

MSCI press release

MSCI QUARTERLY INDEX REBALANCING

Geneva, August 17, 2000. MSCI announced today its regularly scheduled quarterly index rebalancing. The following country indices were fully reviewed: **Argentina, Brazil, Chile, Colombia, Egypt, Greece, Mexico, Morocco, Pakistan, Peru, Sri Lanka, Thailand, and Venezuela.** Partial reviews, focusing on specific sectors, were conducted for the following country indices: **Japan, South Africa** and the **USA.** Resulting changes will take effect after the close of trading on Thursday, August 31, 2000.

On a pro forma basis, the net changes announced today will add USD 532 billion, or 2.5%, in market capitalization to the **MSCI All Country World Index (ACWI) FreeSM**, which includes developed and emerging markets. The majority of the increase in market capitalization will result from the net addition of USD 518 billion, or 5%, to the MSCI USA Index, while the **MSCI Emerging Markets Free (EMF) IndexSM** will experience a net market capitalization increase of USD 19 billion, or 1.6%. The following is a brief description of some of the more important changes grouped by region.

NORTH AMERICA

- **USA** – A total of 23 securities will be added and one deleted as a result of a partial review of the index, focusing on the Information Technology and Telecommunication Services Sectors. The last full review of the MSCI USA Index was performed in August 1999. Due to their dynamic nature, several sub-industries within these two sectors were under-represented. Of the 19 securities to be added to the Information Technology Sector, five are from the Technology Hardware & Equipment Industry Group, including JDS Uniphase and Broadcom, while 14 are from the Software & Services Industry Group, including Siebel Systems and Ariba. Four securities are to be added to the Telecommunication Services Sector, including Nextel Communications.

LATIN AMERICA

All seven countries in the MSCI EMF Latin America Index were reviewed. On a pro forma basis, the net changes announced today will add USD 8 billion, resulting in a 2.7% increase in the market capitalization of the MSCI EMF Latin America Index. The most substantive changes in market capitalization will occur in the MSCI Brazil Free Index.

- **Brazil** – The net market capitalization of the MSCI Brazil Free Index will increase by USD 12 billion (+11.2%), on a pro forma basis. The most significant change in the index will be an increase in the weighting of Petrobras ON (Petrobras common shares) which will be included at 60% of its total market capitalization, up from 20%. This is due to the increase in the float available to investors, as the government recently completed a secondary offering of Petrobras ON. The change will add USD 6 billion in market capitalization to the index on a pro forma basis. In addition, there will be four securities added to the index and two deleted.
- **Mexico** – On a net pro forma basis, the MSCI Mexico Index will decline by USD 3 billion (-2.8%). Two companies will be deleted due to industry group over-representation, one from the Materials Industry Group, and the other from the Banks Industry Group. Six additional companies will be deleted due to their small size.

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- **Argentina** – In the MSCI Argentina Index, one company will be added and one deleted. In addition, Astra Argentina Petroleo (Astra), which represents 7.5% of the MSCI Argentina Index, is expected to be acquired by its largest shareholder, Repsol YPF of Spain, one day before the implementation of the MSCI index rebalancing. If the acquisition is successful, Astra will be deleted after the close of trading on August 30, 2000.
- **Chile, Colombia, Peru and Venezuela** – In the MSCI Chile Index, two companies will be added and three deleted. The review of the MSCI Colombia Index indicates that it continues to accurately reflect the market, and therefore the composition of this index will not change. In the MSCI Peru Index, one company will be deleted. One company will be added and four deleted from the MSCI Venezuela Index.

EUROPE

- **Greece** – On a net pro forma basis, the market capitalization of the MSCI Greece Index will increase by USD 13 billion, or 27.6%. A significant part of this increase results from recent M&A activity affecting Greek companies. Specifically, EFG Eurobank has acquired Ergobank, and Hellenic Bottling is issuing new shares for its acquisition of UK based Coca-Cola Beverages. The impact in the indices from these events will be reflected simultaneously with the country index rebalancing. In addition, a total of 17 companies will be added, including Hellenic Petroleum and Lambrakis Press, both at 60% of their market capitalization, while Viohalco Copper will be added at 50% of its market capitalization. Six companies will be deleted from the index, mainly due to low liquidity. As previously announced, the MSCI Greece Index will be reclassified by MSCI from an emerging market to a developed market index and will fully join the MSCI Developed Market Index series after the close of trading on May 31, 2001.

