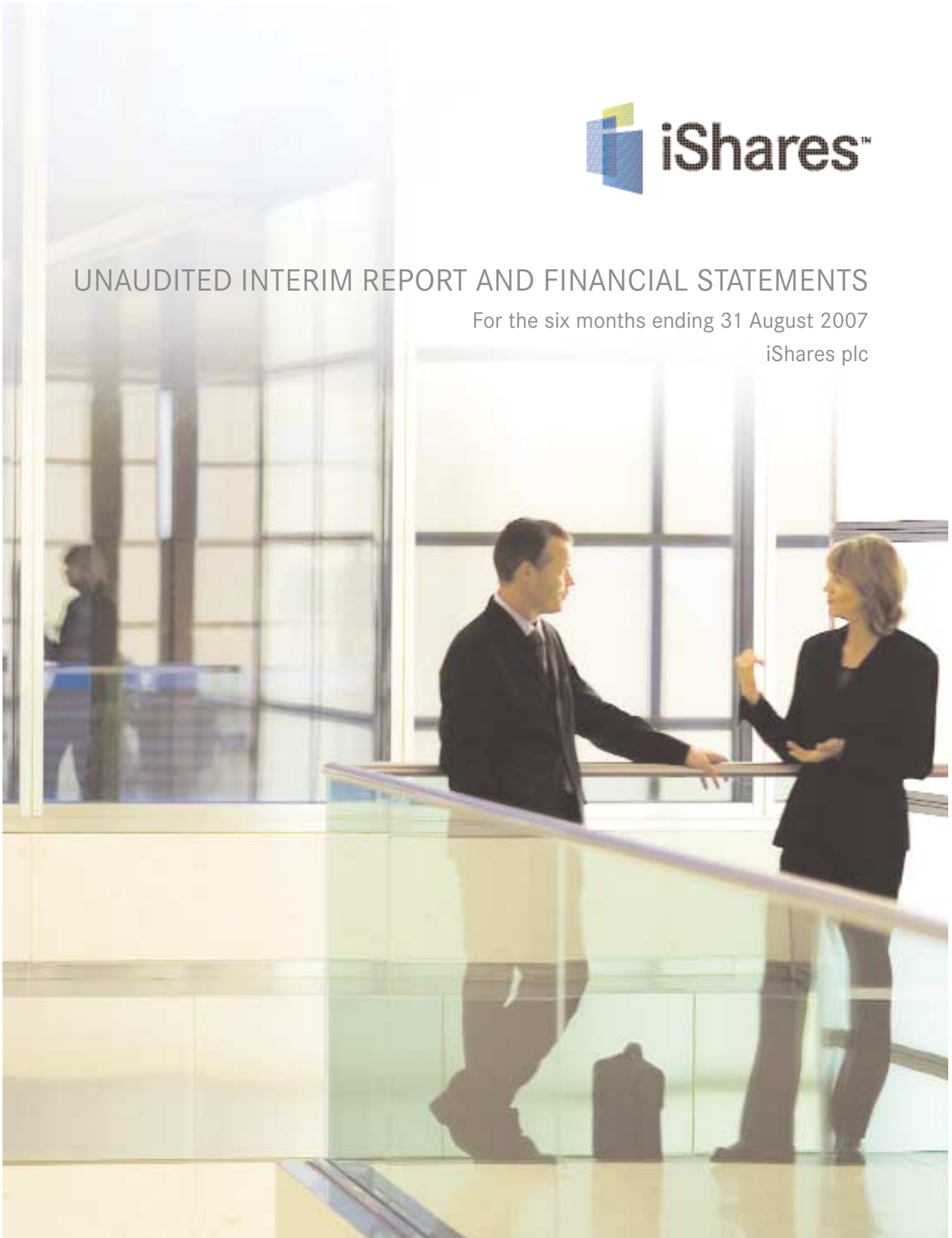




# UNAUDITED INTERIM REPORT AND FINANCIAL STATEMENTS

For the six months ending 31 August 2007

iShares plc



# iSHARES PLC UNAUDITED INTERIM REPORT

For the six months ended 31 August 2007

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# LETTER TO INVESTORS

Welcome to the unaudited interim report and accounts for iShares plc for the six months ended 31 August 2007.

Assets under management increased to £9.72 billion during the period, showing growth of just over £1.13 billion in assets for the six months from 28 February 2007. This reflects the continued success of the iShares products experience as the leader in the exchange-traded fund (ETF) market place.

