

**MSCI**<sup>®</sup>

# press release

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## **MSCI STANDARD INDEX SERIES MAY 2005 ANNUAL FULL COUNTRY INDEX REVIEW**

**Geneva, May 12, 2005.** MSCI, a leading provider of international equity, US equity, fixed income and hedge fund indices, announced today changes to the MSCI Standard Index Series that will be effective as of the close of May 31, 2005. These changes result from the May 2005 Annual Full Country Index Review, including a full review of the free float of all constituents. As a reminder, the objective of the Annual Full Country Index Review is a systematic re-assessment of the various dimensions of the equity universe, whereby securities may be added to or deleted from the MSCI Standard Index Series in order for each country index to be as close as possible to the 85% free float-adjusted market capitalization representation target at the industry group level. The list of changes in constituents for the MSCI Standard Index Series as well as an updated methodology book have been posted on MSCI's web site at <http://www.msci.com/stdindex>.

After conducting a public consultation during March 2005, MSCI decided to modify the current definition of the universe of securities that should be eligible for inclusion in the MSCI Russia Index and in the MSCI China Index. The universe of securities underlying the MSCI Russia index is now composed of securities of companies incorporated in Russia and listed on the Russian Trading System (RTS) or the Moscow Interbank Currency Exchange (MICEX), as well as depository receipts listed in markets outside Russia, such as London or New York. The MSCI China universe now also includes China Private Enterprises (P-Chips) listed on the Hong Kong Stock Exchange.

Effective as of the close of May 31, 2005, 278 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 MSCI World Index are Sprint Corporation (USA), Capital One Financial (USA), KDDI (Japan) and Research In Motion (Canada). Mobile TeleSystems ADR (Russia) and VimpelCom ADR (Russia) are the largest inclusions in the MSCI Emerging Markets (EM) Index. The Annual Full Country Index Review will also lead to the deletion of 30 securities.

As previously announced, MSCI will increase the Limited Investability Factor (LIF) currently applied to the MSCI Taiwan Index from 0.75 to 1 as of the close of May 31, 2005.

MSCI's annual review of the free float for all constituents of the pro forma MSCI ACWI Index will result in changes in Foreign Inclusion Factors (FIFs) for 573 securities in 47 countries. Ninety-four FIF changes result from the second phase of the increase of the LIF for the MSCI Taiwan Index. FIFs adjust the market capitalization of securities for free float available to foreign investors. These changes reflect the evolution of shareholdings, changes in Foreign Ownership Limits (FOLs), changes in Limited Investability Factors (LIFs) or the reclassification of certain shareholders.

The results of the May 2005 Semi-Annual Index Review for the MSCI Small Cap Index Series, the MSCI Global Value and Growth Index Series, the MSCI US Equity Indices, the Morgan Stanley REIT Index, as well as the Annual Index Review for the MSCI Pan-Euro and Euro Indices and the MSCI China A Index have also been posted on MSCI's web site at [www.msci.com](http://www.msci.com).

The updated methodology book includes, amongst other things, an updated set of minimum size guidelines used for additions to and deletions from the MSCI Standard Indices, an updated GICS structure and revised definitions of the Russian and Chinese underlying universes. All changes in this newly released methodology book are effective immediately.

Please find below a list of the largest additions to the MSCI World and Emerging Markets (EM) Indices.