AFRICA

- **Egypt, Morocco and South Africa** – In the MSCI Egypt Index, two companies will be added and five deleted. One company will be added and three deleted from the MSCI Morocco Index. One company will be deleted from the MSCI South Africa Index. As previously announced, the MSCI Egypt and MSCI Morocco Indices will be fully included in the MSCI EMF Index and the MSCI ACWI Free series after the close of trading on May 31, 2001.

ASIA PACIFIC

- **Japan** – The MSCI Japan Index was partially reviewed, with a focus on the Media Industry Group. Since the last full review of the index in August 1999, Tokyo Broadcasting System (TBS) has reached the foreign ownership limit for broadcasting companies. Therefore, the market capitalization of TBS will be reduced to 40%, corresponding to MSCI's partial inclusion schedule for companies with modest float or ownership limitations. Simultaneously, Fuji Television Network will be added to the index at 40% of its market capitalization, to enhance the representation of the Media Industry Group. The status of small and relatively illiquid companies was also reviewed. As a result, 16 companies will be deleted. Following these changes the index representation of the market remains virtually unchanged.
- **Pakistan, Sri Lanka and Thailand** – In the MSCI Pakistan Index, nine companies will be deleted due to their small size and low liquidity. The review of the MSCI Sri Lanka Index indicates that it continues to accurately reflect the market, and therefore the composition of this index will not change. In the MSCI Thailand Free Index, one company will be added and eight deleted.

Note: All pro forma information uses data as of August 8, 2000.

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Unless otherwise stated all comments concern MSCI's Standard Indices.

For further information on the MSCI quarterly index rebalancing, including the full list of company additions and deletions, please visit our web site at www.msci.com or contact:

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Note for editors: MSCI Index Methodology - All standard MSCI indices are market capitalization weighted and built from the industry level up. In doing so, MSCI targets a 60% representation of the market capitalization of each industry group within each country. Industry groups are aggregated into countries and countries are aggregated into regions. MSCI selects stocks with good liquidity and float, avoids cross-ownership and then applies a market capitalization weight to each stock. New index additions with less than 40% float are included at a fraction of their market capitalization in accordance with MSCI's partial inclusion schedule.

The objective of the quarterly index rebalancing is to recognize changes in underlying country markets and realign the indices with the relevant market, while minimizing unnecessary changes.

For a complete description of MSCI's methodology - including corporate actions, dividend treatment, exchange rates and index maintenance - please refer to the MSCI Methodology & Index Policy, available from MSCI Client Services or www.msci.com/method.

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And at a further eleven global locations.

Pro Forma Weights After August 31, 2000 Index Rebalancing
(Figures as of August 08, 2000)

