	Steel Castings Investments
13 March	Life Sciences International	SmallCap	232.4	Health Care	Thermo Instruments Systems
24 March	Newman-Tonks Group	SmallCap	222.1	Building Materials & Merchants	NT Acquisition
27 March	Forward Group	SmallCap	123.0	Electronic & Electrical Equipment	PCB Investments
2 April	Yorkshire Electricity Group	250	1468.5	Electricity	Yorkshire Holdings
23 April	Michael Page Group	SmallCap	336.9	Support Services	Interim Services (U.K.)
25 April	Howden Group	SmallCap	372.9	Engineering	Charter
29 April	Nynex Communications (90% weighting)	250	918.8	Telecommunications	Cable & Wireless
30 April	Chubb Security	250	1267.0	Support Services	Communications
14 May	Camas	SmallCap	296.7	Building Materials & Merchants	Williams Holdings
For deletions, see 1996 note					
9 June	APV	SmallCap	309.7	Engineering	Bardon Group (see also Table D)
16 July	Atlas Converting Equipment	SmallCap	84.7	Engineering	Siebe
23 July	C E Heath	SmallCap	94.8	Insurance	Valmet
25 July	Cater Allen Holdings	SmallCap	186.1	Other Financial	Erycinus
1 August	HTV Group	SmallCap	366.4	Media	Abbey National
4 August	Amstrad	SmallCap	333.1	Electronic & Electrical Equipment	United News & Media
5 August	Bridon	SmallCap	130.8	Engineering	Break-up and demerger
6 August	Argent Group	SmallCap	222.9	Property	FKI
	Goldsborough Healthcare	SmallCap	74.7	Health Care	Britel Property
11 August	Nelson Hurst	SmallCap	81.2	Insurance	BUPA Finance
13 August	Yorkshire-Tyne Tees Television Holdings	250	635.5	Media	FG (U.K.) Holdings
					Granada Group

Table A (continued). All-Share constituents deleted during 1997

Date	Constituent	Section	Capitalisation £m	Industry classification	Control acquired by
14 August	Grampian Television	SmallCap	103.5	Media	Mirror Group
1 September	EFT Group	SmallCap	93.8	Other Financial	Bank of Scotland
4 September	Cortworth	SmallCap	92.0	Distributors	BT Group
12 September	Leigh Interests	SmallCap	114.4	Support Services	General Utilities
15 September	Fleming Far Eastern Investment Trust	250	427.1	Investment Trusts	Reconstruction preparatory to wind up
18 September	PSIT	SmallCap	242.3	Property Extractive Industries	MEPC
30 September	Bakyrchik Gold	SmallCap	14.5		Transfer to AIM (as BKG Resources)
6 October	Graceby	SmallCap	134.4	Electronic & Electrical Equipment	Smiths Industries
31 October	Kingsbury Group	SmallCap	51.1	Retailers, General	H & C Furnishings
3 November	BZW Convertible Investment Trust	SmallCap	56.3	Investment Trusts	Reconstruction into City Merchants High Yield Trust
7 November	Peek	SmallCap	94.2	Electronic & Electrical Equipment	Thermo Power Corp.
18 November	Midland Independent Newspapers	SmallCap	291.0	Media	Mirror Group
26 November	Visual Action Holdings	SmallCap	146.5	Media	Caribiner Services
1 December	Appleyard Group	SmallCap	52.3	Distributors	Jardine International Motor Holdings
	Saracen Value Trust	SmallCap	93.4	Investment Trusts	Reconstruction into Invesco Funds
4 December	Protean	SmallCap	104.0	Engineering	Culligan (U.K.)
5 December	Ivory & Sime	SmallCap	62.8	Other Financial	Prolonged suspension since 7 November, before reconstruction
8 December	Redland	250	1791.7	Building Materials	Lafarge Minerals
16 December	Menvier-Swain Group	SmallCap	158.3	Electronic & Electrical Equipment	Cooper Industries (U.K.)
17 December	Grand Metropolitan	100	12565.7	Alcoholic Beverages	Guinness — becoming Diageo
24 December	Mercury Asset Management Group	100	3098.2	Other Financial	ML Invest (subsidiary of Merrill Lynch)

Note: Azlan Group was deleted on 16 July at zero value, after suspension on 13 June at 555p, but returned to the market on 28 October after a 2-for-1 rescue rights issue, and was then reinstated at the value to be raised by the rights issue (£26.2m).