A proposal was considered and approved by Shareholders at the Annual General Meeting of Shareholders on 23 July 2007 to convert iShares plc to an Undertaking for Collective Investment in Transferable Securities ("UCITS") with segregated liability between its Funds.

The table below shows for each Fund under the iShares umbrella the annualised total expense ratio (TER) expressed as a percentage. The TER for a Fund is the ratio of the total operating costs to average daily net asset value. Total operating costs do not include such items as transaction costs involved in the purchase and sale of securities, payments in relation to the financial derivative instruments or interest on borrowings.

Fund	Annualised TER%
iShares € Corporate Bond	0.20
iShares € Government Bond 1-3	0.20
iShares € Inflation Linked Bond	0.25
iShares £ Corporate Bond	0.20
iShares \$ Corporate Bond	0.20
iShares \$ Treasury Bond 1-3	0.20
iShares AEX	0.30
iShares DJ Asia/Pacific Select Dividend	0.59
iShares DJ Euro STOXX Growth	0.40
iShares DJ Euro STOXX MidCap	0.40
iShares DJ Euro STOXX Select Dividend	0.40
iShares DJ Euro STOXX SmallCap	0.40
iShares DJ Euro STOXX Value	0.40
iShares FTSE 100	0.40
iShares FTSE 250	0.40
iShares FTSEurofirst 80	0.40
iShares FTSEurofirst 100	0.40
iShares FTSE/EPRA European Property Index Fund	0.40
iShares FTSE UK Dividend Plus	0.40
iShares FTSE/Xinhua China 25	0.74
iShares MSCI AC Far East ex-Japan	0.74
iShares MSCI Brazil	0.74
iShares MSCI Eastern Europe	0.74
iShares MSCI Emerging Markets	0.75
iShares MSCI Europe ex-UK	0.40
iShares MSCI Japan	0.59
iShares MSCI Korea	0.74
iShares MSCI North America	0.40
iShares MSCI Taiwan	0.74
iShares MSCI World	0.50
iShares S&P 500	0.40

\*The TERs are based on the period 1 March 2007 to 31 August 2007 and have been annualised for the purposes of this report.

The European ETF market continues to grow and iShares plc is leading the way with its expansion of registrations and listings on exchanges across Europe.

We are pleased with the continued success of the iShares product line and look forward to another successful six months.

From the Directors of iShares plc.  
22 October 2007

# COMPANY INFORMATION

iShares plc (the “Company”) is an open-ended investment company with variable capital, having segregated liability between its funds. The Company is incorporated as a public limited company under the laws of Ireland. The Company was authorised by the Financial Regulator as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) within the meaning of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003 (as amended) on 14 February 2000. Barclays Global Investors Ireland Limited (“BGIL”) is the appointed manager of the Company, and Barclays Global Investors Limited (“BGIL”) is the Investment Manager and Promoter of the Company. The Governor and Company of the Bank of Ireland (“BOI”) is the appointed Custodian to the Company, and Bank of Ireland Securities Services (“BOISS”) is the appointed Administrator.

iShares plc has an umbrella structure, so that different funds may be established within the Company, subject to the prior approval of the Financial Regulator. The Company is a segregated liability company, meaning each Fund is treated as bearing its own liabilities exclusively from its own assets.

The primary exchange for the iShares plc funds is the London Stock Exchange (“LSE”). As of 31 August 2007, all iShares plc funds are traded on the LSE, and in respect of each fund, the following additional exchanges:

