
MSCI INTENDS TO ADJUST ITS METHODOLOGY FOR THE CALCULATION OF PRICE ADJUSTMENT FACTORS APPLIED FOR RIGHTS ISSUES IN THE MSCI INDICES

Geneva – October 22, 2009 - MSCI Inc. (NYSE: MXB), a leading provider of investment decision support tools worldwide, announced today its intention to adjust its methodology for the calculation of Price Adjustment Factors (PAFs) for rights issues. A PAF is applied to the market price of a security to account for a rights issue on the day it becomes effective (the ex-date).

This proposed adjustment, which addresses client feedback and follows an internal analysis, will on average result in very minor differences but will enhance index replicability under certain market circumstances.

Currently, when the subscription price for the new shares is below the Cum price (where Cum is one business day before the ex-date), MSCI applies a PAF calculated as the Cum price divided by the Theo-ex price, as described below.

Current PAF = Cum price / Theo-ex price

Where the Theo-ex price is defined as $[(\text{Cum price} \times \text{shares before} + \text{shares issued} \times \text{subscription price}) / (\text{shares issued} + \text{shares before})]$

The current PAF formula is:

If subscription price is greater or equal to the Cum price then $\text{PAF}=1$ else $[\text{Cum Price}] / [(\text{Cum price} \times \text{shares before} + \text{shares issued} \times \text{subscription price}) / (\text{shares issued} + \text{shares before})]$

MSCI intends to modify the PAF formula which will be calculated as the Theo-Cum price divided by the Ex price, as described below.

Proposed new PAF = Theo-Cum price / Ex price

Where the Ex-price is the market price on the ex-date and the Theo-Cum price is defined as $[(\text{Ex price} \times (\text{shares before} + \text{shares issued}) - \text{subscription price} \times \text{shares issued}) / \text{shares before}]$

The proposed new PAF formula is:

If subscription price is greater or equal to Cum price then $\text{PAF}=1$ else $[(\text{Ex price} \times (\text{shares before} + \text{shares issued}) - \text{subscription price} \times \text{shares issued}) / \text{shares before}] / [\text{Ex price}]$

All the other calculation and implementation principles for right issues would remain unchanged, in particular:

- The subscription price mentioned in the above formulas is modified to take into account differences in entitlement to forthcoming dividends.
- The increase of the number of shares takes place as of the close of the ex-date.
- A PAF of 1 is applied when the subscription price of the new shares is greater than or equal to the Cum price. In this case, any increase in the number of shares and potential change in Foreign Inclusion Factor (FIF) and/or Domestic Inclusion Factor (DIF) is implemented after the results of the rights issue are made available.

As a consequence of this proposed new PAF treatment, MSCI will no longer provide the Preliminary Price Adjustment Factor Next Day information in the Security Core Products files on the Cum date of the rights issues. However, MSCI plans to send Intraday PAF announcements for all rights issues cases via email, similarly to what is done currently for events such as spin-offs, capital repayments or special dividends.

MSCI welcomes feedback from the investment community on its proposal regarding the treatment of rights issues in terms of PAF. MSCI will announce its final decision on or before November 16, 2009. This may or may not lead to any changes to MSCI's current treatment of rights issue in terms of PAF.

###

About MSCI Inc.

MSCI Inc. is a leading provider of investment decision support tools to investment institutions worldwide. MSCI Inc. products include indices and portfolio risk and performance analytics for use in managing equity, fixed income and multi-asset class portfolios.

The company’s flagship products are the MSCI International Equity Indices, which include over 120,000 indices calculated daily across more than 70 countries, and the Barra risk models and portfolio analytics, which cover 56 equity and 46 fixed income markets. MSCI Inc. is headquartered in New York, with research and commercial offices around the world.

For further information on MSCI Inc., please visit our web site at www.msclubarra.com

For media enquiries please contact:

Sally Todd Clare Milton, Penrose Financial, London	+ 44.20.7786.4888
Pen Pendleton Patrick Clifford, Abernathy MacGregor, New York	+ 1.212.371.5999

MSCI Barra Global Client Service:

Joe Pivarunas, MSCI Barra, London	+ 44.20.7618.2222
Elizabeth Turner, MSCI Barra, New York	+ 1.212.804.3901
Jackson Wang, MSCI Barra, San Francisco	+ 1.415.576.2323
Abbie Bao, MSCI Barra, Hong Kong	+ 852.2844.9333
Masao Ikeda, MSCI Barra, Tokyo	+ 813.5226.8222

- This document and all of the information contained in it, including without limitation all text, data, graphs, charts (collectively, the “Information”) is the property of MSCI Inc. (“MSCI”), Barra, Inc. (“Barra”), or their affiliates (including without limitation Financial Engineering Associates, Inc.) (alone or with one or more of them, “MSCI Barra”), or their direct or indirect suppliers or any third party involved in the making or compiling of the Information (collectively, the “MSCI Barra Parties”), as applicable, and is provided for informational purposes only. The Information may not be reproduced or disseminated in whole or in part without prior written permission from MSCI or Barra, as applicable.
- The Information may not be used to verify or correct other data, to create indices, risk models or analytics, or in connection with issuing, offering, sponsoring, managing or marketing any securities, portfolios, financial products or other investment vehicles based on, linked to, tracking or otherwise derived from any MSCI or Barra product or data.
- **Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction.**
- **None of the Information constitutes an offer to sell (or a solicitation of an offer to buy), or a promotion or recommendation of, any security, financial product or other investment vehicle or any trading strategy, and none of the MSCI Barra Parties endorses, approves or otherwise expresses any opinion regarding any issuer, securities, financial products or instruments or trading strategies. None of the Information, MSCI Barra indices, models or other products or services is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.**
- The user of the Information assumes the entire risk of any use it may make or permit to be made of the Information.
- NONE OF THE MSCI BARRA PARTIES MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, MSCI AND BARRA, EACH ON THEIR BEHALF AND ON THE BEHALF OF EACH MSCI BARRA PARTY, HEREBY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY, TIMELINESS, NON-INFRINGEMENT, COMPLETENESS, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO ANY OF THE INFORMATION.
- Without limiting any of the foregoing and to the maximum extent permitted by law, in no event shall any of the MSCI Barra Parties have any liability regarding any of the Information for any direct, indirect, special, punitive, consequential (including lost profits) or any other damages even if notified of the possibility of such damages. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited, including without limitation (as applicable), any liability for death or personal injury to the extent that such injury results from the negligence or wilful default of itself, its servants, agents or sub-contractors.
- Any use of or access to products, services or information of MSCI or Barra or their subsidiaries requires a license from MSCI or Barra, or their subsidiaries, as applicable. MSCI, Barra, MSCI Barra, EAFE, Aegis, Cosmos, BarraOne, and all other MSCI and



PRESS RELEASE

www.msclubarra.com

Barra product names are the trademarks, registered trademarks, or service marks of MSCI, Barra or their affiliates, in the United States and other jurisdictions. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and Standard & Poor's. "Global Industry Classification Standard (GICS)" is a service mark of MSCI and Standard & Poor's.