Table B. All-Share constituents added in 1997

Date	Event	Constituent	Section	Capitalisation £m	Industry classification	Ranking at review
2 January	—	For new constituents, see 1996 note				—
7 January	1	Wickes	250	315.6	Retailers, General	—
17 February	6	Centrica	100	3340.9	Gas Distribution	—
24 February	8	The Energy Group	100	2735.2	Electricity	—
24 March	9	Colt Telecom Group	SmallCap	272.6	Telecommunications	394
		East Surrey Holdings	SmallCap	103.5	Water	686
23 June	14	Alliance & Leicester	100	3509.5	Banks	67
		Avis Europe	250	821.0	Transport	192
		Gallaher Group	250	2020.3	Tobacco	106
		Halifax	100	19327.0	Banks	8
4 August	16	Viglen Technology	SmallCap	85.4	Electronic & Electrical Equipment	—
15 September	18	The Fleming Asian Investment Trust	SmallCap	134.9	Investment Trusts	—
22 September	19	Billiton	100	5301.9	Extractive Industries	48
		Galen Holdings	SmallCap	359.0	Pharmaceuticals	378
		Hiscox	SmallCap	227.9	Insurance	475
		Ionica Group	250	672.4	Telecommunications	237
		Norwich Union	100	6651.2	Life Assurance	36
		Woolwich	100	5168.0	Banks	53
29 September	20	Aggreko	250	408.9	Support Services	—
6 October	22	Creative Publishing	SmallCap	99.4	Media	—
15 December	24	Saatchi & Saatchi	250	244.1	Media	—
22 December	26	Bovis Homes Group	SmallCap	218.3	Building & Construction	447
		Newsquest	250	527.0	Media	270
		Northern Rock	250.9	2501.9	Banks	107

Table C. All-Share constituents reclassified in 1997

Date	Constituent	Section	From	To
2 January 24 February 1 July	Hanson Anite Group Charter Simon Group Danka Business Supplies Grampian Holdings Ilion Group VCI Williams Allied Textile Companies William Baird Boosey & Hawkes Brake Bros. BTR	100 SmallCap 250 SmallCap 250 SmallCap SmallCap SmallCap 100 SmallCap SmallCap SmallCap 100 250	Diversified Industrials Electronic & Electrical Equipment Diversified Industrials Engineering Support Services Retailers — General Support Services Support Services Support Services Diversified Industrials Diversified Industrials Distributors Leisure & Hotels Diversified Industrials Textiles & Apparel Textiles & Apparel Leisure & Hotels Retailers, Food Diversified Industrials Textiles & Apparel Textiles & Apparel Textiles & Apparel Textiles & Apparel Leisure & Hotels Diversified Industrials Textiles & Apparel Leisure & Hotels Textiles & Apparel Retailers, General Engineering Textiles & Apparel Textiles & Apparel Support Services Retailers, General	Building Materials & Merchants Support Services Engineering Support Services Support Services Retailers — General Support Services Support Services Household Goods & Textiles Household Goods & Textiles Household Goods & Textiles Food Producers Engineering Household Goods & Textiles Household Goods & Textiles Household Goods & Textiles Household Goods & Textiles Chemicals Household Goods & Textiles Household Goods & Textiles Household Goods & Textiles Distributors Distributors Household Goods & Textiles Household Goods & Textiles Transport Retailers, Food
1 October				
1998	Coats Viyella Courtaulds Textiles Dawson International Dewhurst Group Games Workshop Group Harrisons & Crosfield Hickling Pentecost Hozelock Group Jones, Stroud (Holdings) John Menzies ML Holdings Pentland Group Readicut International Christian Salvesen T & S Stores			

Table D. All-Share constituents' name changes, reconstructions, etc. in 1997

Former name	Section	Date effective	New name
Aberdeen Trust	SmallCap	7 May	Aberdeen Asset Management
Acorn Computer Group	SmallCap	16 May	Acorn Group
Adwest Group	SmallCap	29 December	Adwest Automotive
American Trust	SmallCap	12 June	Edinburgh U.S.Tracker Trust
Amersham International (Ordinary & Non-Voting Ord. lines)	SmallCap	23 October	Nycomed Amersham
Amicable Smaller Enterprises Trust	SmallCap	21 October	Britannia Smaller Companies Trust
Bardon Group	SmallCap	15 May	Aggregate Industries
British Gas	100	17 February	BG
BSG International	SmallCap	2 June	Britax International
Celltech Group	250	5 March	Celltech
Cowie Group	250	11 November	Arriva Group
Electrical & General Investment	SmallCap	21 April	Henderson Electric & General
Frost Group	SmallCap	13 June	Save Group
Greenfriar Investment	SmallCap	16 April	Henderson Greenfriar Investment
Guinness	100	17 December	Diageo
Higgs & Hill	SmallCap	20 January	Swan Hill
HTR Japanese Smaller Companies Trust	SmallCap	21 April	Henderson Japanese Smaller Companies Trust
Invesco	250	5 March & 12 May	first to Amvescap
Lloyd Thompson Group	SmallCap	7 February	Jardine Lloyd Thompson Group
London Insurance Market Investment Trust	250	28 August	Limit
Lowndes Lambert Group Holdings	SmallCap	19 February	Lambert Fenchurch Group
M.A.I.D.	SmallCap	18 November	The Dialog Corp.
Malvern U.K. Index Trust	SmallCap	6 May	Edinburgh U.K. Tracker Trust
Melrose Energy	SmallCap	22 May	Pentex Energy
Moorgate Smaller Companies Income Trust	SmallCap	25 July	Martin Currie Smaller Companies Income Trust
National Home Loans Holdings	SmallCap	5 March	The Paragon Group
Nottingham Group Holdings	SmallCap	9 October	Novara
P & P	SmallCap	13 May	SkillsGroup
Persona Group	SmallCap	14 August	Illiad Group
RTZ Corp.	100	3 June	Rio Tinto
Sanderson Electronics	SmallCap	4 December	Sanderson Group
Scottish Television	250	14 May	Scottish Media Group

