

MSCI[®]

press release

MSCI SMALL CAP INDEX REBALANCING

Geneva, September 4, 2001. MSCI announced today its scheduled index rebalancing for all MSCI Small Cap Country Indices. As previously announced, the rebalancing will be based on the revised MSCI Small Cap Methodology which broadens the eligible companies' full market capitalization range from USD 200 – 800 million to USD 200 – 1,500 million and free float adjusts the market capitalization of each constituent. The resulting changes will take effect in a single phase, after the close of trading on Friday, September 28, 2001.

The objective of the MSCI Small Cap Indices is to represent the business activities of small cap companies across developed markets. MSCI selects the most liquid securities relative to their market capitalization, and targets for index inclusion 40% of the full market capitalization of the eligible small cap universe within each industry group, within each country. The broadened full market capitalization range will enable the index to reflect a more diverse and liquid set of small cap opportunities for global investors. After the securities are selected, their market capitalization will be free float-adjusted to improve the investability of the index by including only those shares that are freely available to foreign investors.

The revised MSCI Small Cap Methodology and the complete pro forma MSCI Small Cap Index constituent list has been posted on MSCI's web site, www.msci.com. The revised MSCI Small Cap Methodology provides further details regarding the construction and maintenance of the MSCI Small Cap Indices.

In addition, as previously announced, the newly created MSCI Greece Small Cap Index will be added to the MSCI Small Cap Index Series as of the close of September 28, 2001, reflecting MSCI's reclassification of Greece as a developed market index.

Below is a brief pro forma analysis of these changes for some of the more frequently used MSCI Small Cap Indices, using data as of August 28, 2001.

World Index – The MSCI World Small Cap IndexSM represents the small cap segment in 23 of the world's developed equity markets. On a pro forma basis, the market capitalization of the index will be USD 720 billion, and the index will include 1,722 securities.

EAFE (Europe, Australasia, Far East) Index – The MSCI EAFE[®] Small Cap Index represents the small cap segment in 21 developed equity markets outside of North America. On a pro forma basis, the market capitalization of the index will be USD 335 billion, and the index will include 996 securities.

Europe Index – The MSCI Europe Small Cap IndexSM represents the small cap segment in 16 developed equity markets in Europe. On a pro forma basis, the market capitalization of the index will be USD 185 billion, and the index will include 494 securities.

Attached is additional pro forma data for the MSCI World, EAFE and Europe Small Cap Indices based on the revised MSCI Small Cap Methodology.

NEXT MSCI SMALL CAP INDEX REBALANCING

The next MSCI Small Cap Index rebalancing will occur as of the close of the last business day of May 2002. There will not be a MSCI Small Cap Index rebalancing in November 2001.

For further information on MSCI indices or MSCI data, please visit our web site at www.msci.com or contact:

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And at a further thirteen locations around the world.

**MSCI SMALL CAP INDEX SERIES
PRO FORMA DATA FOR MAIN REGIONAL INDICES**

MSCI WORLD SMALL CAP INDEX			
Top 10 Country Weights	Weight	Top 10 Industry Group Weights	Weight
USA	49.4%	Capital Goods	11.0%
Japan	15.0%	Technology Hardware & Equipment	8.6%
United Kingdom	8.6%	Materials	8.0%
Canada	4.1%	Real Estate	6.4%
Australia	3.4%	Banks	6.0%
France	2.4%	Software & Services	5.3%
Switzerland	1.9%	Consumer Durables & Apparel	5.1%
Netherlands	1.8%	Retailing	5.1%
Italy	1.6%	Commercial Services & Supplies	4.9%
Germany	1.4%	Health Care Equipment & Services	4.6%

MSCI EAFE SMALL CAP INDEX			
Top 10 Country Weights	Weight	Top 10 Industry Group Weights	Weight
Japan	32.2%	Capital Goods	15.7%
United Kingdom	18.5%	Materials	9.1%
Australia	7.3%	Real Estate	6.7%
France	5.2%	Consumer Durables & Apparel	6.1%
Switzerland	4.1%	Technology Hardware & Equipment	6.0%
Netherlands	3.9%	Retailing	5.9%
Italy	3.4%	Food, Beverage & Tobacco	5.7%
Germany	3.1%	Commercial Services & Supplies	4.6%
Spain	2.5%	Transportation	4.4%
Hong Kong	2.4%	Banks	4.2%

MSCI EUROPE SMALL CAP INDEX			
Top 10 Country Weights	Weight	Top 10 Industry Group Weights	Weight
United Kingdom	33.5%	Capital Goods	15.7%
France	9.3%	Materials	6.7%
Switzerland	7.4%	Real Estate	6.4%
Netherlands	7.1%	Software & Services	5.8%
Italy	6.1%	Consumer Durables & Apparel	5.8%
Germany	5.6%	Banks	5.7%
Spain	4.5%	Commercial Services & Supplies	5.7%
Finland	4.2%	Media	5.6%
Norway	3.7%	Retailing	5.5%
Sweden	3.7%	Technology Hardware & Equipment	4.7%

Note: All pro forma information uses data as of August 28, 2001.

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