

# MSCI intends to enhance its methodology for the treatment of special cash dividends in the MSCI Net DTR Indices

**Geneva – February 17, 2011** – MSCI Inc. (NYSE: MSCI), a leading provider of investment decision support tools worldwide, including indices, portfolio risk and performance analytics and corporate governance services, announced today its intention to enhance its treatment of special cash dividends for the MSCI Net Daily Total Return (DTR) Indices.

As a reminder, currently, according to the MSCI Corporate Events Methodology, special cash dividends that are greater than or equal to 5% of the market price of the underlying security are reflected in the MSCI Indices through an adjustment on the ex-date. A Price Adjustment Factor (PAF) using the gross dividend amount is applied for the MSCI Price Indices, the MSCI Gross DTR Indices and the MSCI Net DTR Indices regardless of the withholding tax applied to the special cash dividend, if any.

MSCI intends to enhance its treatment of special cash dividends in the MSCI Net DTR Indices only, by reflecting the net dividend amount instead of the gross dividend amount in the MSCI Net DTR Indices for special cash dividends subject to withholding taxes. In order to do so, MSCI intends to reinvest a negative amount corresponding to the withholding tax in the MSCI Net DTR Indices only. This negative reinvestment will be reflected simultaneously with the PAF on the ex-date of the special cash dividend.

This proposed adjustment aims to more closely mirror the effect of withholding taxes on the MSCI Net DTR Indices.

This proposal does not affect the current treatment of special cash dividends in the MSCI Gross DTR Indices and in the MSCI Price Indices.

MSCI welcomes feedback from the investment community on its proposal regarding the enhancement of its treatment for special cash dividends in the MSCI Net DTR Indices before March 4, 2011. MSCI will announce its final decision on or before March 7, 2011. This proposal may or may not lead to changes to MSCI's current treatment of special cash dividends.

-Ends-

## About MSCI

MSCI Inc. is a leading provider of investment decision support tools to investors globally, including asset managers, banks, hedge funds and pension funds. MSCI products and services include indices, portfolio risk and performance analytics, and governance tools.

The company's flagship product offerings are: the MSCI indices which include over 120,000 daily indices covering more than 70 countries; Barra portfolio risk and performance analytics covering global equity and fixed income markets; RiskMetrics market and credit risk analytics; ISS governance research and outsourced proxy voting and reporting services; FEA valuation models and risk management software for the energy and commodities markets; and CFRA forensic accounting risk research, legal/regulatory risk assessment, and due-diligence. MSCI is headquartered in New York, with research and commercial offices around the world.

**For further information on MSCI, please visit our web site at [www.msci.com](http://www.msci.com)**

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