Table D (continued). All-Share constituents' name changes, reconstructions, etc. in 1997

Former name	Section	Date effective	New name
Simon Engineering	SmallCap	12 June	Simon Group
Stoves	SmallCap	17 November	Stoves Group
TC Group	SmallCap	2 May	Care First Group
TR City of London Trust	250	20 October	The City of London Investment Trust
TR Far East Income Trust	SmallCap	9 July	Henderson Far East Income Trust
TR Pacific Investment Trust	SmallCap	4 November	Henderson TR Pacific Investment Trust
TR Smaller Companies Investment Trust	250	30 September	Henderson Smaller Companies Investment Trust
Trinity Holdings	SmallCap	29 October	Dennis Group
Williams Holdings	250	4 June	Williams

Table E. Constituents moving between the FTSE 100 and 250 Indices during 1997

(i) Constituents promoted to the FTSE 100 Index from the 250 Index

Date	Event	Ranking at review	Constituent	Industry classification	Capitalisation £m
24 March	9	83	British Land	Property	2546.0
22 September	19	79	Sun Life & Provincial Holdings	Life Assurance	3377.8
		85	Williams	Diversified Industrials	2800.5
17 December	25	103	Nycomed Amersham (2 lines) (Ord. £2201.9m, N-V Ord £566.2m)	Health Care	2768.1
22 December	26	85	Mercury Asset Management	Other Financial	3101.9
		89	British Energy	Electricity	2940.0
24 December	27	–	Amvescap	Other Financial	2903.8
		90	Blue Circle Industries	Building Materials & Merchants	2513.2

(ii) Constituents relegated from the FTSE 100 Index to the 250 Index

Date	Event	Ranking at review	Constituent	Industry classification	Capitalisation £m
17 February	6	–	Williams Holdings	Diversified Industrials	1748.9
24 February	8	–	Redland	Building Materials & Merchants	1763.6
24 March	9	108	Argos	Retailers, General	1778.9
23 June	14	108	Smith & Nephew	Health Care	1910.3
22 September	19	107	Burton Group	Retailers, General	1761.7
		119	Tate & Lyle	Food Producers	1875.4
		111	Hanson	Building Materials	1966.0
		109	Imperial Tobacco Group	Tobacco	1930.3
		102	Mercury Asset Management Group	Other Financial	2233.5
		101	Burmah Castrol	Oil, Integrated	2272.6
22 December	26	106	RMC Group	Building Materials & Merchants	2141.9
		102	Blue Circle Industries	Building Materials & Merchants	2223.7
		101	TI Group	Engineering	2105.2

Table F. Constituents moving between the *FTSE 250* and *SmallCap* Indices during 1997(i) Constituents promoted to the *FTSE 250* Index from the *SmallCap* Index

Date	Event	Ranking at review	Constituent	Industry classification	Capitalisation £m
14 January	2	—	Hardy Oil & Gas	Gas Exploration & Production	375.9
17 January	3	—	Redrow Group	Building & Construction	360.0
22 January	4	—	AEA Technology	Support Services	356.0
11 February	5	—	Ashhead Group	Building & Construction	370.5
20 February	7	—	Securities Trust of Scotland	Investment Trusts	346.7
24 March	9	289	Capita Group	Support Services	446.0
		290	London Forfaiting	Other Financial	395.9
		305	Chiroscience Group	Pharmaceuticals	390.4
2 April	11	—	JB Sports	Retailers, General	339.8
29 April	12	—	SIG	Building Materials & Merchants	366.5
30 April	13	—	St James's Place Capital	Life Assurance	367.1
23 June	14	224	Davis Service Group	Support Services	353.5
		224	Aggregate Industries	Building Materials & Merchants	583.2
		308	Select Appointments (Holdings)	Support Services	447.5
		326	Independent Insurance Group	Insurance	366.3
		—	Edinburgh U.S. Tracker Trust	Investment Trusts	379.8
13 August	17	—	Courts	Retailers, General	373.0
15 September	18	—	Signet Group	Retailers, General	571.5
22 September	19	245	Colt Telecom Group	Telecommunications	405.0
		314	Pillar Property	Property	401.0
		318	Fleming American Investment Trust	Investment Trusts	390.5
		—	Hazlewood Foods	Food Producers	389.8
8 December	23	—	Admiral	Support Systems	467.1
17 December	25	333	Jarvis	Building & Construction	445.8
22 December	26	315	Investors Capital Trust	Investment Trusts	392.1
		322	Britax International	Engineering, Vehicles	398.4
		324	JBA Holdings	Support Services	378.8
		325	Galen Holdings	Pharmaceuticals	393.6
		—	...		
24 December	27	—	...		

