

FOR IMMEDIATE RELEASE

BARCLAYS GLOBAL INVESTORS ANNOUNCES THE FIRST U.S. EXCHANGE-TRADED FUND FOR SOCIALLY RESPONSIBLE INVESTORS

The First iShares® ETF for Socially Responsible Investors Tracks The KLD Select SocialSM Index, An Innovative Index That Seeks To Optimize Socially Responsible Factors While Managing Risk

SAN FRANCISCO -- January 31, 2005 -- Barclays Global Investors, N.A. (BGI) today announced the launch of its first exchange-traded fund designed specifically for socially responsible institutional and individual investors. The iShares KLD Select Social Index Fund seeks to maximize exposure to large capitalization companies that have positive social and environmental characteristics while at the same time maintaining risk and return characteristics similar to the Russell 1000® Index. The Fund tracks the KLD Select Social Index from KLD Research & Analytics, Inc., a Boston-based independent investment research and index firm with expertise in socially responsible investing (SRI). The iShares KLD Select Social Index Fund has an expense ratio of 0.50% and began trading January 28, 2005, on the NYSE under the symbol "KLD."

"The iShares KLD Fund provides socially responsible investors with what we believe is a more thoughtful portfolio approach to optimizing positive social and environmental criteria while seeking to reduce sector risk," said Lee Kranefuss, CEO of Barclays Global Investors' Intermediary Business. "BGI continues to offer institutions and individuals new ways of accessing the markets to complete their portfolio strategies."

The iShares KLD Select Social Index Fund relies on the KLD index's optimization technique that over-weights and under-weights companies based on their social and environment performance, as evaluated by KLD, across sectors while seeking to control investment risk similar to the Russell 1000 Index. The Index selects approximately 250 to 350 companies from a universe of Russell 1000 and S&P 500® companies. With the exception of tobacco companies, which are excluded, the optimized Index is not limited to "hold/not hold" distinctions like some other social indexes. Rather than screening companies or entire sectors without considering the risk and return impact of the screens, the Index over-weights companies with higher social and environmental performance and under-weights companies with lower social and environmental performance, relative to the Russell 1000 Index. In evaluating a company's social and environmental performance, KLD considers, among other things, the environment, labor relations, community relations, diversity, product safety, human rights record and governance. The iShares KLD Select Social Index Fund also has adopted proxy-voting guidelines that support greater reporting in these issues for companies it holds.

"In the past, SRI funds have focused on values-based investors--those who do not want to hold companies or sectors for ethical reasons. These investors tend to be willing to give up some diversification and some return in exchange for consistency with their values," said Peter Kinder, President of KLD Research & Analytics, Inc. "More recently, we've seen growing interest from investors who want to take advantage of the insights of social analysis but are more risk averse than values-based investors. Their interest led KLD to devise a portfolio approach that addresses both their fiduciary concerns and their wish for greater exposure to companies that rate highly on particular social screens."

Kranefuss continues, "The iShares KLD Select Social Index Fund addresses one of the principal barriers facing socially responsible investment: the reluctance of institutional investors to adopt SRI strategies because those strategies may limit diversification across the market. This Fund responds to these concerns by investing in domestic companies representing every industry--except tobacco--modifying their weights based on their social characteristics and maintaining risk exposure similar to the Russell 1000."

The iShares Funds are index funds whose shares may be bought and sold like common stocks on securities exchanges. The iShares Funds are attractive to many individual and institutional investors and financial intermediaries because of their relatively low cost, tax efficiency and trading flexibility. Investors can purchase and sell shares through any brokerage firm, financial advisor, or online broker, and hold the funds in any type of brokerage account. **To determine if the fund(s) are an appropriate investment for you, carefully consider the funds' investment objectives, risk factors and charges and expenses before investing. This and other information can be found in the funds' prospectuses, which may be obtained by calling 1-800-iShares or by visiting www.ishares.com. Read the prospectus carefully before investing.**

About Barclays Global Investors

Barclays Global Investors is one of the world's largest asset managers¹ providing structured investment strategies such as risk-controlled active strategies and indexing. In the US, BGI is one of the largest active managers,² set apart by its risk-controlled approach. BGI managed over \$1.3 trillion in assets as of 12/31/04, for more than 2,500 clients in 47 countries around the world. BGI is an innovator in investment management, applying science and technology to the investment process. BGI is owned by Barclays PLC, one of the world's leading global financial services providers.

¹ Source: "P&I/Watson Wyatt World 500," Pensions & Investments, September 6, 2004.

² Source: "Special Reports: Money Manager Directory," Pensions & Investments, May 31, 2004.

About KLD

KLD Research & Analytics, Inc. is an independent investment research firm whose products and services help meet the investment strategy requirements of institutional and individual investors. KLD's SocratesSM web-based database provides in-depth research on more than 3,000 companies based on social and environmental rating criteria. KLD provides a family of socially responsible benchmark and strategy indexes, as well as compliance and consulting services.

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Investing involves risk, including possible loss of principal. In addition to the normal risks associated with investing, the Fund may be subject to increased risk because the stocks in the index may under perform investments that track other markets or sectors. In addition, the index itself may under perform its benchmark index because it includes different constituents securities.

The iShares Funds are distributed by SEI Investments Distribution Co. (SEI). Barclays Global Fund Advisors (BGFA) serves as the investment advisor to the iShares Funds. Barclays Global Investor Services (BGIS) assists in the marketing of the iShares Funds. BGFA and BGIS are subsidiaries of Barclays Global Investors, N.A., none of which is affiliated with SEI

iShares Fund transactions will result in brokerage commissions and will generate tax consequences. Mutual funds and the iShares Funds are obliged to distribute portfolio gains to shareholders. Shares of each iShares Fund may be sold throughout the day on the exchange through any brokerage account. However, shares of each iShares Fund may only be redeemed directly from the fund by Authorized Participants, in very large creation/redemption units.

The iShares Funds are not sponsored, endorsed, sold or promoted by KLD Research & Analytics, Inc., and KLD Research & Analytics, Inc. makes no representation regarding the advisability of investing in iShares Funds.

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