

# Apple Set to Join the Dow Jones Industrial Average

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NEW YORK, March 6, 2015 /PRNewswire/ -- Apple Inc. (NASDAQ:AAPL) will replace AT&T Inc. (NYSE:T) in the Dow Jones Industrial Average (DJIA) after the close of trading on Wednesday, March 18. The change will be effective with the opening of trading on Thursday, March 19. The index change was prompted by Visa Inc.'s (NYSE:V) 4:1 stock split which is scheduled to be effective at the same time. The post-split adjusted lower price of Visa will reduce the weighting of the Information Technology sector in the index. Adding Apple to the index will help to partially offset this reduction. In price weighted indices such as the DJIA, a large change in price of a high priced stock can have a material impact on sector representation in the index and this index change is designed to minimize that impact. The Telecommunication Services sector will continue to be represented in the DJIA by Verizon Communications Inc. (NYSE:VZ).

"As the largest corporation in the world and a leader in technology, Apple is the clear choice for the Dow Jones Industrial Average, the most recognized stock market measure," says David M. Blitzer, Managing Director and Chairman of the Index Committee at S&P Dow Jones Indices. "The DJIA is price weighted so extremely high stock prices tend to distort the index while very low stock prices have little impact. The timing of Apple's addition to the DJIA hinged on two stock splits: Apple's 7:1 last June and Visa's 4:1 on March 19th this year. Apple's split brought the stock price down closer to the median price in the DJIA. The Visa split will reduce the technology weight in the DJIA and make room for Apple. Among the current DJIA constituents, AT&T has one of the lowest prices. Moreover, the DJIA is over-weighted in telecommunications and AT&T and Verizon are quite similar, though AT&T has a smaller market capitalization."

Apple, headquartered in Cupertino, CA, designs, manufactures, and markets mobile communication and media devices, personal computers, and portable digital music players.

The change won't cause any disruption in the level of the index. The divisor used to calculate the index from the components' prices on their respective home exchanges will be changed prior to the opening on March 19. This procedure prevents any distortion in the index's reflection of the portion of the U.S. stock market it is designed to measure.

For more information, please visit <http://www.djaverages.com>. The Dow Jones Industrial Average and Dow Jones Composite Average also are members of the Dow Jones Averages family.

Following is a summary of the change:

DOW JONES INDUSTRIAL AVERAGE- March 18, 2014			
	COMPANY	GICS ECONOMIC SECTOR	GICS INDUSTRY GROUP
ADDED	Apple	Information Technology	Technology Hardware, Storage & Peripherals
DELETED	AT&T	Telecommunication Services	Integrated Telecommunication Services

Additions to and deletions from S&P Dow Jones Indices do not in any way reflect an opinion on the investment merits of the companies involved.

### **About S&P Dow Jones Indices**

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