Table F (continued). Constituents moving between the FTSE 250 and SmallCap Indices during 1997

(ii) Constituents relegated from the FTSE 250 Index to the SmallCap Index

Date	Event	Ranking at review	Constituent	Industry classification	Capitalisation £m
8 January	1	—	Wickes	Retailers, General	148.6
17 February	6	—	Brake Brothers	Retailers, Food	216.7
24 February	8	—	Dorling Kindersley Holdings	Media	253.1
24 March	9	478	Pace Micro Technology	Electronic & Electrical Equipment	168.3
		404	John Menzies	Retailing, General	266.3
		398	British Polythene Industries	Paper, Packaging & Printing	268.5
		389	Henlys Group	Engineering, Vehicles	282.8
23 June	14	500	Molins	Engineering	179.1
		485	Laura Ashley Holdings	Retailers, General	183.8
		449	Cellitech	Pharmaceuticals	207.0
		403	Albert Fisher Group	Food Producers	332.0
		401	M L Laboratories	Pharmaceuticals	217.5
		389	W S Atkins	Support Services	247.0
		376	Scotia Holdings	Pharmaceuticals	252.4
		400	Low & Bonar	Paper, Packaging & Printing	271.6
		381	Vitec Group	Engineering	291.8
		380	Petron	Electronic & Electrical Equipment	327.2
		374	Chiroscience Group	Pharmaceuticals	288.4
		365	Eurotunnel plc + SA units (50% wtg)	Transport	308.1
		360	Vendôme Luxury Group plc + SA units (10% wtg)	Retailers, General	329.1
		356	Eurotherm	Electronic & Electrical Equipment	354.5
29 September	20	—	Christian Salvesen	Support Services	292.7
15 December	24	519	Ionica Group	Telecommunications	149.9
22 December	26	439	RJB Mining	Extractive Industries	211.4
		415	Mercury World Mining Trust	Investment Trusts	256.7
		403	Courts	Retailers, General	265.1
		396	Foreign & Colonial Pacific	Investment Trusts	248.1
		391	Yule Catto	Chemicals	294.6
		388	Fleming Japanese Investment Trust	Investment Trusts	269.7
		—	Cordiant Communications Group	Media	225.2

Table G. Constituents of the *FTSE 100 Index* at the end of 1997

Rank	Company	Capitalisation £m	Rank	Company	Capitalisation £m
1	Glaxo Wellcome	51,466	41	Royal Bank of Scotland Group	6,648
2	British Petroleum	46,096	42	Standard Chartered	6,454
3	Shell Transport & Trading	43,754	43	Scottish Power	6,343
4	Lloyds TSB Group	42,467	44	Cadbury Schweppes	6,196
5	HSB Holdings	40,700	45	Siebe	6,047
	HK \$10 27,066		46	Commercial Union	5,824
	Ord 75p 13,634		47	British Airways	5,807
6	SmithKline Beecham	34,471	48	Kingfisher	5,741
7	British Telecommunications	30,643	49	Allied Domecq	5,455
8	Barclays	24,577	50	Asda Group	5,360
9	Diageo	22,464	51	BAA	5,224
10	Zeneca Group	20,280	52	General Accident	5,117
11	Halifax	19,176	53	Land Securities	5,102
12	National Westminster Bank	17,518	54	PowerGen	5,100
13	BAT Industries	17,213	55	Woolwich	5,088
14	Marks & Spencer	17,083	56	National Grid Group	4,968
15	Unilever plc	16,990	57	BOC Group	4,875
16	Abbey National	15,405	58	Railtrack Group	4,874
17	Prudential Corporation	14,232	59	Associated British Foods	4,770
18	Vodafone Group	13,495	60	Alliance & Leicester	4,656
19	Cable & Wireless	12,166	61	Scottish & Newcastle	4,607
20	Reuters Holdings	11,265	62	Pearson	4,556
21	General Electric Co.	11,030	63	GKN	4,414
22	Tesco	10,836	64	Whitbread	4,366
23	BG	10,774	65	Peninsular & Oriental Steam Navigation	4,321
24	J Sainsbury	9,656	66	United Utilities	4,196
25	Royal & Sun Alliance Insurance Group	9,471	67	EMI Group	3,993
26	Bass	8,387	68	Centrica	3,970
27	Granada Group	8,286	69	Reckitt & Colman	3,887
28	Rio Tinto	8,029	70	Safeway	3,752
29	Boots Co.	7,994	71	Sun Life & Provincial Holdings	3,731
30	British Sky Broadcasting Group	7,843	72	Schroders	3,686
31	Great Universal Stores	7,716	Ord	2,888	
32	Norwich Union	7,652	N/V Ord	798	
33	Rentokil Initial	7,576	73	British Land	3,514
34	British Aerospace	7,547	74	Energy Group	3,501
35	BTR	7,432	75	Rolls-Royce	3,478
36	National Power	7,308	76	Thames Water	3,445
37	Reed International	6,954	77	Tomkins	3,434
38	Imperial Chemical Industries	6,914	78	United News & Media	3,430
39	Bank of Scotland	6,854	79	Hays	3,427
40	Legal & General Group	6,687	80	Billiton	3,335

