

## MSCI intends to change the treatment for certain types of rights issues in the MSCI Indices

**Geneva - April 6, 2009** - MSCI Inc (NYSE: MXB), a leading provider of investment decision support tools worldwide, including indices and portfolio risk and performance analytics, announced today its intention to change the implementation of rights issues in the MSCI Indices, effective April 16, 2009, in cases where the new shares to be issued following the rights issue are not entitled to the future dividend paid by the company.

There has been an increase in the number of rights issues where the newly created shares do not give rights or entitlement to a future dividend. Consequently, MSCI intends to modify the Price Adjustment Factor (PAF) that is applied to the market price of the security on the ex-date of the rights issue and to reinvest the future dividend in the MSCI Daily Total Return (DTR) Indices using the security's number of shares on the day prior to the dividend ex-date. This number of shares will therefore include the shares issued following the rights issue.

Price Adjustment Factor (PAF):

- If the subscription price of the rights issue is above or equal to the cum price minus dividend per share, the PAF will be 1 and any increase in the number of shares and potential changes in Foreign Inclusion Factor (FIF) and/or Domestic Inclusion Factor (DIF) will be implemented after the results of the rights issue are made available.
- If the subscription price of the rights issue is below the cum price minus dividend per share, the new proposed PAF will take into consideration the dividend to be paid by the company and will be:  

$$\frac{[\text{Cum Price}] / [(\text{Cum price} * \text{Number of shares before} + \text{Number of shares issued} * \text{Subscription price per share} + \text{Number of shares issued} * \text{gross dividend per share}) / (\text{Number of shares before} + \text{Number of shares issued})]$$

where the cum price is the closing market price of the security on the day before the ex-date of the rights issue. MSCI will use the gross amount of the dividend per share in this new PAF calculation.

In addition, the number of shares will be increased as of the close of the ex-date based on the terms of the rights issue.

Dividend reinvestment:

- For the dividend reinvestment in the MSCI DTR Indices, MSCI intends to reinvest the full dividend amount as announced by the company, on the dividend ex-date, using the number of shares on the day prior to the dividend ex-date which is post-rights issue, according to the MSCI Index Calculation Methodology. This is in line with the current MSCI Index Calculation Methodology and in particular with the section 2.3.2 Corporate Actions.

This proposal does not affect the implementation of rights issue in terms of PAF and dividend reinvestment where the new shares are entitled to future dividends.

MSCI believes that the new proposed PAF and the reinvestment of the dividend using the post-rights issue number of shares is the implementation which reflects the most the market reality and which achieves a performance similar to a scenario where the new shares not entitled to the future dividend are included in the index on a separate line.

MSCI welcomes feedback from the investment community on its proposal regarding the treatment of rights issues in terms of PAF and dividend reinvestment when the newly issued shares are not entitled to the dividend. MSCI will announce its final decision on or before April 15, 2009.

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## About MSCI Inc

MSCI Inc. is a leading provider of investment decision support tools to investment institutions worldwide. MSCI Inc. products include indices and portfolio risk and performance analytics for use in managing equity, fixed income and multi-asset class portfolios.

The company's flagship products are the MSCI International Equity Indices, which include over 120,000 indices calculated daily across more than 70 countries, and the Barra risk models and portfolio analytics, which cover 56 equity and 46 fixed income markets. MSCI Inc. is headquartered in New York, with research and commercial offices around the world. Morgan Stanley, a global financial services firm, is the controlling shareholder of MSCI Inc.

In 2008 MSCI was named Index Provider of the Year at the European Pensions Awards and Best Provider of Benchmark Indices in Asia Pacific at the AsianInvestor Service Provider Awards.

**For further information on MSCI, please visit our web site at [www.msclubarra.com](http://www.msclubarra.com)**

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