



**Rules for the NextCAC 70 Index® and
the NextCAC 70 Total Return Index®**

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1. The composition of the NextCAC 70 Index

- 1.1 The NextCAC 70 Index is a free float market capitalisation weighted price index. The index is based on the last trade prices of the stocks (including depository receipts for shares) and the weights are based on the current free float market capitalisation.
- 1.2 The NextCAC 70 Index is structured in such a way that it can be considered to represent the general trends of all eligible stocks listed on Euronext.
- 1.3 The NextCAC 70 Index only includes securities which are listed on Euronext. Euronext should be read as the official markets operated by the subsidiaries of Euronext N.V.
- 1.4 The following entities do not qualify for inclusion in the selection universe:
 - (a) Holding companies for securities listed on Euronext¹ unless the compiler decides otherwise;
 - (b) Investment Trusts (according to the FTSE classification system) unless the compiler decides otherwise;
 - (c) Convertible preference shares and loan stocks until converted;
 - (d) Warrants, rights and other derivative securities;
 - (e) Other stocks as specified by the compiler.
- 1.5 If two listings exist in one company then only the stock with the highest turnover is eligible for selection.

¹ Holding companies are defined as companies whose main activity is to hold the shares of one other (**listed**) company.

2. Calculation of the NextCAC 70 Index

- 2.1 The value of the NextCAC 70 Index is calculated using the share prices quoted on Euronext of all the securities included in the index.
- 2.2 The share prices are the prices of transactions concluded during regular daytime trading in officially listed stocks on Euronext. Official stock opening prices are the first traded prices during official trading hours. Should an official opening price be unavailable, the previous trading days official closing price is used. In the case of corporate actions, the adjusted closing price is used.
- 2.3 The prices used for the calculation are the most recently published prices for the trading day concerned. Prices not published immediately after a transaction are not used. No recalculation will take place if prices are cancelled unless the compiler of the NextCAC 70 Index decides otherwise.
- 2.4 The compiler of the NextCAC 70 Index retains the right to delay the use of a new price if it believes that this price deviates from the previous price to such an extent that it is necessary to obtain confirmation of the new price.
- 2.5 Dual listings within Euronext will be evaluated and the listing with the best effective share turnover in Euro will be selected as the price source. In cases where the effective share turnover of these dual listings is almost equal (to be determined at the discretion of the compiler), the compiler will decide which price source to use. This is to prevent switching between the two price sources at every review. The effective turnover will be collected over a period of six months before the review.
- 2.6 The weighting of each security in the NextCAC 70 Index shall be determined on the basis of current market capitalisation. The market capitalisation, based on the total number of issued shares of the listed share category (on Euronext), will be adjusted to obtain the so-called free float band adjusted Market Capitalisation by rounding up the calculated free float to the nearest multiple of 5 percent.
- 2.7 If a corporate action is applied to an index constituent which involves a change in the number of shares in issue, the change in shares will be applied simultaneously with the corporate action.
- 2.8 A weighting ceiling of 15% is applied to stocks weighting above this percentage at the time of the annual review.
- 2.9 The NextCAC 70 Index value is equal to the current total market capitalisation (adjusted for free float) of the index divided by the index divisor (see appendix 1).

3. Calculation of the NextCAC 70 Total Return Index

- 3.1 A total return version of the NextCAC 70 Index will be calculated and published following the official close of business each day. The NextCAC 70 Total Return Index will be calculated using gross dividends. Special dividends announced by a constituent company will not be treated as regular dividend income, and such events will be adjusted as a corporate action.

4. Publication of the NextCAC 70 Index

4.1 The NEXTCAC 70 index is disseminated continuously every 30 seconds, from 9.00 to 17.30. In the pre-opening period, from 7.15 until 9.00, an estimate of the trend is disseminated in the form of a pre-opening indicator known as the forerunner, which takes theoretical opening prices into account..

4.2 When the market opens, at 9.00, the preopening forerunner calculation is replaced by the calculation of the index, and a first instantaneous index value is calculated and disseminated as soon as the following two conditions are met:

- the total weight of equities traded, halted or suspended exceed/equal an adaptable threshold, fixed at 100% for the NEXTCAC 70 index;
- equities traded represent more than 65% of the index's total market capitalization.