Table G (continued). Constituents of the *FTSE 100 Index* at the end of 1997

Rank	Company	Capitalisation £m	Rank	Company	Capitalisation £m
81	Severn Trent	3,315	92	Nycomed Amersham	2,732
82	Orange	3,163		Ord	2,194
83	Ladbroke Group	3,120		N/V Ord	538
84	Amvescap	3,080	93	Lasmo	2,666
85	Guardian Royal Exchange	3,026	94	Williams	2,640
86	Lucas Varity	3,016	95	Dixons Group	2,633
87	3i Group	3,000	96	Smiths Industries	2,603
88	British Energy	2,961	97	Next	2,588
89	Enterprise Oil	2,883	98	Blue Circle Industries	2,585
90	Carlton Communications	2,862	99	Rank Group	2,563
91	Wolseley	2,753	100	British Steel	2,538
				Aggregate capitalisation	919,831

Table H. *FTSE Actuaries Share Indices, equity levels, etc., at the end of 1997*

Number of constituents	Index number	Year earlier (31.12.96)	% change during 1997	Dividend yield % (ACT @ 20%)	Net yield %	Net cover	Est. price earnings ratio (net)	XD adj.	1997 total return index	1997	% of capitalisation (£m) at 31.12.97
			1997	1997	x	1997	1997	1997	1997 low	All-Share Index	
FTSE 100	100	5135.5	+4118.5	+24.69	3.16	2.61	2.07	19.15	145.44	2217.18	5330.8
FTSE 250	250	4787.5	+4490.4	+6.62	3.49	2.89	1.84	19.46	149.77	2027.24	4963.8
FTSE 250 ex Investment Trusts	221	4821.4	+4540.3	+6.18	3.61	2.99	1.88	18.40	155.65	2048.65	4985.8
FTSE 350	350	2469.7	+2043.8	+20.84	3.22	2.66	2.02	19.21	217.75	2555.3	194.090
FTSE 350 ex Investment Trusts	320	2473.4	-	-	3.24	2.68	2.03	19.00	39.41	1119.12	2557.8
FTSE 350 Higher Yield	167	2464.8	+1960.8	+25.70	4.16	3.46	1.89	15.91	90.14	1851.80	2493.1
FTSE 350 Lower Yield	183	2489.3	+2134.2	+16.64	2.28	1.86	2.25	24.33	53.29	1789.91	2643.7
FTSE SmallCap	543	2313.25	+2183.11	+5.96	3.29	2.65	1.60	23.70	66.60	1989.66	2406.20
FTSE SmallCap ex Investment Trusts	448	2311.39	+2192.24	+5.44	3.53	2.85	1.67	21.21	71.80	2007.31	2402.72
FTSE All-Share ex Investment Trusts	893	2411.00	+2013.66	+19.73	3.23	2.66	1.99	19.44	69.64	2158.80	2492.41
FTSE All-Share ex Investment Trusts	768	2416.52	-	-	3.26	2.69	2.01	19.11	38.89	1113.08	2495.84
FTSE Fledgling	751	1262.68	+1225.82	+3.01	3.27	2.62	1.28	30.01	37.64	1383.40	1346.52
FTSE Fledgling ex Investment Trusts	643	1284.06	+1245.65	+3.08	3.55	2.85	1.31	26.90	39.68	1410.90	1368.01
FTSE AIM	291	992.0	1042.90	-4.88	1.15	0.91	0.44	>80.00	8.05	913.11	1138.0

Base values for the Indices on this and the following pages:

100.00 on 10.4.1962*

FTSE All-Share, and Non-Financials

* this 'rather strange' date was the base date for the original Selwyn Lloyd 'Short-term' Capital Gains Tax

100.00 on 31.12.1983 FTSE 100

1412.60 on 31.12.1985 FTSE 250 both cum and ex Investment Trusts

682.94 on 31.12.1985 FTSE 350 cum Investment Trusts, 350 Higher & Lower Yields.

100.00 on 29.12.1989 Water

100.00 on 31.12.1990 Electricity

1363.79 on 31.12.1992 FTSE SmallCap both cum and ex Investment Trusts, and FTSE AIM

100.00 on 30.12.1994 FTSE Fledgling both cum and ex Investment Trusts, and FTSE AIM

100.00 on 29.12.1995 FTSE AIM

2208.01 on 12.5.1997 FTSE All-Share ex Investment Trusts (being the cum Investment Trust value on that day)
2247.50 on 12.5.1997 FTSE 350 ex Investment Trusts (being the cum Investment Trust value on that day)

100.00 on 31.12.1985 All other indices, except the Total Return Indices. (Most industry sectors were worked back to this date, after the comprehensive changes to the industry classification adopted at the beginning of 1994. Most had originally been based at 100.00 on 10.4.1962.)

For the Total Return Indices, the base values were:

100.00 on 31.12.1993 All industry sectors, except Oil Exploration & Production

1047.33 on 31.12.1993 Oil Exploration & Production

1000.00 on 30.12.1994 FTSE 350 cum Investment Trusts

1000.00 on 12.5.1997 FTSE All-Share ex Investment Trusts, 350 ex Investment Trusts and FTSE AIM

1000.00 on 31.12.1992 All other Total Return Indices.

