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Barclays Global Investors opens the gate to international investment

This week Australians will gain unprecedented access to invest in the world's sharemarkets.

Eight new exchange traded funds (ETFs) start trading on the Australian Securities Exchange (ASX) from Wednesday October 10, providing direct access to the US, European, Japanese, Far Eastern and emerging sharemarkets. Known as iShares, each ETF tracks an established market index.

Barclays Global Investors (BGI), the world's leader in ETFs expects to follow this initial introduction of iShares with further choices in the near future.

The eight new iShares ETFs are cross-listed from the New York Stock Exchange (NYSE) and represent exposure to international markets, in aggregate, approximately 30 times the total capitalisation of the Australian market (around A\$30 trillion) and assets under management of over A\$125 billion.

Listing on the ASX this week are iShares that track the S&P SmallCap 600 S&P MidCap 400 and S&P 500 indices of the US market. At the same time iShares that track the MSCI Japan, S&P Europe 350, MSCI Emerging Markets and MSCI EAFE (European, Australasian and Far Eastern markets) indices will also be listed.

"In the first tranche we have included the S&P Global 100 iShare. This offers Australian investors instant exposure to the world's top 100 transnational companies such as Microsoft and GE, simply by buying one share on the ASX," BGI Australia's CEO, Morry Waked, said.

"The Australian equity market represents around 2 per cent of the world's equity markets, and hence Australian investors will generally be seeking investment opportunities outside of our home market. The listing of a range of international iShares on the ASX opens up these world equity markets in our time zone," Mr Waked commented.

iShares are generally more cost effective than traditional managed funds and bring institutional market benefits to the individual investor. In Australia the median institutional investor pays fees of 0.68% per annum for global equity pooled investments¹. Retail and intermediary/wholesale investors, across the universe of broad international share funds, on average pay management expenses and fees ratio (MEF) of 1.87% pa². By comparison, the iShares S&P Global 100 has an MEF of 0.40% pa.

Other iShares offer similar cost advantages.

Market Category	Universe of funds and MEFs	iShares Fund
Japanese Market Equities	Of the 25 Japanese Equity funds, the average MEF in Australia is 1.58% (ranging from 1.00% to 2.45%)	iShares MSCI Japan - MEF is 0.54%
Emerging Market Equities	Of the 28 Emerging Market Equity Funds, the average MEF in Australia is 1.86% (ranging from 0.56% to 2.89%)	iShares MSCI Emerging Markets - MEF is 0.75%
US Market Equities	Of the 12 US Equity funds, the average MEF in Australia is 1.78% (ranging from 0.31% to 2.52%)	iShares S&P 500 - MEF is 0.09%

Source: Morningstar²

Exchange traded funds have been one of the most rapidly growing segments of the world's financial markets in the past five years and by June 30 this year total assets under management in ETFs exceeded US\$668 billion. BGI iShares account for more than half this market and 190 different types of iShares are now traded on major stock exchanges around the world.

¹ Mercer Investment Consulting Global Fee Survey 2006 – Australian Wholesale Unit Trusts for placement sizes up to US\$25m.

² MEF average calculated by Barclays Global Investors Australia Ltd from data sourced from Morningstar Adviser Workstation – July 2007. Analysis and table were prepared by Barclays Global Investors Australia Limited using information provided by Morningstar Research Pty Ltd ("Morningstar"). Morningstar takes no responsibility for the analysis, the accuracy of the information or the way in which it is provided by them has been presented.

Mr Waked expects a gradual build-up in Australian demand. "iShares globally have proved attractive to both individual and institutional investors and financial intermediaries, due to their numerous advantages, including trading flexibility, simplicity and cost-effective diversification," he said.

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Notes to Editors

iShares Exchange Traded Funds

iShares, from Barclays Global Investors, are the world's leading family of exchange traded funds (ETFs). Over 190 iShares are traded on major stock exchanges around the world. iShares account for more than 50% of the ETF market worldwide.

ETFs are index funds that are bought and sold like ordinary shares on a stock exchange. They provide instant exposure to an entire index through one single trade. ETFs combine the advantages of shares with the benefits of index funds. We believe they are attractive to individual and institutional investors and financial intermediaries because of their trading flexibility, diversification and low cost benefits.

iShares can be used to achieve many investment strategies:

- for buy and hold investing
- for active traders who wish to take advantage of market movements
- for investors wishing to build a core-satellite strategy
- to enhance returns on cash deposits and equitising

For further information on iShares and strategies for using them visit www.iShares.com.au.

Barclays Global Investors

Barclays Global Investors (BGI) is one of the world's largest investment managers providing structured investment strategies such as total return, risk-controlled active and index strategies. BGI manages assets on behalf of 65% of the world's 100 largest superannuation/pension funds. One of BGI's leading products is iShares, a brand of more than 190 exchange traded funds (ETFs) available on sharemarkets around the world. BGI managed over \$2.4 trillion in assets (June 2007) for more than 2,900 clients in over 50 countries around the world. BGI is a majority-owned subsidiary of Barclays Bank PLC.

Barclays Global Investors Australia

Barclays Global Investors Australia (BGIA) is one of the leading investment managers in Australia with over A\$45 billion in assets under management (June 2007). Based in Sydney, BGIA has a reputation for consistent, long-term investment performance in the Australian market and has been presented with the 2007 Money Management/IMCA Fund Manager of the Year and Australian Equity Manager of the Year awards, and the Standard & Poor's Fund Manager of the Year awards for 2006 and 2004.

Important information

Prepared by Barclays Global Investors Australia Ltd ABN 33 001 804 566, AFSL 225 398, the local agent and intermediary for iShares, Inc. ARBN 125 632 279 and iShares Trust ARBN 125 632 411. The information in this document relates to iShares funds to be quoted on the Australian Securities Exchange (ASX). International investments such as an iShares fund may have different risk characteristics compared to investments in other securities listed on the ASX that do not have international exposure. The performance of an iShares fund is not guaranteed by any foreign or Australian regulatory or depositary institution, or any Barclays entity.

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