

How to calculate indicative weightings for the AEX-index

A practical guide to the methodology used to calculate the indicative weightings of the companies in the AEX-index is set out below. The methodology has been broken down into stages that are reflected in a numerical example.

- Stage 1:** Calculate the free-float adjusted market capitalisation of each company included in the AEX-index by multiplying the current number of shares listed by the company by the last known share price, and then multiplying the result by the free-float percentage announced by Global Index Group by NYSE Euronext.
- Stage 2:** Add together all the free-float adjusted market capitalisations calculated in stage one to obtain the total free-float market adjusted market capitalisation of the 25 constituent companies of the AEX-index.
- Stage 3:** Divide the free-float adjusted market capitalization of each company in the AEX-index (stage 1) by the total free float adjusted market capitalisation (stage 2). The results are the percentage weightings of each company.
- Stage 4:** If, following stage 3, a constituent company has a percentage weighting of more than 15%, its percentage weighting is capped at 15%. The excess percentage weighting will be distributed among the other companies in the index, according to their relative weightings.
- Stage 5:** Repeat stage 4 until none of the companies has a percentage weighting of more than 15%.
- Stage 6:** Calculate the market value of the AEX-index basket by multiplying the current level (208.84 being used in example) of the index by 100.
- Stage 7:** Calculate the value of each constituent company in the AEX-index basket by multiplying the company's percentage weighting after stage 5 by the market value of the AEX-index basket (stage 6).
- Stage 8:** Calculate the indicative, unrounded number of shares of each company to be included in the AEX-index by dividing the value of the constituent company in the AEX-index basket (stage 7) by the last known price of the company's share (as used in stage 1).

Following stage 8, the number of shares of each company to be included in the AEX-index is rounded off to a whole number that is within a range of 5% of the unrounded number of shares. If rounding off to a whole number of shares proves impossible, Global Index Group by NYSE Euronext will round the number off to the most appropriate decimal (eg 0.5). Following a periodical review, the impact of the new composition of the AEX-index and the new weighting in shares never results in a change of more than €1 (0.01 index points) in the value of the AEX-index.

Numerical example showing the calculation of indicative weightings for AEX constituent companies

companies Included	outstanding shares	Share Price	Free Float percentage	Free Float adjusted Market capital (mln.Euro)	real % weighting	first adjust- ment	effect	second adjust- ment	effect	third adjust- ment	effect	New Market Value in Basket	unrounded number of Shares in index
Company 1	1,578,227,139	2.483	100.00%	3,918.74	1.93%	1.93%	2.32%	2.32%	2.32%	2.32%	2.32%	485.22	195.42
Company 2	1,191,887,562	8.987	100.00%	10,711.49	5.28%	5.28%	6.34%	6.34%	6.35%	6.35%	6.35%	1,326.31	147.58
Company 3	300,219,278	7.044	100.00%	2,114.74	1.04%	1.04%	1.25%	1.25%	1.25%	1.25%	1.25%	261.85	37.17
Company 4	259,410,586	26.870	100.00%	6,970.36	3.43%	3.43%	4.13%	4.13%	4.13%	4.13%	4.13%	863.08	32.12
Company 5	1,448,826,347	14.270	75.00%	15,506.06	7.64%	7.64%	9.18%	9.18%	9.19%	9.19%	9.19%	1,919.98	134.55
Company 6	431,283,135	11.685	100.00%	5,039.54	2.48%	2.48%	2.98%	2.98%	2.99%	2.99%	2.99%	624.00	53.40
Company 7	135,192,833	5.913	100.00%	799.40	0.39%	0.39%	0.47%	0.47%	0.47%	0.47%	0.47%	98.98	16.74
Company 8	85,799,361	14.430	75.00%	928.56	0.46%	0.46%	0.55%	0.55%	0.55%	0.55%	0.55%	114.98	7.97
Company 9	67,252,184	30.200	75.00%	1,523.26	0.75%	0.75%	0.90%	0.90%	0.90%	0.90%	0.90%	188.61	6.25
Company 10	181,425,000	17.870	100.00%	3,242.06	1.60%	1.60%	1.92%	1.92%	1.92%	1.92%	1.92%	401.44	22.46
Company 11	76,607,958	20.150	100.00%	1,543.65	0.76%	0.76%	0.91%	0.91%	0.92%	0.92%	0.92%	191.14	9.49
Company 12	489,974,593	20.600	50.00%	5,046.74	2.49%	2.49%	2.99%	2.99%	2.99%	2.99%	2.99%	624.89	30.33
Company 13	2,063,147,969	3.352	100.00%	6,915.67	3.41%	3.41%	4.09%	4.09%	4.10%	4.10%	4.10%	856.31	255.46
Company 14	1,714,362,792	10.110	100.00%	17,332.21	8.54%	8.54%	10.26%	10.26%	10.28%	10.28%	10.28%	2,146.10	212.27
Company 15	972,411,769	12.040	100.00%	11,707.84	5.77%	5.77%	6.93%	6.93%	6.94%	6.94%	6.94%	1,449.68	120.41
Company 16	3,681,560,000	16.150	100.00%	59,457.19	29.28%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	3,132.60	193.97
Company 17	169,543,025	10.090	75.00%	1,283.02	0.63%	0.63%	0.76%	0.76%	0.76%	0.76%	0.76%	158.86	15.74
Company 18	660,629,462	8.390	100.00%	5,542.68	2.73%	2.73%	3.28%	3.28%	3.29%	3.29%	3.29%	686.30	81.80
Company 19	145,613,988	9.958	100.00%	1,450.02	0.71%	0.71%	0.86%	0.86%	0.86%	0.86%	0.86%	179.54	18.03
Company 20	360,021,821	11.300	100.00%	4,068.25	2.00%	2.00%	2.41%	2.41%	2.41%	2.41%	2.41%	503.74	44.58
Company 21	123,315,875	2.868	50.00%	176.83	0.09%	0.09%	0.10%	0.10%	0.10%	0.10%	0.10%	21.90	7.63
Company 22	81,444,653	95.065	100.00%	7,742.54	3.81%	3.81%	4.58%	4.58%	4.59%	4.59%	4.59%	958.69	10.08
Company 23	1,714,727,700	14.880	100.00%	25,515.15	12.57%	12.57%	15.11%	15.00%	15.00%	15.00%	15.00%	3,132.60	210.52
Company 24	20,781,735	51.455	100.00%	1,069.32	0.53%	0.53%	0.63%	0.63%	0.63%	0.63%	0.63%	132.41	2.57
Company 25	287,086,404	11.950	100.00%	3,430.68	1.69%	1.69%	2.03%	2.03%	2.03%	2.03%	2.03%	424.79	35.55
Company excluded													
Company 26	2,351,661,425	1.097											
Company 27	64,980,130	6.220											
				203,036.03	100.00%	85.72%	100.00%	99.89%	100.00%	100.00%	100.00%		