



## **Press Release**

### **Euronext: next steps in market reform**

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Amsterdam, Brussels, Lisbon, London, Paris, 20 December 2004 – As part of a drive to overhaul and harmonize its listing structure and thus improve the visibility and liquidity of small- and mid-size stocks traded on its markets, Euronext will introduce changes to its range of indices in Brussels in the first half of 2005.

This move will be implemented on 1 March 2005 on Euronext Brussels, following wide-reaching consultation of market participants. It will strengthen the Bel20 index as the blue-chip benchmark of Euronext Brussels, and create two additional benchmarks for mid and small caps.

#### **1- Bel20 index**

The Bel20 index, already the only blue-chip index in Brussels, will see its profile raised. In its new form, it will be composed of a variable number of stocks to ensure a homogeneous level of liquidity, enhancing its attractiveness as a reference for financial instruments including options and futures traded on Euronext.liffe.

In practice, Bel20 index components will be stocks having a free-float market capitalization equal to at least the level of the Bel20 index at the review date, multiplied by EUR 500,000.

This new methodology will guarantee the stability of the index components in a way comparable to fixed-number indices.

Moreover, in keeping with other national indices -- including the CAC40 and recently announced AEX -- individual shares will be capped at 15% of the total, compared with 25% today. This will have an effect on sector weightings.

Based on figures at 30 November 2004, the Bel20 index would be composed of 15 companies instead of 20 today. The five not included together represent 3.82% of the index and will all be included in the Bel Mid index.

The Bel20 index will thus be composed of companies with an average market capitalization of EUR 10.5 billion and a minimum of EUR 3 billion, with one exception.

The definitive component list will be published in January 2005.

## 2- Bel Mid index

Consistent with its range of local midcap indices, Euronext Brussels will launch the new Bel Mid index, with component stocks selected on the basis of both liquidity and free float.

The Bel Mid index will be made up of stocks not included in the Bel20 index, having a higher free float than the level of the Bel20 index multiplied by EUR 50,000, and a free-float velocity of at least 10%. No single stock may represent more than 10% of this index.

Based on figures at 30 November 2004, the Bel Mid index would include 32 companies. It will thus cover a wide range of representative and diversified mid-caps, with an average market capitalization of EUR 1.1 billion and a minimum of around EUR 200 million.

Review will occur quarterly at the end of February, May, August and November, for application at the beginning of April, July, September and January, respectively.

The index will replace the current Belgian Midcap index (a return index) from 3 January 2005. Component selection will be based on data at 30 November 2004. The price version will be available on 1 March 2005 and the base will be the level of the current Belgian Midcap at 31 December 2004.

## 3- Bel Small index

As with the Bel20 and Bel Mid indices, Bel Small index components will be selected on the basis of liquidity and free float capitalization.

This index will be made up of stocks whose free-float market capitalization lies between the level of the Bel20 index multiplied by EUR 5,000 and the Bel20 multiplied by EUR 50,000. Free-float velocity must be at least 10%, and the weight of individual shares will be capped at 10%.

Based on figures at 30 November 2004, the Bel Small index will be composed of 46 companies having an average market capitalization of EUR 126 million, with a minimum of around EUR 30 million.

Review will occur quarterly at the end of February, May, August and November for application at the beginning of April, July, September and January, respectively.

This new index will replace the current Belgian Smallcap (a return index) from 3 January 2005. Component selection will be based on 30 November 2004

figures. The price version will be available on 1 March 2005, and the base will be the level of the current Belgian Smallcap at 31 December 2004.

### A comprehensive range

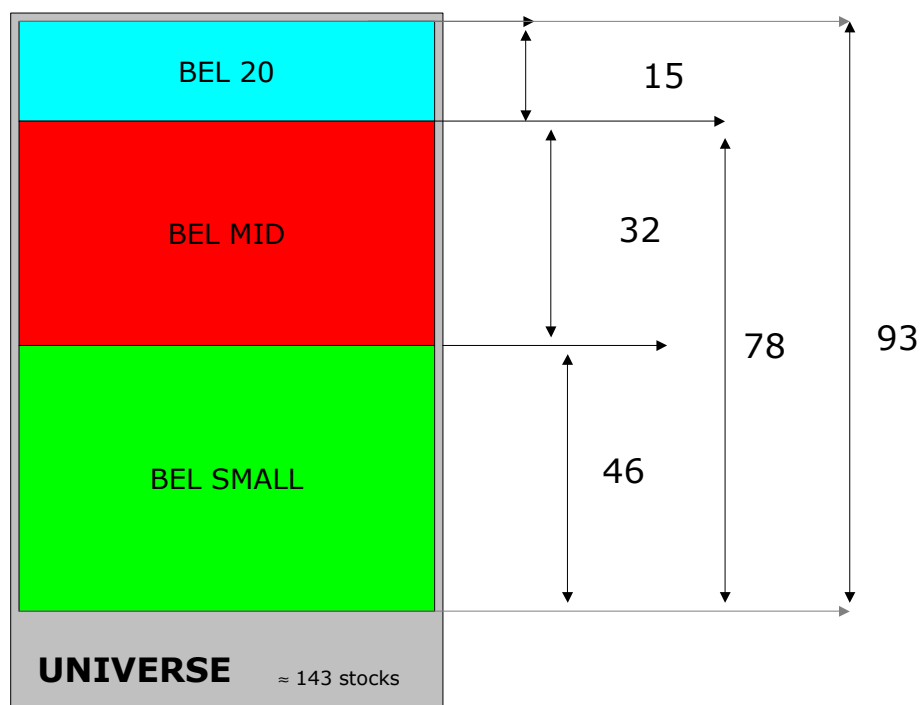
From 1 March 2005, when the new indices will be launched, the Euronext Brussels range of indices will thus comprise: the Bel20, Bel Mid and Bel Small indices, as well as the BAS (Belgian all shares index) and the Bel continuous index.

### Operational switch to the single regulated market

In keeping with reforms already announced for Euronext Paris cash markets, Euronext will also unify its regulated markets in Amsterdam, Brussels and Lisbon by shifting stocks listed on these markets onto a single domestic list for each location. This will take place on 4 April 2005.

Appendix:

### **New structure of Euronext Brussels indices** (as of end November 2004)



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