

Annual Russell Reconstitution is Friday, June 27, 2008

The NASDAQ logo is displayed in white, bold, sans-serif capital letters on a blue background. The letters 'N', 'A', 'S', 'D', 'A', and 'Q' are spaced out, with a registered trademark symbol (®) to the upper right of the 'Q'.

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What You Need to Know:

- On Friday, June 27, 2008, Russell will reconstitute its 25 US indexes in order to accurately weight the 4,000 largest companies in the US stock markets by market capitalization (of float).
- The annual Russell Reconstitution is usually one of the most highly-anticipated and heaviest trading days in the US equity markets.

Each year, the Russell Investment Group rebalances its indexes during its annual reconstitution — commonly known as the Russell Reconstitution or the Russell Rebalance. On Friday, June 27, 2008, Russell will reconstitute its 25 US indexes in order to accurately weight the 4,000 largest companies in the US stock markets by market capitalization (of float) and in so doing provide a truer reflection of stock market activity and performance. Russell also has global indexes which will be reconstituted at the same time.

The reconstitution is usually one of the most highly-anticipated and heaviest trading days in the US equity markets, as index and other asset managers seek to reconfigure their portfolios to reflect the composition of Russell's indexes. Buying and selling activity by money managers will be influenced by companies being added and deleted from the Russell 3000 and Microcap Indexes as well as the changes in the weightings among component companies. Companies which are switched between the Russell 1000 and Russell 2000 indexes in the annual re-ranking may also experience elevated trading activity as there are different levels of assets managed to these indexes.

Russell calculates total market capitalization as of May 30, 2008, of US common stocks and ranks them from largest to smallest to determine whether they are large enough for inclusion in one or more of the Russell indexes. The largest 4,000 companies, which satisfy all of Russell's eligibility requirements, become members of the Russell indexes. After membership is determined, the shares of the securities are adjusted to include only those shares available to the public or otherwise referred to as "float." Stocks are subsequently weighted in the Russell US indexes by their available float-adjusted market capitalization.

Composition of the Russell 3000 and Microcap Indexes are as follows: The Russell 3000 Index consists of the Russell 1000 and 2000 Indexes. The Russell 1000 is comprised of the first 1000 companies in the Russell 3000 and represents the largest US companies. The Russell 2000 is comprised of companies numbered 1001 through 3000 within the Russell 3000 and is generally viewed as the benchmark index for small-cap companies. The Russell Microcap Index includes the smallest 1,000 securities in the Russell 2000 plus the next 1,000 securities.

2008 Reconstitution Schedule

June 13	Preliminary lists of additions and deletions to the Russell 3000, Russell Microcap and Russell Global Indexes are published
June 20 & 27	Updates to the lists of additions and deletions
June 27	Reconstitution final after the close of the US markets
June 30	Final membership lists posted for the Russell 3000, Russell 1000, Russell 2000, Russell Midcap, Russell Microcap and Russell Global indexes

A significant portion of the trading activity surrounding the re-balancing will occur on Friday, June 27, during the NASDAQ Closing Cross. The NASDAQ Official Closing Price (NOCP) will be used as the closing price for NASDAQ-listed stocks in the Russell Indexes. Just after 4:00 p.m., Eastern Time, on June 27, there may be an increase in individual company volumes. This occurs because the funds that track the Russell Indexes will adjust their holdings at the closing price on Friday. Since NASDAQ's Closing Cross determines the closing price for NASDAQ-listed securities, many funds will elect to send their re-balancing trades through the NASDAQ trading system for execution. During the 2007 annual reconstitution, approximately 678.5 million shares representing a record \$11.7 billion were executed in the NASDAQ Closing Cross in a record 1.9 seconds across some 3,200 NASDAQ stocks.

The below links provide more information about NASDAQ's Closing Cross and the Russell Reconstitution:

- Learn more about the [NASDAQ Closing Cross](#)
- Visit the [Russell website](#) for more information regarding the Russell Reconstitution

If you have any questions please contact your NASDAQ Relationship Manager or NASDAQ Market Intelligence Desk Director.