Table H (continued). FTSE Actuaries Share Indices, equity levels, etc., at the end of 1997

FTSE All-Share Industrial Groups & Subsections	Number of constituents	Index number	Year earlier (31.12.96)	% change 1997	Dividend yield % (ACT @ 20%)	Net yield %	Net cover x	Est. price earnings ratio (net)	XD 1997	total 1997	high 1997	low 1997	% of All-Share Index	
10 MINERAL EXTRACTION	20	4501.76	3969.30	+13.41	3.48	2.85	1.81	19.88	140.76	2038.01	520.56	3891.26	114.337	
12 Extractive Industries	5	3024.42	4004.89	-24.48	4.65	4.12	1.89	14.24	139.64	932.20	4609.25	2864.91	12.478	
15 Oil Integrated	3	4951.26	4097.25	+20.84	3.52	2.84	1.77	20.08	154.87	5617.46	4005.84	92.102	1.03	
16 Oil Exploration & Production	12	3595.19	3289.95	+9.41	1.59	1.31	2.32	33.76	53.50	2214.28	3985.54	3233.54	9.757	
20 GENERAL INDUSTRIALS	255	1988.11	2023.06	-1.12	3.91	3.32	1.98	16.14	70.26	1157.84	2199.98	1834.58	150.133	
21 Building & Construction	22	1297.29	1197.90	+8.30	3.64	2.93	2.36	14.57	43.09	1143.31	1446.32	1194.01	9.418	
22 Building Materials & Merchants	29	1734.81	1828.91	-5.15	4.42	4.42	1.93	14.68	67.23	929.75	1956.96	1697.25	20.030	
23 Chemicals	26	2591.41	2335.67	+10.95	3.84	3.34	1.71	19.06	93.70	1307.47	2790.40	2233.68	20.961	
24 Diversified Industrials	13	1251.15	1519.19	-17.64	5.45	5.12	2.63	8.74	66.97	757.30	1596.75	1220.10	16.035	
25 Electronic & Electrical Equipment	33	2203.39	2276.84	-3.23	4.05	3.28	1.67	18.46	57.95	1202.94	2386.20	1982.80	17.545	
26 Engineering	64	2707.32	2659.30	+4.17	3.03	2.55	2.43	16.96	76.05	1763.76	3068.49	2389.99	14.481	
27 Engineering Vehicles	13	3436.29	3021.60	+13.72	2.87	2.42	0.05	>80	98.47	1874.52	3772.15	2674.73	11.184	
28 Paper, Packaging & Printing	27	2141.25	2578.90	-16.97	4.86	3.99	1.92	13.38	93.35	951.29	2597.20	1874.23	8.912	
29 Textiles & Apparel	14	993.77	1058.42	-6.11	6.79	5.64	1.19	15.49	63.56	667.90	1123.10	993.77	2.566	
30 CONSUMER GOODS	84	4923.19	3785.59	+30.05	3.04	2.65	1.83	22.49	140.36	1922.75	5003.07	3650.34	213.609	
32 Alcoholic Beverages	6	3256.79	2741.06	+18.81	3.57	3.53	2.22	15.82	120.75	1254.64	3610.81	2576.22	28.776	
33 Food Producers	25	3360.94	2704.86	+24.26	3.22	2.66	1.93	20.16	99.91	3394.08	2637.24	39.869	3.30	
34 Household Goods	17	3095.94	2628.46	+17.29	3.19	2.78	2.48	15.81	90.19	1287.49	3314.00	2595.42	5.494	
36 Health Care	14	2290.68	2041.19	+12.22	2.30	1.91	1.69	32.12	53.27	1449.64	2402.24	2019.92	8.163	
38 Pharmaceuticals	19	8159.85	5747.24	+27.11	2.29	1.91	1.70	32.21	171.99	2820.31	8238.49	109.864	0.908	
38 Tobacco	3	4624.29	4042.11	+14.40	6.13	5.41	1.60	12.70	256.01	5010.18	3896.45	21.442	1.77	
40 SERVICES	273	2867.80	2639.22	+8.66	2.88	2.33	2.04	1.82	21.23	72.51	1562.28	2937.33	2556.24	22.01
41 Distributors	28	2519.42	2979.67	-15.45	3.77	3.08	2.04	16.29	84.30	977.02	2992.91	2467.98	7.803	
42 Leisure & Hotels	30	3382.68	3302.71	+2.92	2.86	2.26	2.20	19.94	87.28	1885.50	3636.30	3114.66	22.363	
43 Media	43	4156.66	4328.98	-3.98	2.46	2.04	1.92	93.81	1536.92	4456.06	3907.87	55.157	4.56	
44 Retailers, Food	15	2739.23	2154.98	+27.11	3.09	2.47	2.30	17.60	72.23	1842.80	2774.86	191.195	33.824	
45 Retailers, General	53	2304.63	2064.87	+11.61	3.16	2.54	2.17	18.22	65.23	1387.78	2430.63	1991.63	4.90	
47 Breweries, Pubs & Restaurants	22	3669.81	3286.22	+9.85	3.30	2.64	2.30	16.48	97.82	1823.91	3645.91	2973.92	25.290	
48 Support Services	59	3488.99	2773.66	+25.79	1.76	1.44	2.37	29.99	45.87	2286.22	3503.09	2757.13	31.291	
49 Transport	23	2956.50	2674.16	+10.56	3.43	2.79	1.29	28.27	88.38	1303.44	3144.28	304.44	2.57	
60 UTILITIES	32	3479.24	2543.82	+36.77	3.88	3.12	1.62	19.88	113.15	1637.99	3507.96	2515.43	132.387	
62 Electricity	9	3911.53	2783.73	+40.41	4.78	3.82	2.12	12.37	161.67	2252.81	3919.60	2755.89	35.312	
64 Gas Distribution	2	2440.84	1509.47	+61.70	2.67	2.13	neg.	81.42	1398.03	2585.55	1456.86	1474.44	1.22	
66 Telecommunications	9	2728.42	2106.62	+29.52	3.23	2.61	1.48	26.15	69.22	2729.01	2075.75	63.049	5.21	
68 Water	12	3226.12	2348.59	+37.56	5.29	4.23	2.21	10.67	126.53	1933.38	3264.76	2329.87	19.283	
69 Non Financials	664	2418.05	2096.27	+15.35	3.32	2.76	1.88	20.04	71.41	1945.51	2504.34	2063.57	876.618	

