



THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED
Stock Exchange Building, Stock Exchange Road, Karachi-74000
UAN No: 111-001-122

KSE/N-2968

Dated: June 15, 2012

NOTICE FOR ALL MEMBERS

KSE 100 INDEX BASED ON FREE-FLOAT METHODOLOGY

Members are hereby informed that the Governing Board of Directors of the Exchange in its meeting held on April 24, 2012 reviewed the subject matter and as recommended by the KSE Index Committee, decided to approve the introduction of a new 100-index based on a free float capitalization method. This methodology is a variation of the market capitalization method used for our current (KSE-100) Index. This methodology instead of using selected companies' total outstanding shares, shall calculate the Index using their free-float, or shares that are readily available for trading. Details of this methodology and migration plan to free-float Index are available on our website www.kse.com.pk. The free-float market capitalization method is regarded as the industry best practice.

It has been decided that both indices i.e the current full capitalization KSE-100 Index & the Free-float based new Index, will run in parallel for next 90 days for comparison purposes and for any adjustments/ rebalancing that might be required by Investors / Funds in their portfolios, due to this modification. Thereafter, at the time of next scheduled re-composition (October 01, 2012) of the Index, the KSE-100 (Free Float) shall replace the KSE full-capitalization 100 index.

It is further informed that the Rules for composition and re-composition of the new Index shall remain unchanged. The only difference of the new Index is the selection and computation of the index on the basis of free-float market capitalization instead of the total market capitalization of the existing Index.

Haroon Askari
Deputy Managing Director

Copy to:-

- Executive Director SECP
- Managing Director – LSE
- Managing Director – ISE
- Managing Director – PMEX
- CEO – CDC
- CEO – NCCPL
- Public Relations Dept.
- KSE Website