### Largest additions to the MSCI World Index for selected countries and regions

Country	Security Name	Industry Group
<b>USA</b>		
US	Sprint Corp	TELECOMMUNICATION SERVICES
US	Capital One Financial	DIVERSIFIED FINANCIALS
US	L-3 Communications Hldgs	CAPITAL GOODS
US	Autodesk	SOFTWARE & SERVICES
US	Coventry Health Care	HEALTH CARE EQUIPMENT & SERVICES
<b>Canada</b>		
CA	Research In Motion	TECHNOLOGY HARDWARE & EQUIPMENT
CA	IPSCO	MATERIALS
CA	Rona	RETAILING
CA	Jean Coutu Group A	FOOD & STAPLES RETAILING
CA	Saputo	FOOD, BEVERAGE & TOBACCO
<b>Europe ex UK</b>		
FR	PagesJaunes	MEDIA
FR	Neopost	TECHNOLOGY HARDWARE & EQUIPMENT
FR	Aut. Paris Rhin Rhone	TRANSPORTATION
DE	Hochtief	CAPITAL GOODS
DE	Premiere	MEDIA
<b>United Kingdom</b>		
GB	Gallaher Group	FOOD, BEVERAGE & TOBACCO
GB	Travis Perkins	RETAILING
GB	Britannic Group	INSURANCE
GB	Brixton	REAL ESTATE
GB	Isoft Group	HEALTH CARE EQUIPMENT & SERVICES
<b>Japan</b>		
JP	KDDI	TELECOMMUNICATION SERVICES
JP	Nippon Electric Glass Co	TECHNOLOGY HARDWARE & EQUIPMENT
JP	Toyota Tsusho	CAPITAL GOODS
JP	Tanabe Seiyaku Co	PHARMACEUTICALS & BIOTECHNOLOGY
JP	Bank Kyoto	BANKS
<b>Pacific ex Japan</b>		
AU	Multiplex Group	REAL ESTATE
AU	Alinta	UTILITIES
AU	Caltex Australia	ENERGY
AU	Macquarie Communications	MEDIA
AU	Macquarie Airports	TRANSPORTATION

**Largest additions to the MSCI Emerging Markets (EM) Index by region**

Country	Security Name	Industry Group	Pro forma FIF	Index Market Cap	Weight in Pro forma Country Index
<b>EM Asia</b>					
TW	Hannstar Display	TECH	0.80	1,264	0.62%
TW	High Tech Computer Corp	TECH	0.60	1,080	0.53%
TW	Fuhwa Financial Hldgs	DIVE	0.60	865	0.42%
KR	Hyundai Mipo Dockyard	CAPI	0.65	859	0.41%
CN	Global Bio-Chem Tech	FOOD	0.55	838	0.90%
<b>EM EMEA</b>					
RU	Surgutneftegaz Pref(RUB) *	ENER	0.90	3,911	7.45%
RU	Mobile Telesys ADR (USD)	TELE	0.25	3,322	6.33%
RU	Vimpel Com ADR (USD)	TELE	0.45	3,167	6.03%
RU	Tatneft Common (RUB) *	ENER	0.60	2,245	4.27%
RU	AFK Sistema GDR (USD)	TELE	0.20	1,605	3.06%
<b>EM Latin America</b>					
BR	CCR Rodovias ON	TRAN	0.35	728	0.66%
CL	Lan Airlines	TRAN	0.30	721	3.00%
BR	Lojas Americanas PN	RETA	0.95	646	0.58%
MX	Urbi Desarrollos Urbanos	CONS	0.45	634	0.96%
BR	Natura Cosméticos ON	HOUS	0.25	588	0.53%

Note: All market caps are in USD millions. Data as of April 20, 2005.

\* For Surgutneftegaz Pref(RUB) and Tatneft Common (RUB), the addition only reflects a change in price source from the Russian Trading System (RTS) to the Moscow Interbank Currency Exchange (MICEX)

**About MSCI**

MSCI ([www.msci.com](http://www.msci.com)) is a leading provider of equity, fixed income and hedge fund indices, and related products and services. MSCI estimates that over USD 3 trillion is benchmarked to its indices on a worldwide basis. MSCI is headquartered in New York, with research and commercial offices around the world. In 2004, MSCI acquired Barra, Inc. ([www.barra.com](http://www.barra.com)), a global leader in delivering risk analytics, performance measurement and attribution systems and services to managers of portfolio and firm-wide investment risk. Morgan Stanley, a global financial services firm and a market leader in securities, asset management, and credit services, is the majority shareholder of MSCI, and Capital International Inc., part of the global investment management group of The Capital Group Companies, Inc., is the minority shareholder.

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