



CREDIT CRUNCH HAS LED TO INCREASED CONCENTRATION OF UK MARKET IN TOP TEN NAMES

- **All but one bank falls out of prestigious rankings that now account for almost half of the FTSE 100 by value**

London, 5 August 2008 – As the first anniversary of Northern Rock's near demise approaches, analysis by Fidelity International shows that the credit crunch has led to increased concentration among Britain's blue chip companies*. Before the credit crunch, the top ten companies by market value accounted for 45% of the FTSE 100. Today this has risen to 49%.

Barclays, HBOS and the Royal Bank of Scotland have fallen out of the top ten, leaving HSBC as the only representative of the banking sector. They have been replaced by natural resources companies: BG Group, BHP Billiton and Rio Tinto.

In total, 18 companies have fallen out of the FTSE 100 since 9th August last year - due to either merger and acquisition, deterioration in their market value or, as in the case of Northern Rock, no longer existing as a publicly quoted company.

Having dominated the UK market for so long and representing almost 20% of the FTSE 100 index a year ago, the banking sector has been reduced to 16%. On the back of rising oil prices, oil and gas producers at 20% have taken the top spot in the sector stakes. The mining sector has also been a big winner, increasing its weighting by almost half to nearly 13%.

In terms of share price, Rio Tinto enjoyed the largest increase over the period rising 60%. British Energy Group was second up 57% and BG Group third up nearly 42%. In contrast, while Northern Rock's share price plummeted and it ceased to be a publicly traded company, 3 other stocks saw their value drop by more than 75% - Barratt Developments whose share price fell almost 90%, Yell Group (-85%) and Punch Taverns (-77%).

Tom Ewing, manager of the Fidelity UK Growth Fund said:" Whilst the fall in bank stocks has been precipitous, I believe the lack of visibility over earnings in 2009 and likelihood of increased regulation going forward makes a sustained rebound unlikely. The outlook for the

oil stocks, however, looks more promising. Even though the oil price has fallen from its recent highs it still remains over 60% above the level of a year ago. As such, earnings and dividend streams for oil majors look very robust. This makes it difficult to see them losing their dominance in the FTSE for some time to come".

Top 10 on 9th August 2007

Royal Dutch Shell	7.84%
HSBC	6.94%
BP	6.80%
Vodafone	5.54%
Glaxosmithkline	4.81%
RBS	3.61%
Barclays	2.90%
Anglo American	2.39%
AstraZeneca	2.36%
HBOS	2.22%

Top 10 on 22nd July 2008

Royal Dutch Shell	8.92%
BP	7.47%
HSBC	7.37%
Vodafone	5.17%
Glaxosmithkline	4.83%
Rio Tinto	3.83%
BG Group	2.82%
Anglo American	2.81%
BAT	2.76%
BHP Billiton	2.69%

Companies relegated from the FTSE 100

Alliance & Leicester
 Barratt Developments
 Daily Mail
 DSG International
 Hanson
 Home Retail Group
 Imperial Chemical Industries
 Invesco
 Kelda Group
 Mitchells & Butlers
 Northern Rock
 Persimmon
 Punch Taverns
 Resolution
 Scottish & Newcastle
 Segro

Companies promoted to FTSE 100

Admiral Group
 Alliance Trust
 AMEC
 Bunzl
 Cairn Energy
 Carphone Warehouse
 Cobham
 Eurasian Natural Resources
 Ferrexpo
 First Group
 G4S
 Invensys
 London Stock Exchange
 Petrofac
 Thomas Cook
 Tui Travel



Tate & Lyle

Yell Group

Tullow Oil

Wood Group

Biggest falls in price (total returns):

Barratt Developments -89.73%

Yell Group -84.96%

Punch Taverns -76.84%

Persimmon -72.14%

DSG International – 70.41%

Biggest price rises (total returns)

Rio Tinto +60.01%

British Energy Group +57.13%

BG Group +41.55%

Kazakhmys +27.68%

Xstrata 24.64%

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Notes to editors:

*Source: DataStream, 09.08.07 to 22.07.08

**Source: Fidelity as at 30.06.08

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