



press release



STATE STREET GLOBAL ADVISORS

STATE STREET GLOBAL ADVISORS AND MSCI ANNOUNCE AGREEMENT TO LAUNCH MSCI-BASED EXCHANGE-TRADED FUNDS IN EUROPE

London/Boston, October 19, 2000. State Street Global Advisors (SSgA), the investment management group of State Street Corporation (NYSE: STT) and MSCI, a leading provider of investment performance benchmarks, today announced that they have entered into a license agreement to launch a range of exchange-traded funds (ETFs) in Europe based on MSCI indices. This agreement covers products based on MSCI's European regional and sector indices such as Information Technology, Telecommunication Services and Health Care, enabling SSgA to create the first comprehensive family of European ETFs for institutional and retail investors.

ETFs are similar to mutual funds in that they offer investors easy access to the performance of an index by buying shares in a single fund. However they also differ from mutual funds because like equities, ETF shares are listed on an exchange and can be bought or sold via a broker during the trading day. The flexibility of ETFs can make them an attractive option for all kinds of investor. Tracking an index helps to diversify risk and exposes investors to a wider range of companies.

In Europe ETFs are in their infancy. SSgA's development of ETFs based upon MSCI indices will provide European investors with an alternative investment opportunity, one that their US counterparts have enjoyed for several years. In the US more than 78 ETFs currently exist with total assets of \$49 billion. SSgA has been involved in the ETF market since its beginnings, having worked with the American Stock Exchange to bring the first ETF to market in the US in 1993. Presently, SSgA is the market leader in exchange-traded funds, managing more than \$31 billion in 22 ETFs worldwide.

Commenting today, Henry Fernandez, President of MSCI, said "MSCI is delighted to be working with SSgA on the creation of Europe's first comprehensive range of ETFs. This is an exciting opportunity for both parties to be at the forefront of the ETF business in Europe."

Timothy B. Harbert, President of SSgA, said "European investors continue to seek easy access to market segments, and meaningful asset allocation tools. In partnering with MSCI, we aim to meet the needs of these investors by bringing ETFs to Europe that combine these attributes in an easily tradable package."

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MSCI is a leading provider of global indices and benchmark related products and services to investors worldwide. Morgan Stanley Dean Witter & Co., a global financial services firm and a market leader in securities, asset management, and credit services, is the majority shareholder of MSCI, and The Capital Group Companies, Inc., a global investment management group, is the minority shareholder.

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And at a further eight global locations.

About SSgA:

SSgA, the investment management group of State Street Corporation, uses quantitative and traditional techniques to manage \$729 billion in investment programs and portfolios for institutional and individual investors. In addition to Boston, SSgA has full investment operations in Hong Kong, Singapore, Tokyo, London, Paris, Montreal, Munich and Sydney. It also has offices in Brussels, Dubai, Moscow, Prague, Santiago, Toronto, Vienna, Zurich, and Montpellier, France. In the United States, it has offices in Atlanta, Ga.; Chicago, Ill.; Clearwater, Fla.; Greenwich, Conn.; Hartford, Conn.; Manchester, N.H.; Naples, Fla.; New York, N.Y.; Osterville, Mass.; Purchase, N.Y.; and San Francisco, Calif. For more information, visit SSgA's web site at www.ssga.com.

About State Street Corporation:

With \$6.1 trillion in assets under custody and \$729 billion under management, State Street Corporation is one of the world's leading specialists in serving institutional investors. Offices are located in the United States, Canada, Chile, Cayman Islands, Netherlands Antilles, Ireland, United Kingdom, Netherlands, France, Belgium, Luxembourg, Switzerland, Germany, Czech Republic, United Arab Emirates, Russia, Peoples Republic of China, Taiwan, South Korea, Japan, Singapore, Australia, and New Zealand. State Street Corporation's common stock is traded on the New York Stock Exchange under the symbol STT. For more information, visit State Street's web site at www.statestreet.com.