An opening index is calculated from the opening prices of the traded equities and, in the case of untraded, halted or suspended equities, from the previous day's reference or estimated price (for public offerings, buyouts and swap offers). This opening index is disseminated at the same time as the first instantaneous index.

4.3 During the trading session from 9.00 until 17.30, index levels are calculated in real time using the last trade quoted and are disseminated every 30 seconds. During the session, the forerunner can be substituted for the index on an exception basis in the event that 35% of the market capitalization of the index may not be traded. The last index disseminated then becomes the new reference index. Five minutes from the moment that the equities actually traded account for more than 65% of the sample's total market capitalization, an initial index value is disseminated.

4.4 After the close of the market, the following indices are calculated and disseminated:

- opening reference index calculated by taking into account the opening prices received until the end of the session and, for the untraded, halted and suspended equities throughout the entire session, the reference prices (last-known closing price, possibly adjusted by corporate events) or estimated prices;
- closing reference index, taking into account all the closing fixing prices.

5. Index reviews of the NextCAC 70 Index

5.1 Independence

The Euronext Indices Selection Committee operates independently of Euronext and can thus act freely in the interests of the market and investors(s). The objective of the selection of constituents is to compose an index that is a highly tradable representation of the largest companies listed on Euronext, ensuring that the underlying constituents continue to meet the basic principles of the index (see section 1), and that the index continues to reflect as closely as possible the value of the underlying stock portfolio..

5.2 Frequency of meetings.

The Selection Committee will conduct an annual review, which is to be held end of August in order to effectuate the changes on October 1st. Apart from this annual meeting it may occur that changes in the selection need to be made. Occasions where this may happen are major IPO's and removals due to takeovers or bankruptcies.

5.3 The NextCAC 70 Index annual selection procedure

The annual selection procedure will follow a qualitative approach. This means that several criteria are taken into account when selecting or removing constituents. Such criteria may be:

- free float market capitalisation
- turnover on the market
- expectations with regard to individual companies

5.4 Intermediate removals and fast entry IPO's

From time to time individual stocks must be removed because of the fact that their regular trading stops or will stop. This may be because of takeovers, but also because of other circumstances.. However, to avoid rush decisions in replacing stocks, the vacancy in the index may occasionally not be filled immediately.

The Selection Committee will convene on initiative of the compiler to discuss the companies replacing removed constituents or the impact of important IPO's.

5.5 Announcements of Committee decisions

Committee meetings are held after the market close to prevent manipulation in stocks that might be included in or excluded from the samples. Its decisions on index composition adjustments are disclosed in press releases or notices published immediately after Committee meetings; they do not take effect for at least four weeks unless the index change relates to a situation as described in rule 5.4.

6. Adjustments of the NextCAC 70 Index in case of corporate actions

6.1 The aim of the compiler of the NextCAC 70 Index when making operational adjustments is to ensure that the basic principles of the index (see section 1) are maintained and that the index continues to reflect as closely as possible the value of the underlying portfolio.

6.2 Operational adjustments of the selection of the stocks in the NextCAC 70 Index may not change the index value.

6.3 Operational adjustment of the constituents and divisors

6.3.1 The composition of the portfolio on which the NextCAC 70 Index is based may change as a result of decisions or events which affect one or more of the constituent securities.

6.3.2 If regular daytime trading in one of the securities included in the NextCAC 70 Index stops or the stock is no longer traded during regular daytime trading, the compiler of the NextCAC 70 Index will in the first instance use the last known price of the stock concerned, subject to the provisions of section 2, but will also have the possibility of using prices which were not established during regular daytime trading in officially listed shares at Euronext.

6.3.3 If trading at Euronext is stopped or will stop in accordance with article 6.3.2, the Euronext Indices Selection Committee may decide to remove the constituent or to replace it with the stock that will continue to be traded during regular daytime trading at Euronext.

6.3.4 If shares may be offered for exchange in connection with a merger or acquisition and this temporarily results in two listings at Euronext, the prices of the offered shares will be used, unless the compiler decides otherwise. In the event of a merger involving two or more securities included in the NextCAC 70 Index, the combined market capitalisation will be included in the index. The index will then temporarily consist of fewer than 70 securities until the Euronext Indices Selection Committee selects a replacement.