Fund	Base Currency	London Stock Exchange	Borsa Italiana	Deutsche Börse*	Euronext Amsterdam	Euronext Paris	SWX Swiss Exchange	virt-x
iShares € Corporate Bond	€	✓	✓	✓	✓	✓	✓	✓
iShares € Government Bond 1-3	€	✓	✓	✓	✓	✓	✓	✓
iShares € Inflation Linked Bond	€	✓	✓	✓	✓	✓	✓	✓
iShares £ Corporate Bond	£	✓						
iShares \$ Corporate Bond	\$	✓	✓	✓		✓	✓	✓
iShares \$ Treasury Bond 1-3	\$	✓	✓	✓	✓	✓	✓	✓
iShares AEX	€	✓			✓			
iShares DJ Asia/Pacific Select Dividend	\$	✓	✓	✓	✓	✓	✓	✓
iShares DJ Euro STOXX Growth	€	✓	✓	✓	✓	✓	✓	✓
iShares DJ Euro STOXX MidCap	€	✓	✓	✓	✓	✓	✓	✓
iShares DJ Euro STOXX Select Dividend	€	✓	✓	✓	✓	✓	✓	✓
iShares DJ Euro STOXX SmallCap	€	✓	✓	✓	✓	✓	✓	✓
iShares DJ Euro STOXX Value	€	✓	✓	✓	✓	✓	✓	✓
iShares FTSE 100	£	✓	✓		✓			✓
iShares FTSE 250	£	✓						
iShares FTSEurofirst 80	€	✓	✓	✓	✓	✓	✓	✓
iShares FTSEurofirst 100	€	✓	✓	✓	✓	✓	✓	✓
iShares FTSE/EPRA European Property Index Fund	€	✓	✓	✓	✓	✓	✓	✓
iShares FTSE UK Dividend Plus	£	✓	✓	✓			✓	✓
iShares FTSE/Xinhua China 25	\$	✓	✓	✓	✓	✓	✓	✓
iShares MSCI AC Far East ex-Japan	\$	✓	✓	✓	✓	✓	✓	✓
iShares MSCI Brazil	\$	✓	✓	✓	✓	✓	✓	✓
iShares MSCI Eastern Europe	\$	✓	✓	✓	✓	✓	✓	✓
iShares MSCI Emerging Markets	\$	✓	✓	✓	✓	✓	✓	✓
iShares MSCI Europe ex-UK	€	✓	✓	✓	✓	✓	✓	✓
iShares MSCI Japan	\$	✓	✓	✓	✓	✓	✓	✓
iShares MSCI Korea	\$	✓	✓	✓	✓	✓	✓	✓
iShares MSCI North America	\$	✓	✓	✓	✓	✓	✓	✓
iShares MSCI Taiwan	\$	✓	✓	✓	✓	✓	✓	✓
iShares MSCI World	\$	✓	✓	✓	✓	✓	✓	✓
iShares S&P 500	\$	✓	✓	✓	✓	✓	✓	✓

\* Funds trade on the Deutsche Börse Xetra XTF Funds Platform of the Frankfurt Stock Exchange.

# REPORT OF THE INVESTMENT MANAGER

## FUND REVIEW

By owning a single stock-exchange listed share in an iShares fund, the holder is entitled to participate in the price and yield performance, net of any non-reclaimable withholding tax, of the securities that make up the relevant benchmark index. This participation may be achieved either by the Investment Manager replicating as far as practicable the benchmark or by using optimisation techniques to achieve a similar result. The specific investment objectives and policies for each Fund are formulated by the Directors and are set out in the Company's prospectus and supplements. The benchmark indices for these Funds are shown below:

Fund	Benchmark Index
iShares € Corporate Bond	iBoxx Euro Liquid Corporates Index
iShares € Government Bond 1-3	Barclays Euro Government Bond 1-3 Term Index
iShares € Inflation Linked Bond	Barclays Euro Government Inflation Linked Bond Index
iShares £ Corporate Bond	iBoxx £ Liquid Corporates Long Dated Index
iShares \$ Corporate Bond	iBoxx \$ Liquid Investment Grade Index
iShares \$ Treasury Bond 1-3	Barclays US Treasury 1-3 year Term Index
iShares AEX	AEX <sup>®</sup> Index
iShares DJ Asia/Pacific Select Dividend	Dow Jones Asia/Pacific Select Dividend 30 Index <sup>SM</sup>
iShares DJ Euro STOXX Growth	Dow Jones EURO STOXX <sup>®</sup> TMI Large Cap Growth Index
iShares DJ Euro STOXX MidCap	Dow Jones EURO STOXX <sup>®</sup> Growth Mid Index
iShares DJ Euro STOXX Select Dividend	Dow Jones EURO STOXX <sup>®</sup> Select Dividend 30 Index
iShares DJ Euro STOXX SmallCap	Dow Jones EURO STOXX <sup>®</sup> Growth Small Index
iShares DJ Euro STOXX Value	Dow Jones EURO STOXX <sup>®</sup> TMI Large Cap Value Index
iShares FTSE 100	FTSE 100 Index
iShares FTSE 250	FTSE 250 Index
iShares FTSEurofirst 80	FTSEurofirst 80 Net Total Return Index*
iShares FTSEurofirst 100	FTSEurofirst 100 Net Total Return Index*
iShares FTSE/EPRA European Property Index Fund	FTSE EPRA/NAREIT Europe ex UK Dividend + Index
iShares FTSE UK Dividend Plus	FTSE UK Dividend+ Index
iShares FTSE/Xinhua China 25	FTSE/Xinhua China 25 Index
iShares MSCI AC Far East ex-Japan	MSCI AC Far East ex-Japan Index <sup>TM</sup>
iShares MSCI Brazil	MSCI Brazil Index <sup>TM</sup>
iShares MSCI Eastern Europe	MSCI EM Eastern Europe 10/40 Index <sup>TM</sup>
iShares MSCI Emerging Markets	MSCI Emerging Markets Index <sup>TM</sup>
iShares MSCI Europe ex-UK	MSCI Europe ex-UK Index <sup>TM</sup>
iShares MSCI Japan	MSCI Japan Index <sup>TM</sup>
iShares MSCI Korea	MSCI Korea Index <sup>TM</sup>
iShares MSCI North America	MSCI North America Index <sup>TM</sup>
iShares MSCI Taiwan	MSCI Taiwan Index <sup>TM</sup>
iShares MSCI World	MSCI World Index
iShares S & P 500	S&P 500 Net Total Return Index****

