
2010 Performance of MSCI Indices Reveals Mixed Picture in Global Equity Markets

- *Global markets continue to recover in 2010 but at a slower pace than in 2009*
- *Emerging and Frontier Markets show strongest signs of recovery*
- *Europe significantly underperformed the USA mainly due to sovereign debt crisis*

London - December 29, 2010 - MSCI Inc. (NYSE: MSCI), a leading provider of investment decision support tools worldwide, including indices, portfolio risk and performance analytics and corporate governance services, today published the year-to-date performance of its MSCI indices, revealing a moderate recovery of the global equity markets in 2010.

Globally, major financial markets continued to recover in 2010, but at a substantially slower pace than in 2009. This muted recovery was marked by moderate year-to-date performance results for all major regional MSCI indices across different size segments. The MSCI All Country World Investable Market Index (ACWI IMI), which combines 24 Developed and 21 Emerging Markets across large, mid and small cap size segments, delivered a 2010 year-to-date performance of 11.4% versus 31.5% in 2009.¹

Developed Markets exhibited the weakest recovery in 2010. The MSCI World Index posted a relatively modest year-to-date return of 9.2% compared to a return of 27.0% in 2009. Within Developed Markets, the MSCI Europe Index significantly underperformed the MSCI USA Index year-to-date, posting a return of 0.4% versus a return of 13.2% for the MSCI USA Index. Europe's relatively poor 2010 performance record is mainly explained by the sovereign debt crisis that impacted countries such as Greece, Spain and Ireland, which all posted negative year-to-date MSCI index returns of -47.2%, -26.6% and -20.4%, respectively. In contrast, the MSCI Sweden Index was the top performing index among Developed Markets, with a year-to-date performance of 29.0%.

Emerging Markets maintained its recovery in 2010, with year-to-date performance of 13.8% for the MSCI Emerging Markets Index versus a return of 74.5% in 2009. The MSCI Thailand and the MSCI Peru Indices were the best performing indices year-to-date, showing returns of 49.9% and 47.8%, respectively. The MSCI Hungary Index was the worst performer year-to-date with a return of -12.0%, followed by the MSCI Czech Republic Index with a -11.0% return.

Frontier Markets, which significantly lagged Developed and Emerging Markets during 2009 with a return of just 7.0%, posted the strongest returns in 2010. The year-to-date return for the MSCI Frontier Markets Index was 18.3%. The strongest regional performance within Frontier Markets came from Africa. The MSCI Frontier Markets Africa Index showed a year-to-date return of 19.5%. The top performer within Frontier Markets was the MSCI Sri Lanka Index with a positive 73.2% return, while the bottom performer was the MSCI Bahrain Index with a negative return of -23.0%.

In terms of size, the MSCI Global Small Cap Indices appreciably outperformed the MSCI Global Standard (Large + Mid Cap) Indices across all regions, just as they did in 2009. The MSCI ACWI Small Cap Index outperformed its large and mid cap counterpart, MSCI ACWI, by more than ten percentage points, year-to-date, posting returns of 23.2%

¹ All year-to-date index performance data is based on price index levels in USD for the period 31 December 2009 – 28 December 2010.

versus 9.7% for MSCI ACWI. In 2009, the MSCI ACWI Small Cap Index returned 48.0% while MSCI ACWI returned 31.5%.

The weak performance of the Euro relative to the US Dollar contributed substantially to the negative returns of the MSCI EMU Index in 2010. Year-to-date, the Euro depreciated 8.4% relative to the US Dollar. In contrast, the Japanese Yen appreciated 11.1% relative to the US Dollar over the same time period.

Historical and daily index levels for the full range of MSCI Country & Regional Indices, including year-to-date performance, are available at www.msci.com. Alternatively, they can be obtained through the MSCI Global Client Service Team.

MSCI Indices Performance Table

Index	YTD 2010 (31 Dec 2009 – 28 Dec 2010)	2009
MSCI All Country World Standard Index—(large and mid cap)	9.74%	31.51%
MSCI All Country World Investable Market Index—(large, mid and small cap)	11.39%	33.35%
MSCI All Country World Small Cap Index	23.18%	48.02%
MSCI Bahrain Index	-23.02%	-35.68%
MSCI Czech Republic Index	-11.01%	19.56%
MSCI Emerging Markets	13.79%	74.50%
MSCI Europe Index	0.35%	31.24%
MSCI Frontier Markets Africa Index	19.45%	-14.72%
MSCI Frontier Markets Index	18.28%	7.01%
MSCI Greece Index	-47.23%	22.60%
MSCI Hungary Index	-11.96%	73.88%
MSCI Ireland Index	-20.40%	9.91%
MSCI Peru Index	47.83%	69.30%
MSCI Spain Index	-26.59%	36.46%
MSCI Sri Lanka Index	73.20%	184.15%
MSCI Sweden Index	28.97%	60.17%
MSCI Thailand Index	49.88%	70.04%
MSCI USA Index	13.21%	24.20%
MSCI World Index	9.16%	26.98%

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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, visit our web site at www.msci.com

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