



Media Information

FTSE/Xinhua Indexes License First China ETF for US Investors

New York, January 23, 2003: - FTSE/Xinhua Index Limited (FXI), the China Index provider, today announces that Barclays Global Investors (BGI) has filed a prospectus with the Securities and Exchange Commission to add the iShares FTSE/Xinhua Hong Kong China 25 Index Fund to its international exchange traded funds (ETF) offerings. This will be the first ETF tracking the Chinese market available to US investors.

FTSE/Xinhua Index Limited is a joint venture between FTSE Group, the global index company and Xinhua Financial Network (XFN), an independent financial information provider with unique access into China's markets. The combination of FTSE's expertise in the design, calculation and management of indexes and XFN's knowledge and experience in the Chinese investment market makes the FTSE/Xinhua China 25 Index an excellent benchmark for tracking the performance of the large cap equity market in China.

The iShares FTSE/Xinhua Hong Kong China 25 ETF will track the FTSE/Xinhua China 25 Index, which features the largest, most liquid Chinese equities available to foreign investors. The index constituents are accurately classified according to the sector definitions of the FTSE Global Classification system. The constituents of the FTSE/Xinhua China 25 Index are adjusted for free-float and subject to liquidity screens for investability. The index is capped to ensure that no individual company is excessively weighted in the index and that funds tracking the index comply with European and North American market regulations.

Mark Makepeace, FXI Chairman and Chief Executive, FTSE Group said, "International investors are eager for a China index series that adopts transparent global standards like the FTSE/Xinhua China 25 Index. The FTSE/Xinhua China Indexes reflect China's vibrant economy and aim to contribute to the internationalization of the Chinese investment market. It's great to work with BGI to bring the first China ETF to the US market."

Lee Kranefuss, BGI's CEO of Individual Investor Business said, "There is strong demand to bring to market a cost-effective, tax efficient way for investors to gain access to the largest, most liquid Chinese securities. The FTSE/Xinhua Hong Kong China 25 is a great complement to the current international iShares line-up. We are delighted to work with FXI to provide innovative products to help investors diversify and globalize their portfolios."

With the addition of the FTSE/Xinhua Hong Kong China 25 to FTSE Group's growing product portfolio, FTSE is rapidly expanding its reach in the ETF market. There are currently 26 ETFs listed on FTSE Indexes with almost US \$810 million in assets under management.¹ FTSE has previously licensed 12 indexes to BGI for use as the basis of iShares Funds, including the widely used FTSE 100.

- ends -

More information:

Tim Tindall, FTSE Americas: 00 1 212 825 1356 or Tim.Tindall@ftse.com

Lyndsey Davey, FTSE Group UK: 00 44 207 448 1821 or media@ftse.com

Christine Hudacko, Barclays Global Investors, 00 1 415-597-2687,

Christine.hudacko@barclaysglobal.com

This product is a US fund and as such is not registered by the FSA in the UK.

Notes to Editors

About FTSE/Xinhua Index Limited (FXI)

FTSE/Xinhua Index Limited (FXI) is a Hong Kong incorporated, joint venture company between FTSE, the global index company, and Xinhua Financial Network. The company was created to facilitate the development of real-time indices for the Chinese market that can be used as performance benchmarks and as a basis for derivative trading and index tracking funds.

About FTSE Group

FTSE Group is a world-leader in the creation and management of indexes. With offices in London, Frankfurt, Hong Kong, Madrid, Paris, New York and San Francisco, FTSE Group services clients in 77 countries worldwide. It manages and develops globally recognized indexes ranging from the FTSE All-World Index to the FTSE 100, the FTSE4Good indexes and the recently launched FTSE Global Style Index Series. The company has collaborative arrangements with the American, Athens, Cyprus, Euronext, Johannesburg, London, Luxembourg, and Madrid stock exchanges, as well as with Nikkei of Japan (Nihon Keizai Shimbun, Inc) and Xinhua Financial Network of China.

Investors use FTSE indexes extensively world-wide for investment analysis, performance measurement, asset allocation, portfolio hedging and for creating a wide range of index tracking funds. Independent committees of senior fund managers, derivatives experts, actuaries and other experienced practitioners review all changes to the indexes to ensure they are made objectively and without bias. Real-time FTSE indexes are calculated on systems managed by Reuters. Prices and FX rates used are supplied by Reuters.

About Xinhua Financial Network

Xinhua Financial Network (XFN) is an independent financial information provider with unique access into China's markets. Founded in 2000, the company is backed by a select group of international investors and

¹ Source: FTSE.

partners and is managed by a team of international business professionals recognized for their industry knowledge and proven leadership. XFN is based in Hong Kong and Beijing.

XFN's strong presence in China allows the company to deliver an integrated platform of indices, objective and balanced real-time financial news feeds, and corporate data products. XFN delivers its product suite to global financial institutions and re-distributors via leased line, Internet and satellite technologies.

XFN is helping create a secure, transparent and robust infrastructure for China's financial information markets. This infrastructure will help form the foundation to a financial information pipeline from China to the West. XFN's comprehensive approach will help international investors streamline their investment decisions and analyse new opportunities in China.

About Barclays Global Investors

Barclays Global Investors is one of the world's largest asset managers², and the world's largest provider of structured investment strategies such as indexing, tactical asset allocation, and quantitative active strategies³. BGI managed nearly \$700 billion in assets as of 9/30/02, and over 2,000 funds, which track over 250 global indexes, for more than 2,200 clients in 39 countries around the world. As the creator of the first index strategy more than thirty years ago, BGI is an innovator in investment management, applying science and technology to the investment process. BGI has over 2,000 employees worldwide and is owned by Barclays PLC.

Although a registration statement covering the iShares FTSE/Xinhua Hong Kong China 25 Exchange Traded Fund described herein have been filed with the Securities and Exchange Commission, the Fund currently is not available for sale and will not be available for sale nor may offers to buy be accepted until after the Securities and Exchange Commission issues an exemptive order relating to the Fund. This communication shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Fund in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

The iShares that are registered with the United States Securities and Exchange Commission (SEC) are distributed by SEI Investments Distribution Co. (SEI). Barclays Global Fund Advisors (BGFA) serves as an advisor to iShares. Barclays Global Investors Services (BGIS) assists in the marketing of iShares. BGFA and BGIS are subsidiaries of Barclays Global Investors, N.A., none of which is affiliated with SEI. This information is not an offer to sell or a solicitation of an offer to buy shares of any fund described in this article, except the iShares registered with the SEC, nor shall any such shares be offered or sold to any person in any jurisdiction in which an offer, solicitation, purchase or sale would be unlawful under the securities laws of such jurisdiction.

For complete information on iShares, including charges and expenses, request a prospectus by calling 1-800-iSHARES (1-800-474-2737). Read it carefully before you invest.

There are risks involved with investing, including possible loss of principal. In addition to the normal risks associated with investing, investments in single countries typically exhibit higher volatility. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. iShares transactions will result in brokerage commissions and will generate tax consequences. Mutual funds and iShares are obliged to distribute portfolio gains to shareholders.

Lee Kranefuss is an associate of Barclays Global Investors Services.

² Source: "Special Report: Money Managers Directory," Pensions & Investments, May 27, 2002, p. 22.

³ Source: "Index Assets Grow 10% in First 6 Months of Year," Pensions & Investments, September 17, 2001, p. 20 and BGI internal data.