6.3.5 In the event that a company included in the NextCAC 70 Index is split up, the securities resulting from the split, including the original stock where appropriate, will continue to be included in the index unless the Euronext Indices Selection Committee decides otherwise.

6.3.6 Since the level of the index will remain unchanged after a stock has been removed from the index as referred to in article 6.3.3, the divisor of the index is adjusted.

6.3.7 In principle the NextCAC 70 Index will not be adjusted to take account of periodical cash dividends on constituent securities, however this being on the understanding that the compiler may decide otherwise. If this power is used, the divisor of the index will be adjusted so that the value of the index remains the same.

6.3.8 In the case of cash dividends, the index will only be adjusted if these dividends are special. the compiler will use the following criteria for deciding whether a dividend should be considered to be a special dividend:

- (a) the declaration by a company of a dividend additional to those dividends declared as part of the company's normal results and dividend reporting cycle; merely an adjustment to the timing of the declaration of a company's expected dividend would not be considered as a special dividend circumstance; or

- (b) the identification of an element of a dividend paid in line with a company's normal results and dividend reporting cycle as an element that is unambiguously additional to the company's normal payment.

For the purpose of clarification, the compiler will not make adjustment for the following situations:

1. payment of ordinary dividends, irrespective of how they are financed;
2. the issue of redeemable shares or any other entitlement in lieu of an ordinary dividend; or
3. an unexpected increase or decrease, resumption or cessation, or change in frequency to an ordinary dividend.

For the purpose of clarification, the compiler will in principal regard the following situations as special:

1. the distribution of (excess) reserves
2. equity repayments

In the event of a stock dividend, bonus dividend or bonus issue, the divisor of the NextCAC 70 Index will not be adjusted unless the compiler of the index decides the issue is structured in such a way the underlying principles and accuracy of the index are effected. To determine whether a bonus dividend exists, the basic principle will be whether the company treats it as a bonus dividend and publishes it as such. The compiler will make the final decision if there is any doubt.

- 6.3.9 In the event of a rights issue the divisor of the index will be adjusted to take account of the (positive) value of the rights issue. The adjustment of the index will be based on the theoretical value of the rights issue as calculated by the compiler.
- 6.3.10 The procedure set out in article 6.3.9 will also be followed if a value can be attributed to a subscription right for convertible bonds, bonds with warrants or warrants with preferential rights for shareholders.
- 6.3.11 If a company changes its capital structure and the market capitalisation of the company pre the capital structure change equals the market capitalisation of the post capital structure change the index divisor remains unchanged. If a company changes capital structure and the market capitalisation of the company pre the capital structure change differs from the market capitalisation of the post capital structure change the index divisor is adjusted accordingly.

6.4 Final provisions for operational adjustments

In cases which are not expressly covered in these rules, operational adjustments will take place in the spirit of the aim set out in article 6.1. Operational adjustments may also take place if, in the opinion of the compiler of the index, it is desirable to do so with a view to the interests of investors and other users of the index. All adjustments must meet the requirement that the NextCAC 70 Index value shall remain unchanged as a result of an operational adjustment. The compiler of the NextCAC 70 Index will submit all operational adjustments which are not specifically covered in the rules to the Euronext Index Steering Committee, as meant in rule 7.1, for approval.

