Press Release

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FOR IMMEDIATE RELEASE

iShares to Offer New MSCI Emerging Markets Exchange-Traded Fund

SAN FRANCISCO, April 10, 2003 — Barclays Global Investors (BGI) announces that the iShares MSCI Emerging Markets Index Fund (ticker: EEM) will begin trading on the American Stock Exchange on April 11th. The new fund is benchmarked to the MSCI Emerging Markets Free (EMF) Index^{SM}, the most widely followed index for the asset class.[1] For both retail and institutional investors emerging markets exposure is often expensive and operationally difficult to achieve, yet its diversification benefits make it an important asset class. The iShares MSCI Emerging Markets ETF is designed to deliver in one easy trade, on a US exchange, broad asset class exposure at a lower cost than investing in individual emerging market company stocks. The fund's expense ratio will be 0.75%. The fund's primary specialist is LaBranche & Co.

"Introducing the iShares MSCI Emerging Markets Index Fund is a natural progression for BGI," said Lee Kranefuss, CEO of BGI's Intermediary Business. "We introduced the first emerging markets index fund in 1991, and the first international ETFs for US investors in 1996. Today we're pleased to provide our US clients with the long-awaited EEM, along with 33 other international/global iShares, including seven other emerging markets ETFs.[2]"

Henry Fernandez, President and CEO of MSCI said, "We are extremely pleased that BGI has licensed the MSCI Emerging Markets Free (EMF) Index - the world's most widely used emerging markets index - as the basis for an ETF."

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[1] Source: MSCI and InterSec Research Corp.

[2] iShares 7 emerging markets index funds are: MSCI Brazil (EWZ), MSCI Malaysia (EWM), MSCI Mexico (EWW), MSCI South Africa (EZA), MSCI South Korea (EWY), MSCI Taiwan (EWT), and S&P Latin America 40 (ILF).

The MSCI EMF Index is a free float-adjusted market capitalization index that is designed to measure equity market performance across the global emerging markets. The index was initiated in 1988 and as of March 31, 2003, consisted of 676 securities representing 26 emerging market countries. The index's regional breakdown is Asia (54.0%), Latin America (18.6%) and Europe, Middle East and Africa (27.3%).

The iShares MSCI Emerging Markets Fund is denominated in US$ and aims to deliver 1) diversification and 2) liquidity of the underlying holdings. The fund uses a representative sampling strategy to approximate index performance, investing in securities that have a similar investment profile (market capitalization, industry weightings, return variability, earnings valuation, yield and liquidity) as the index. The fund plans to hold approximately 200 local securities, American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs) in order to provide exposure to 20 equity markets.[3]

iShares are index funds that are bought and sold like common stocks on securities exchanges. iShares are attractive to many individual and institutional investors and financial intermediaries because of their relatively low cost, tax efficiency and trading flexibility. Investors can purchase and sell shares through any brokerage firm, financial advisor, or online broker, and hold the funds in any type of brokerage account. For a list of available iShares, visit www.ishares.com.

Barclays Global Investors is one of the world's largest asset managers[4], providing structured investment strategies such as indexing, tactical asset allocation, and risk-controlled active strategies. In the US, BGI is one of the largest active managers[5] set apart by its risk-

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[3] In order to improve its portfolio liquidity and its ability to track the index, the fund may hold positions in iShares Malaysia and Taiwan Index Funds. Direct investments in those local securities face severe restrictions and incur high operational costs. BGFA will not charge portfolio management fees on that portion of the fund's assets invested in shares of other iShares Funds. Holdings subject to change.

[4] Source: "Special Report: Global Leaders," Pensions & Investments (P&I), Sept. 2, 2002, p. 14.

[5] Source: "Special Report: Money Manager Directory," Pensions & Investments (P&I), May 27, 2002, p. 40.

controlled approach. BGI managed more than $745 billion in assets as of 12/31/02, and over 2,000 funds, for more than 2,200 clients in 39 countries around the world. BGI is an innovator in investment management, applying science and technology to the investment process. BGI has over 2,000 employees worldwide and is owned by Barclays PLC.

MSCI has been serving the investment community for over thirty years and is a leading provider of equity, fixed income and hedge fund indices that are used as benchmarks for approximately $3.0 trillion of capital managed by investors worldwide.

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iShares are distributed by SEI Investments Distribution Co. (SEI). Barclays Global Fund Advisors (BGFA) serves as an advisor to iShares. Barclays Global Investors Services (BGIS) assists in the marketing of iShares. BGFA and BGIS are subsidiaries of Barclays Global Investors, N.A., none of which is affiliated with SEI.

For complete information, including charges and expenses, request a prospectus by calling 1-800-iSHARES (1-800-474-2737). Read it carefully before you invest.

iShares transactions will result in brokerage commissions and will generate tax consequences. Mutual funds and iShares are obliged to distribute portfolio gains to shareholders.

Index returns do not represent actual iShares performance. Index performance returns do not reflect any management fees, transaction costs or expenses. One cannot invest directly in an index. **Past performance does not guarantee future results.**

iShares may be sold throughout the day at market value on stock exchanges through any brokerage account. However, iShares may only be redeemed directly from the fund by Authorized Participants, in very large Creation/Redemption Units. Investing involves risk, including possible loss of principal. In addition to the normal risks associated with equity investing, international investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors, in addition to those associated with their relatively small size and lesser liquidity.

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Addendum-Frequently Asked Questions

What emerging markets are in the MSCI Emerging Markets Free (EMF) Index[SM?]
As of March 31, 2003, the index included the following 26 emerging market countries: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, Turkey, and Venezuela.

What emerging markets are in the iShares MSCI Emerging Markets Index Fund?
As of April 2003, the fund has exposure to Argentina, Brazil, Chile, China, Czech Republic, Hungary, India, Indonesia, Israel, South Korea, Malaysia, Mexico, Peru, Philippines, Russia, South Africa, Taiwan, Thailand, Turkey, and Venezuela. Holdings for all iShares can be found on www.iShares.com.

What are ADRs/GDRs and how do they impact the fund?
Depositary Receipts represent ownership of shares in an international corporation and are issued by a depositary (often a US bank). ADRs (American Depositary Receipts) are quoted and traded in US$ in the US market, while GDRs (Global Depositary Receipts) are offered to investors in two or more markets outside the issuer's home country. An ADR investor is exposed to the underlying issuer's equity returns as well as the underlying issuer's home country's currency.

ADRs provide accessibility and operational ease to investors wishing to acquire foreign equity/currency exposure, thus simplifying the creation and redemption of shares of the iShares MSCI Emerging Markets Index Fund.

Why should individuals invest in emerging markets?
There are significant opportunities outside of developed markets. Emerging countries constitute 20% of the world's largest GDP, and 14 of the 16 fastest growing economies are emerging markets.[6] In addition, emerging capital markets continue to develop and improve the investment environment and enhance transparency and corporate governance.

Why would an investor want an emerging markets index fund or ETF when you could invest in an actively managed emerging markets fund designed to outperform its benchmark?
Few actively managed funds can consistently beat their benchmark. And to the extent that index funds and ETFs generally have lower management fees, they are more likely to consistently outperform in the long term their actively managed peers after fees and expenses.[7]

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[6] Source: World Bank, CIA, 2001.
[7] Source: W.F. Sharpe, "The Arithmetic of Active Management," Financial Analysts Journal (Jan.-Feb. 1991): 7-9.