

**MSCI**<sup>®</sup>

# press release

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## MSCI EQUITY INDEX REBALANCING FOR MAY 2002

**Geneva, April 11, 2002.** MSCI announced today changes to the MSCI Standard and Provisional Index Series<sup>SM</sup> that will be effective as of the close of May 31, 2002. These changes result from the regularly scheduled May Quarterly Index Rebalancing, including a full review of the free float of all constituents, as well as the second and final phase of the implementation of the Enhanced Methodology. The full list of pro forma constituents of the MSCI Standard Index Series with their pro forma Foreign Inclusion Factors (FIFs) has been posted on MSCI's web site at <http://www.msci.com/stdindex>.

This early announcement will provide more time for investors to analyze and understand the resulting changes before their implementation.

Effective May 31, 2002, 18 securities will be added to the MSCI Standard Index Series. These additions bring the representation of their respective industry groups in their respective countries closer to MSCI's target of 85% of free float adjusted market capitalization. The largest additions in the developed markets are **Honeywell International (US)**, **Prudential Financial (US)**, **Kraft Foods A (US)**, **Henkel Vorzug (Germany)** and **Autoroutes du Sud de la France (France)**; and in the emerging markets **Yukos (Russia)**, **Vale do Rio Doce ON (Brazil)** and **AU Optronics Corp (Taiwan)**. MSCI has also conducted a market capitalization and liquidity review leading to the deletion of 16 securities.

MSCI's review of the free float for all constituents of the pro forma MSCI Standard ACWI Free Index results in changes in Foreign Inclusion Factors (FIFs) for 597 securities in 48 countries. FIFs adjust the market capitalization of securities for free float available to foreign investors. In the majority of the cases, the FIF changes are small (+/- 0.05).

As of the close of May 31, 2002, the transition to the Enhanced Methodology will be complete and the MSCI Standard and Provisional Index Series will have the same constituents, inclusion factors, and number of shares, and therefore the same performance.

Below is a brief pro forma analysis of the changes that will occur in the MSCI Standard Index Series for some of the more frequently used global and regional composite indices, using data as of March 26, 2002.

**All Country World Index (ACWI) Free** – The MSCI ACWI Free Index<sup>SM</sup> represents 49 of the world's developed and emerging markets. On a pro forma basis, the weight of developed markets in the MSCI ACWI Free Index will increase to 96.3%, up from 95.2%, while the weight of emerging markets will decline to 3.7%, down from 4.8%. The increase in weight of developed markets in the MSCI ACWI Free Index is primarily due to higher average free float, less restrictive foreign ownership limits, and a greater availability of sizeable and liquid securities relative to emerging markets.

On a pro forma basis, the MSCI USA and the United Kingdom Indices will have the largest increase in country weights. The weight of the MSCI USA Index<sup>SM</sup> will increase to 56.3% of the MSCI ACWI Free Index, up from 53.5%, while the weight of the MSCI United Kingdom Index<sup>SM</sup> will increase to 10.3%, up

from 9.9%. Conversely, the largest decreases in country weights in the MSCI ACWI Free Index will occur in the MSCI Japan, France and Germany Indices<sup>SM</sup>, down -0.5, -0.4, and -0.3 percentage points, respectively.

The industry groups with the largest weight increases will be Technology Hardware & Equipment, and Diversified Financials. The weight of Technology Hardware & Equipment will increase to 9.7% from 9.4% while the weight of Diversified Financials will increase to 5.7% from 5.4%. The largest decreases in industry group weights in the MSCI ACWI Free Index will occur in Telecommunication Services, Automobiles & Components and Retailing, down -0.4, -0.3 and -0.2 percentage points, respectively.

**EAFE (Europe, Australasia, Far East) Index** – The MSCI EAFE<sup>®</sup> Index represents 21 developed equity markets outside of North America. On a pro forma basis, the MSCI United Kingdom Index will have the largest increase in country weight, increasing to 27.2% of the MSCI EAFE Index, up from 24.8%. The largest decreases in country weights in the MSCI EAFE Index will occur in the MSCI France, Italy and Germany Indices<sup>SM</sup>, down -0.7, -0.6 and -0.5 percentage points, respectively.