MSCI All Country World Index Free

Country	Current MKTCAP (US\$ mm)	Current Weight	Pro Forma MKTCAP (US\$ mm)	Pro Forma Weight
Argentina	19,162	0.09%	17,812	0.08%
Australia	262,825	1.22%	262,825	1.19%
Austria	19,958	0.09%	19,958	0.09%
Belgium	76,256	0.35%	76,256	0.35%
Brazil Free	104,746	0.49%	116,469	0.53%
Canada	580,688	2.70%	580,688	2.63%
Chile	35,112	0.16%	35,627	0.16%
China Free	81,048	0.38%	81,048	0.37%
Colombia	2,891	0.01%	2,891	0.01%
Czech Republic	7,329	0.03%	7,329	0.03%
Denmark	77,664	0.36%	77,664	0.35%
Finland	233,919	1.09%	233,919	1.06%
France	1,072,172	4.98%	1,072,172	4.86%
Germany	812,285	3.77%	812,285	3.68%
Greece	47,278	0.22%	60,324	0.27%
Hong Kong	222,639	1.03%	222,639	1.01%
Hungary	10,995	0.05%	10,995	0.05%
India	82,841	0.38%	82,655	0.37%
Indonesia Free	11,902	0.06%	11,902	0.05%
Ireland	33,044	0.15%	33,044	0.15%
Israel	60,883	0.28%	60,883	0.28%
Italy	411,265	1.91%	411,265	1.86%
Japan	2,375,949	11.04%	2,372,197	10.75%
Jordan	1,322	0.01%	1,291	0.01%
Korea	136,697	0.63%	136,697	0.62%
Malaysia Free	79,466	0.37%	79,466	0.36%
Mexico	118,146	0.55%	114,880	0.52%
Netherlands	501,182	2.33%	501,182	2.27%
New Zealand	13,283	0.06%	12,105	0.05%
Norway	36,161	0.17%	36,161	0.16%
Pakistan	4,024	0.02%	3,850	0.02%
Peru	3,647	0.02%	3,700	0.02%
Philippines Free	8,723	0.04%	8,723	0.04%
Poland	13,038	0.06%	13,866	0.06%
Portugal	48,017	0.22%	48,017	0.22%
Russia	32,950	0.15%	32,950	0.15%
Singapore Free	95,818	0.45%	95,818	0.43%
South Africa	104,213	0.48%	102,442	0.46%
Spain	279,487	1.30%	279,151	1.27%
Sri Lanka	398	0.00%	398	0.00%
Sweden	305,692	1.42%	305,692	1.39%
Switzerland	572,514	2.66%	572,514	2.60%
Taiwan Free	155,559	0.72%	155,559	0.71%
Thailand Free	19,552	0.09%	19,130	0.09%
Turkey	42,132	0.20%	42,132	0.19%
United Kingdom	1,936,887	9.00%	1,936,887	8.78%
USA	10,372,126	48.18%	10,890,258	49.36%
Venezuela	5,438	0.03%	5,481	0.02%
ACWI Free	21,529,322	100.00%	22,061,196	100.00%

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Pro Forma Weights After August 31, 2000 Index Rebalancing
(Figures as of August 08, 2000)

MSCI EMF

Country	Current MKTCAP (US\$ mm)	Current Weight	Pro Forma MKTCAP (US\$ mm)	Pro Forma Weight
Argentina	19,162	1.61%	17,812	1.47%
Brazil Free	104,746	8.81%	116,469	9.64%
Chile	35,112	2.95%	35,627	2.95%
China Free	81,048	6.81%	81,048	6.71%
Colombia	2,891	0.24%	2,891	0.24%
Czech Republic	7,329	0.62%	7,329	0.61%
Greece	47,278	3.97%	60,324	4.99%
Hungary	10,995	0.92%	10,995	0.91%
India	82,841	6.96%	82,655	6.84%
Indonesia Free	11,902	1.00%	11,902	0.98%
Israel	60,883	5.12%	60,883	5.04%
Jordan	1,322	0.11%	1,291	0.11%
Korea	136,697	11.49%	136,697	11.31%
Malaysia Free	79,466	6.68%	79,466	6.58%
Mexico	118,146	9.93%	114,880	9.51%
Pakistan	4,024	0.34%	3,850	0.32%
Peru	3,647	0.31%	3,700	0.31%
Philippines Free	8,723	0.73%	8,723	0.72%
Poland	13,038	1.10%	13,866	1.15%
Russia	32,950	2.77%	32,950	2.73%
South Africa	104,213	8.76%	102,442	8.48%
Sri Lanka	398	0.03%	398	0.03%
Taiwan Free	155,559	13.08%	155,559	12.87%
Thailand Free	19,552	1.64%	19,130	1.58%
Turkey	42,132	3.54%	42,132	3.49%
Venezuela	5,438	0.46%	5,481	0.45%
EMF	1,189,492	100.00%	1,208,500	100.00%

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