Table H (continued). *FTSE Actuaries Share Indices, equity levels, etc., at the end of 1997*

<i>FTSE All-Share Industrial Groups & Subsections</i>	Number of constituents	Index number	Year earlier (31.12.96)	% change during 1997	Dividend yield % (ACT @ 20%)	Net yield %	Net cover x	Est. price earnings ratio (net)	XID adj. 1997	1997 total return	1997 high	1997 low	Capitalisa-tion (f'm) at All-Share Index	% of All-Share Index
70 FINANCIALS			4834.47	+38.68	3.06	2.47	2.43	16.80	135.78	5043.29	3438.42	297.494	24.61	
71 Banks, Retail	104	5009.43	+42.90	2.93	2.34	2.51	16.85	190.98	2471.20	7873.71	4923.20	192.190	15.90	
73 Insurance	12	2115.58	+29.44	4.19	3.45	2.78	10.74	85.34	1718.32	2194.57	1601.73	27.387	2.27	
74 Life Assurance	17	1634.44	+46.09	3.08	2.53	2.26	17.94	162.17	2611.54	5979.75	4038.08	31.566	3.11	
77 Other Financials	8	5931.68	+34.35	2.75	2.24	2.23	20.42	97.20	2303.29	3758.67	2842.48	17.605	1.46	
79 Property	25	3825.23	+21.22	3.02	2.48	1.45	28.61	55.57	1389.11	2257.91	1754.61	22.745	1.88	
80 INVESTMENT TRUSTS	42	2138.06	+9.23	2.26	1.81	1.17	47.40	65.93	1234.55	3642.06	3095.53	34.919	2.89	
89 FTSE ALL-SHARE	893	2411.00	+19.73	3.23	2.66	1.99	19.44	69.64	2158.80	2492.41	1989.78	1.209.030	100.00	

Table I. SmallCap constituents deleted at the end of 1997
 (and from the *FTSE All-Share Index*)

Sixty-seven constituents were deleted from the SmallCap Index (and therefore also from the *FTSE All-Share Index*). These were the following 65 constituents which were 'relegated' to the Fledgling Index for failing to maintain a capitalisation of £55m at the review held on 10 December 1997 (using closing prices the previous evening), and two others which failed to trade sufficiently frequently to remain eligible.

(i) Relegated to the Fledgling Index

Company	Sector	Capitalisation £m
Aberdeen New Dawn Investment Trust	Investment Trusts	50.1
Airsprung Furniture Group	Household Goods	36.4
Allied Leisure	Leisure & Hotels	33.3
Automotive Precision Holdings	Engineering, Vehicles	8.6
Baggeridge Brick	Building Materials & Merchants	37.9
Bluebird Toys	Leisure & Hotels	37.2
BWI	Engineering	40.9
Capital Industries	Paper, Packaging & Printing	42.9
Cavaghan & Gray Group	Food Producers	47.3
Cedadata	Support Services	33.3
Chemring Group	Engineering	36.1
Churchill China	Household Goods	48.5
Claremont Garments (Holdings)	Textiles & Apparel	35.8
Clydeport	Transport	56.8
Crabtree Group	Engineering	14.9
Datrontech Group	Distributors	42.9
Edinburgh New Tiger Trust	Investment Trusts	39.9
Epwin Group	Building Materials & Merchants	43.3
Exco	Other Financial	38.8
Fidelity Japanese Values	Investment Trusts	27.2
Fleming Fledgeling Investment Trust	Investment Trusts	48.3
Gartmore Emerging Pacific Investment Trust	Investment Trusts	41.0
Hardys & Hansons	Breweries, Pubs & Restaurants	45.8
Havelock Europa	Building & Construction	37.2
Henderson Japanese Smaller Companies	Investment Trusts	32.0
Ilion Group	Support Services	32.0
Industrial Control Services Group	Electronic & Electrical Equipment	38.5
Inveresk	Paper, Packaging & Printing	38.1
Invesco Tokyo Trust	Investment Trusts	28.9
ISA International	Distributors	34.4
Kenwood Appliances	Household Goods	46.4
Lamont Holdings	Textiles & Apparel	41.5
Leeds Group	Textiles & Apparel	39.7
Limelight Group	Retailers, General	35.0
Martin Currie Pacific Trust	Investment Trusts	47.3
Mayborn Group	Household Goods	24.6
Mentmore Abbey	Support Services	45.7
Microgen Holdings	Support Services	27.7
New London Capital	Insurance	51.9
Norbain	Distributors	30.1
Old Mutual South Africa Trust	Investment Trusts	50.9