7. Final Provisions

- 7.1 The Board of directors of Euronext Indices B.V., a subsidiary of Euronext Amsterdam N.V., acts as the compiler of the NextCAC 70 Index. The Euronext Index Steering Committee acts as advisory body for the compiler when changing these rules and as the supervisor of the compiler.
- 7.2 The compiler of the NextCAC 70 Index is responsible for the day-to-day management of the index. The compiler of the NextCAC 70 Index is also responsible for decisions regarding the interpretation of these rules.
- 7.3 In cases not covered by these rules but which require direct action, the compiler of the NextCAC 70 Index will make a decision to the best of its ability and in the spirit of and in accordance with the aim of these rules. The decision will be submitted to the supervisor of the NextCAC 70 Index at the earliest possible opportunity.
- 7.4 These rules may be supplemented, amended in whole or in part, revised or withdrawn at any time. Supplements, amendments, revisions and withdrawals may also lead to changes in the way the index is compiled or calculated or affect the NextCAC 70 Index in another way. The compiler of the NextCAC 70 Index will submit all decisions regarding supplementing, amending, revising or withdrawing these rules for advise and for approval to the Euronext Index Steering Committee. All decisions will be published immediately. A period of at least two months should pass between the date a proposed change is published and the date this comes into effect, unless the change is not in conflict with the interests of an affected party. No liability can be accepted for any losses resulting from supplementing, amending, revising or withdrawing the Rules for the NextCAC 70 Index.
- 7.5 The compiler of the NextCAC 70 Index will do everything within its power to ensure the accuracy of the composition, calculation, publication and adjustment of the NextCAC 70 Index in accordance with relevant rules. However, the compiler of the NextCAC 70 Index and the Euronext Index Steering Committee cannot accept any liability for any inaccuracy in share prices, calculations and the publication of the index, the information used for making adjustments to the index and the actual adjustments.
- 7.6 Euronext Indices B.V. has any and all proprietary rights which exist or may exist to the name, logo, composition and method of computation of the NextCAC 70 Index.

Appendix 1 NextCAC 70 Index Calculation Method

$$\text{Index value} = \sum_{i=1}^n \frac{c_i * f_i * x_i * w_i}{d}$$

Where:

- n: The number of securities in the index;
- c_i: Capping factor: the factor to be applied to each security to allow amendments to its weighting, expressed as a number between 0 and 1, where 1 represents unadjusted.
- f_i: Free float factor: the factor to be applied to each security to allow amendments to its weighting, expressed as a number between 0 and 1, where 1 represents a 100% free float.
- x_i: The latest trade price of the ith component stock (or the price at close of business on the previous day);
- w_i: The weighting for the ith component stock (equal to the number of ordinary shares listed at Euronext);
- d: The divisor (a figure which represents the total issued share capital of the index at the base date and which can be adjusted to allow changes in the issued share capital of individual constituents to be made without distorting the index).

Appendix 2 Total Return Index Calculation Method

The total return index calculation takes two steps: the first step is to transpose the announced dividend payment into index points. This is called the XD adjustment. This uses the following formula:

$$\text{XD adjustment} = \sum_{i=1}^n \frac{g_i * c_i * f_i * w_i}{d}$$

Where:

- n: The number of securities in the index;
- g_i: The announced dividend per share of the ith component stock;
- c_i: Capping factor: the factor to be applied to each security to allow amendments to its weighting, expressed as a number between 0 and 1, where 1 represents unadjusted.
- f_i: Free float factor: the factor to be applied to each security to allow amendments to its weighting, expressed as a number between 0 and 1, where 1 represents a 100% free float.
- w_i: The weighting of the ith component stock (equal to the number of ordinary shares issued by the company);
- d: Divisor of the index.

The second step of the calculation uses the figures calculated in step one (xd adjustment). These figures are now included in the formula below which actually calculates the index value including dividend re-investment (total returns).

$$\text{TR}_t = \text{TR}_{t-1} \left(\frac{\text{IV}_t + \text{XDG}}{\text{IV}_{t-1}} \right)$$

Where:

- TR_{t-1}: Total returns index value yesterday;
- TR_t: Total returns index value today;
- IV_{t-1}: Underlying capital index yesterday;
- IV_t: Underlying capital index today;
- XDG: XD adjustment to underlying capital index (see step 1 above).

Appendix 3 Treatment of corporate events

1. Cash dividend (total return index)

Dividend effect = (shares * gross dividend)/divisor

2. Special cash dividend

Price adjustment = closing price - dividend announced by the company that is regarded as special

3. Split

Shares = old number of shares * N / F

Price adjustment = closing price * F / N

Where:

F: Former shares

N: New shares

4. Scrip issue

Shares = old number of shares + (old number of shares * N / F)

Price adjustment = closing price * F / F+N

5. Right issue (+ subscription right)

Shares = old number of shares * (N + F) / F

Price adjustment = (closing price * F + subscription right * N) / (F + N)

6. Shares consolidation

Shares = old number of shares * N / F

Price adjustment = closing price * F / N