**Emerging Markets Free (EMF) Index** – The MSCI EMF Index<sup>SM</sup> represents 26 of the world's emerging markets. The MSCI South Africa and Korea Indices will have the largest increases in country weights on a pro forma basis. The weight of the MSCI South Africa Index<sup>SM</sup> will increase to 12.0% of the MSCI EMF Index, up from 10.0%, while the weight of the MSCI Korea Index<sup>SM</sup> will increase to 21.1% of the MSCI EMF Index, up from 19.3%. The largest decreases in country weights in the MSCI EMF Index will be in the MSCI India, Mexico and Malaysia Indices<sup>SM</sup>, down -1.6, -1.6 and -1.4 percentage points, respectively.

Attached is a pro forma analysis comparing the country weights of the pro forma MSCI Standard ACWI Free Index with the country weights of the current MSCI Standard ACWI Free Index. In addition, attached are the top country and industry group weight increases and decreases for the pro forma MSCI Standard ACWI Free, World, EAFE and EMF Indices as compared with the corresponding current MSCI Standard Indices.

Note: All pro forma information uses data as of March 26, 2002.

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

Dorsey Horowitz, MSCI, New York	+ 1 212 762 5790
Jessica Parra Martinez, MSCI, London	+ 44 20 7425 6660
Bonnie Chan, MSCI, Hong Kong	+ 852 2848 6740
Taiki Kimura, MSCI, Tokyo	+ 813 5424 5470

Daniel Guthrie/Emma Leeds, Luther Pendragon, London	+ 44 20 7618 9100
Mary Beth Kissane/Ed Rowley, Abernathy MacGregor, New York	+ 1 212 371 5999

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London	+44 20 7425 6660	New York	+1 212 762 5790	Tokyo	+813 5424 5470
Frankfurt	+49 69 2166 5325	San Francisco	+1 415 576 2323	Hong Kong	+852 2848 6740

And at a further thirteen locations around the world.

**COMPARISON OF THE PRO FORMA MSCI STANDARD ACWI FREE INDEX WITH  
THE CURRENT MSCI STANDARD ACWI FREE INDEX  
BY COUNTRY**

	Pro forma MSCI Standard ACWI Free Index Weight	Current MSCI Standard ACWI Free Index Weight	Weight Difference (Percentage Points)
<b>Developed Markets - NORTH AMERICA</b>			
USA	56.28%	53.47%	2.81
Canada	2.05%	2.07%	-0.02
<b>Developed Markets - EUROPE</b>			
United Kingdom	10.33%	9.86%	0.47
France	3.71%	4.15%	-0.43
Switzerland	2.98%	3.05%	-0.08
Germany	2.87%	3.19%	-0.32
Netherlands	2.27%	2.36%	-0.08
Italy	1.39%	1.68%	-0.29
Spain	1.17%	1.23%	-0.06
Sweden	0.81%	0.92%	-0.11
Finland	0.81%	0.80%	0.01
Belgium	0.38%	0.43%	-0.04
Ireland	0.29%	0.26%	0.03
Denmark	0.29%	0.34%	-0.05
Norway	0.18%	0.22%	-0.03
Portugal	0.13%	0.18%	-0.05
Greece	0.13%	0.12%	0.00
Austria	0.04%	0.06%	-0.02
<b>Developed Markets - PACIFIC</b>			
Japan	7.66%	8.14%	-0.49
Australia	1.53%	1.48%	0.05
Hong Kong	0.61%	0.76%	-0.15
Singapore	0.34%	0.39%	-0.05
New Zealand	0.05%	0.05%	-0.01
<b>Emerging Markets - ASIA</b>			
Korea	0.78%	0.93%	-0.14
Taiwan	0.58%	0.72%	-0.14
China	0.22%	0.25%	-0.03
Malaysia	0.19%	0.31%	-0.12
India	0.15%	0.27%	-0.12
Thailand	0.06%	0.09%	-0.03
Indonesia	0.04%	0.05%	-0.01
Philippines	0.03%	0.04%	-0.01
Pakistan	0.01%	0.01%	0.00
<b>Emerging Markets - LATIN AMERICA</b>			
Mexico	0.34%	0.51%	-0.18
Brazil	0.33%	0.42%	-0.09
Chile	0.06%	0.11%	-0.05
Peru	0.02%	0.02%	0.00
Argentina	0.01%	0.02%	-0.01
Venezuela	0.01%	0.01%	-0.01
Colombia	0.00%	0.01%	0.00
<b>Emerging Markets - EMEA</b>			
South Africa	0.44%	0.48%	-0.03
Russia	0.14%	0.17%	-0.02
Israel	0.13%	0.16%	-0.03
Turkey	0.05%	0.08%	-0.02
Poland	0.04%	0.05%	-0.01
Hungary	0.04%	0.05%	-0.01
Czech Republic	0.01%	0.03%	-0.01
Morocco	0.01%	0.01%	0.00
Egypt	0.01%	0.01%	0.00
Jordan	0.01%	0.01%	0.00
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	