Table I (continued). SmallCap constituents deleted at the end of 1997
 (and from the *FTSE All-Share Index*)

Company	Sector	Capitalisation £m
Phytopharm	Pharmaceuticals	14.8
Portmeirion Potteries (Holdings)	Household Goods	32.2
PPL Therapeutics	Pharmaceuticals	53.1
Queens Moat Houses	Leisure & Hotels	48.3
Rowe Evans Investments	Food Producers	41.4
Rubberoid	Building Materials & Merchants	38.9
Sanderson Group	Support Services	34.2
Second Market Investment	Investment Trusts	45.3
Sherwood Group	Textiles & Apparel	34.8
Sketchley	Support Services	37.8
Spandex	Distributors	32.8
Stylo	Retailers, General	52.7
Telemetrix	Electronic & Electrical Equipment	45.1
Tunstall Group	Electronic & Electrical Equipment	33.8
UDO Holdings	Support Services	57.0
Universal Salvage	Support Services	21.0
UPF Group	Engineering, Vehicles	34.5
VCI	Media	37.0
Vero Group	Electronic & Electrical Equipment	54.1
Viglen Technology	Electronic & Electrical Equipment	47.6
Vision Group	Electronic & Electrical Equipment	25.8
Wace Group	Paper, Packaging & Printing	18.6
Walker Greenbank	Household Goods	55.7
Wellington Holdings	Engineering	37.2

(ii) Due to insufficient trading

Company	Sector	Capitalisation £m
Acal	Distributors	67.4
Farepak	Food Retailers	98.3

Table J. SmallCap constituents added at the end of 1997
 (also added to the FTSE All-Share Index)

Forty-eight constituents were added to the SmallCap Index (and therefore also to the *FTSE All-Share Index*) for 1998. These were made up of 19 new issues during the year 1997, a further four which had become eligible — usually by trading more frequently — and a further 25 'promoted' from the Fledgling Index — having achieved the hurdle capitalisation rate of £75m for the review held on 10 December 1997 (using closing prices the previous evening).

(i) Twenty five new issues

Company	Sector	Capitalisation £m
Ashtenhe Holdings	Property	85.6
Aston Villa	Leisure & Hotels	81.8
Cambridge Antibody Technology Gp.	Pharmaceuticals	83.6
Cirqual	Engineering	70.4
DBS Management	Other Financial	86.3
Diagonal	Support Services	141.2
Harvey Nash Group	Support Services	94.0
Henderson Technology Trust	Investment Trusts	143.5
Holmes Place	Leisure & Hotels	147.0
KBC Advanced Technologies	Oil, Integrated	138.7
Kier Group	Construction	67.6
London Bridge Software Holdings	Support Services	147.5
Lorien	Support Services	97.5
Newcastle United	Leisure & Hotels	135.3
Old English Pub	Breweries, Pubs & Restaurants	80.2
Powderjet Pharmaceuticals	Pharmaceuticals	115.2
PSD Group	Support Services	121.6
Royalblue Group	Support Services	96.9
SFI Group	Breweries, Pubs & Restaurants	82.9
SHL Group	Support Services	144.4
Soco International	Oil Exploration & Production	186.4
Ultraframe	Building Materials & Merchants	168.4
United Overseas Group	Distributors	109.7
Ushers of Trowbridge Group	Breweries, Pubs & Restaurants	70.2
Versailles Group	Other Financial	119.9

(ii) Four newly eligible

Company	Sector	Capitalisation £m
ENIC	Investment Trusts	192.5
Quintain Estates & Development	Property	177.1
Sterling Industries	Engineering	79.8
Wellington Underwriting	Insurance	133.1

**Table J (continued). SmallCap constituents added at the end of 1997
(also added to the FTSE All-Share Index)**

(iii) Nineteen promoted from the Fledgling Index

Company	Sector	Capitalisation £m
American Port Service	Transport	62.5
Compel	Support Services	86.3
Costain Group	Construction	72.5
Dixon Motor	Distributors	91.5
Edge Properties	Properties	93.9
The Electronics Boutique	Retailers, General (see note)	125.7
European Telecom	Telecommunications	78.8
Gartmore European Investment Trust	Investment Trusts	93.6
Hampson Industries	Engineering	82.4
Henderson High Income Trust	Investment Trusts	80.5
Jacobs Holdings	Transport	76.6
Lavendon Group	Support Services	92.3
MDIS Group	Support Services	98.6
Milner Estates	Property	82.5
Northamber	Distributors	80.8
Photobition Group	Paper, Packaging & Printing	156.2
Robert Walters	Support Services	128.3
Shield Diagnostics Group	Health Care	143.5
Wiggins Group	Construction	93.2

Note: Because of a technical problem, The Electronics Boutique, an end-1997 reclassification from 'Distributors' to 'Retailers, General', did not reach its correct sector until 8 January 1998.