

# MSCI<sup>®</sup> Barra<sup>®</sup> press release

## MSCI Barra Launches Equity Indices for the Gulf Cooperation Council Countries

*Leading provider of international benchmarks creates 17 new indices to help investors evaluate investment opportunities in the Gulf region.*

**Geneva - January 23, 2006** - MSCI Barra, a leading provider of benchmark indices and risk management analytics products, announced today the launch of 17 new equity indices for countries of the Gulf Cooperation Council (GCC). These countries are Saudi Arabia, United Arab Emirates, Kuwait, Qatar, Bahrain and Oman. Two index series have been created, one reflecting the investment restrictions applied to a GCC-based investor and the other reflecting the restrictions applied to a domestic investor.

Due to the investment restrictions currently in place in each of these countries, MSCI Barra does not plan to add any of these countries to the MSCI Emerging Markets Index<sup>SM</sup>. Saudi Arabia is completely closed to international investors, and the other five countries are only partially open to international investors.

Khalid Ghayur, Managing Director and Global Head of Research at MSCI Barra said, "The region's capital markets have become quite sizeable – we estimate the full market capitalization of these equity markets to be around USD 1 trillion, based on November 30, 2005 data. We have consulted with multiple market participants, in the region and globally, and, as a result of their feedback, we are now pleased to be launching representative indices for the GCC region that can serve both as benchmarks and as the basis for financial products."

As the United Arab Emirates, Kuwait, Qatar, and Oman currently apply identical investment restrictions to GCC-based investors as they do to international investors, the MSCI GCC Countries ex Saudi Arabia Index<sup>SM</sup> can be used as a proxy for the region by international investors.

MSCI index market capitalization and weights as of January 18, 2006, are shown below:

	Domestic investor		GCC-based investor		MSCI GCC Countries Index	MSCI GCC Countries ex Saudi Arabia Index	MSCI Arabian Markets Index	MSCI Arabian Markets ex Saudi Arabia Index
	Index Market Cap	# Securities	Index Market Cap	# Securities	Weight	Weight	Weight	Weight
MSCI Saudi Arabia Index	270,715	37	139,469	31	58.8%	-	53.4%	-
MSCI United Arab Emirates Index	87,531	36	39,647	21	16.7%	40.5%	15.2%	32.6%
MSCI Kuwait Index	57,177	43	39,114	43	16.5%	39.9%	15.0%	32.1%
MSCI Qatar Index	42,582	18	15,515	16	6.5%	15.8%	5.9%	12.7%
MSCI Bahrain Index	1,697	4	1,697	4	0.7%	1.7%	0.6%	1.4%
MSCI Oman Index	2,463	8	1,945	8	0.8%	2.0%	0.7%	1.6%
MSCI GCC Countries Index			237,388	123	100.0%		90.9%	
MSCI GCC Countries ex Saudi Arabia Index			97,918	92		100.0%	37.5%	80.4%
MSCI Egypt, Jordan & Morocco Index			23,799	39			9.1%	19.6%
MSCI Arabian Markets Index			261,186	162			100.0%	
MSCI Arabian Markets ex Saudi Arabia Index			121,717	131				100.0%

Note: Market capitalizations in USD mm

The new indices will be available to clients and through major vendors, starting on January 24, 2006. Price and DTR indices will be computed on a daily basis.

The stock exchanges of the GCC countries are all open on Sunday and, for some of the largest of these markets, also on Saturday. MSCI Barra will not be calculating the new indices on Saturday and Sunday initially, but will provide the share price performance for those days beginning in the second quarter of 2006.

### **About the MSCI GCC Countries Indices**

MSCI will be calculating the following new indices:

- 6 domestic country indices, based on conditions relevant to domestic investors and using <sup>(1)</sup>Domestic Inclusion Factors (DIFs)
  - MSCI Saudi Arabia Domestic Index<sup>SM</sup>
  - MSCI United Arab Emirates Domestic Index<sup>SM</sup>
  - MSCI Kuwait Domestic Index<sup>SM</sup>
  - MSCI Qatar Domestic Index<sup>SM</sup>
  - MSCI Bahrain Domestic Index<sup>SM</sup>
  - MSCI Oman Domestic Index<sup>SM</sup>
  
- 6 country indices based on conditions relevant to GCC investors, using <sup>(1)</sup>Foreign Inclusion Factors (FIFs) reflecting the Foreign Ownership Limit (FOL) applicable to GCC-based investors:
  - MSCI Saudi Arabia Index<sup>SM</sup>
  - MSCI United Arab Emirates Index<sup>SM</sup>
  - MSCI Kuwait Index<sup>SM</sup>
  - MSCI Qatar Index<sup>SM</sup>
  - MSCI Bahrain Index<sup>SM</sup>
  - MSCI Oman Index<sup>SM</sup>
  
- 5 regional indices:
  - MSCI GCC Countries Index<sup>SM</sup>, being the aggregate of the 6 country indices above
  - MSCI GCC Countries ex Saudi Arabia Index<sup>SM</sup>
  - MSCI Jordan, Egypt & Morocco Index<sup>SM</sup>, being the aggregate of the existing MSCI Jordan Index<sup>SM</sup>, the MSCI Egypt Index<sup>SM</sup> and the MSCI Morocco Index<sup>SM</sup>
  - MSCI Arabian Markets Index<sup>SM</sup> (MSCI GCC Countries Index + MSCI Jordan, Egypt & Morocco Index)
  - MSCI Arabian Markets ex Saudi Arabia Index<sup>SM</sup>

<sup>(1)</sup> The Domestic Inclusion Factor (DIF) reflects the free float available to domestic investors. The Foreign Inclusion Factor (FIF) reflects the free float available to GCC-based investors.

For further information on the MSCI GCC Countries Indices, please visit our web site at [www.msci.com/gcc/index.html](http://www.msci.com/gcc/index.html).

**About MSCI Barra**

MSCI ([www.msci.com](http://www.msci.com)) develops and maintains equity, fixed income, multi-asset class, REIT and hedge fund indices that serve as the benchmark for an estimated USD 3 trillion on a worldwide basis. In 2004 MSCI acquired Barra, Inc. (“Barra”). Barra analytics ([www.barra.com](http://www.barra.com)) help the world’s largest investors analyze, measure and manage portfolio and firm-wide investment risk. MSCI Barra is headquartered in New York, with research and commercial offices around the world. Morgan Stanley, a global financial services firm and a market leader in securities, asset management, and credit services, is the majority shareholder of MSCI, and Capital Group International, Inc. is the minority shareholder. MSCI Barra is a service mark of Morgan Stanley Capital International Inc. (“MSCI” or “MSCI Barra”).

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For further information on MSCI indices or MSCI data, please visit our web site at [www.msci.com](http://www.msci.com) or for Barra products, please visit our web site at [www.barra.com](http://www.barra.com)

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