Note: All pro forma information uses data as of March 26, 2002.

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**MSCI STANDARD INDEX SERIES  
PRO FORMA DATA FOR MAIN REGIONAL INDICES**

**MSCI ACWI FREE INDEX**

<b>Top Country Weight Increases</b>	<b>Weight Difference</b>	<b>Top Industry Group Weight Increases</b>	<b>Weight Difference</b>
USA	2.81%	Technology Hardware & Equipment	0.35%
United Kingdom	0.47%	Diversified Financials	0.31%
Australia	0.05%	Energy	0.30%
Ireland	0.03%	Insurance	0.21%
Finland	0.01%	Health Care Equipment & Services	0.18%
<b>Top Country Weight Decreases</b>		<b>Top Industry Group Weight Decreases</b>	
Japan	-0.49%	Telecommunication Services	-0.43%
France	-0.43%	Automobiles & Components	-0.31%
Germany	-0.32%	Retailing	-0.23%
Italy	-0.29%	Media	-0.17%
Mexico	-0.18%	Materials	-0.16%

**MSCI WORLD INDEX**

<b>Top Country Weight Increases</b>	<b>Weight Difference</b>	<b>Top Industry Group Weight Increases</b>	<b>Weight Difference</b>
USA	2.28%	Technology Hardware & Equipment	0.40%
United Kingdom	0.37%	Energy	0.27%
Australia	0.04%	Diversified Financials	0.26%
Ireland	0.03%	Food, Beverage & Tobacco	0.19%
Greece	0.00%	Insurance	0.17%
<b>Top Country Weight Decreases</b>		<b>Top Industry Group Weight Decreases</b>	
Japan	-0.60%	Telecommunication Services	-0.32%
France	-0.50%	Automobiles & Components	-0.32%
Germany	-0.37%	Retailing	-0.24%
Italy	-0.32%	Media	-0.22%
Hong Kong	-0.16%	Software & Services	-0.15%

**MSCI EAFE INDEX**

<b>Top Country Weight Increases</b>	<b>Weight Difference</b>	<b>Top Industry Group Weight Increases</b>	<b>Weight Difference</b>
United Kingdom	2.36%	Energy	0.72%
Australia	0.30%	Materials	0.25%
Switzerland	0.15%	Technology Hardware & Equipment	0.21%
Finland	0.12%	Media	0.10%
Ireland	0.12%	Food, Beverage & Tobacco	0.07%
<b>Top Country Weight Decreases</b>		<b>Top Industry Group Weight Decreases</b>	
France	-0.67%	Capital Goods	-0.44%
Italy	-0.58%	Automobiles & Components	-0.43%
Germany	-0.49%	Telecommunication Services	-0.29%
Japan	-0.37%	Transportation	-0.12%
Hong Kong	-0.31%	Insurance	-0.11%

**MSCI EMF INDEX**

<b>Top Country Weight Increases</b>	<b>Weight Difference</b>	<b>Top Industry Group Weight Increases</b>	<b>Weight Difference</b>
South Africa	2.03%	Technology Hardware & Equipment	1.52%
Korea	1.81%	Energy	1.32%
Taiwan	0.71%	Diversified Financials	0.53%
China	0.66%	Insurance	0.36%
Russia	0.44%	Consumer Durables & Apparel	0.25%
<b>Top Country Weight Decreases</b>		<b>Top Industry Group Weight Decreases</b>	
India	-1.62%	Utilities	-1.04%
Mexico	-1.59%	Telecommunication Services	-0.88%
Malaysia	-1.42%	Food, Beverage & Tobacco	-0.78%
Chile	-0.61%	Household & Personal Products	-0.42%
Thailand	-0.30%	Retailing	-0.42%

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