# REPORT OF THE INVESTMENT MANAGER (CONTINUED)

The performance of the Funds for the period under review is shown below:

Fund	Launch Date	Net Asset Value (NAV)****		NAV per share**		Return since launch**		One Year Total Return**	
		At launch	At 31/08/07	At launch	At 31/08/07	to 31/08/07		to 31/08/07	
		Million	Million			(%) Fund	(%) Index	(%) Fund	(%) Index
iShares € Corporate Bond	Mar-03	£766.40	€692.89	€117.46	€116.65	19.55	20.16 <sup>5</sup>	-0.58	-0.55 <sup>5</sup>
iShares € Government Bond 1-3	Jun-06	€31.19	€228.38	€155.95	€129.76	3.55	3.83 <sup>7</sup>	2.83	3.06 <sup>7</sup>
iShares € Inflation Linked Bond	Nov-05	€41.70	€140.99	€130.32	€156.66	0.45	0.89 <sup>7</sup>	-1.31	-1.04 <sup>7</sup>
iShares £ Corporate Bond	Mar-04	£109.82	£194.39	£137.28	£129.59	13.29	13.62 <sup>5</sup>	-2.08	-2.14 <sup>5</sup>
iShares \$ Corporate Bond***	May-03	\$353.80	\$113.21	\$114.11	\$102.92	12.10	12.12 <sup>5</sup>	3.18	3.62 <sup>5</sup>
iShares \$ Treasury Bond 1-3	Jun-06	\$53.07	\$122.74	\$120.62	\$122.74	6.73	7.05 <sup>7</sup>	5.34	5.63 <sup>7</sup>
iShares AEX	Nov-05	€16.64	€62.69	€41.62	€52.24	31.30	33.56 <sup>3</sup>	14.17	15.02 <sup>3</sup>
iShares DJ Asia/Pacific Select Dividend	Jun-06	\$10.00	\$135.54	\$25.00	\$35.67	50.72	52.22 <sup>3</sup>	40.22	41.35 <sup>3</sup>
iShares DJ Euro STOXX Growth	Nov-05	€16.96	€88.80	€24.23	€30.62	30.55	31.18 <sup>3</sup>	17.48	17.75 <sup>3</sup>
iShares DJ Euro STOXX MidCap	Oct-04	£8.21	£234.10	£27.36	£49.81	91.16	93.30 <sup>1</sup>	19.54	19.65 <sup>4</sup>
iShares DJ Euro STOXX Select Dividend	Oct-05	€21.03	€850.62	23.37	€35.59	62.73	60.64 <sup>3</sup>	18.67	19.29 <sup>3</sup>
iShares DJ Euro STOXX SmallCap	Oct-04	£7.81	£275.97	£17.36	€31.18	88.55	91.11 <sup>4</sup>	19.42	19.84 <sup>4</sup>
iShares DJ Euro STOXX Value	Nov-05	€16.94	€64.56	€24.20	€33.98	48.11	48.78 <sup>3</sup>	19.54	19.65 <sup>3</sup>
iShares FTSE 100	Apr-00	£60.00	£1,626.08	£10.00	£6.29	23.18 <sup>1</sup>	28.65 <sup>8</sup>	9.78	10.32 <sup>8</sup>
iShares FTSE 250	Mar-04	£20.16	£304.52	£6.20	£11.18	95.24	99.37 <sup>3</sup>	19.89	20.52 <sup>3</sup>
iShares FTSEurofirst 80*	Dec-00	£19.20	£171.00	£19.20	£13.52	26.69 <sup>2</sup>	31.93 <sup>3</sup>	17.44	17.41 <sup>3</sup>
iShares FTSEurofirst 100*	Oct-01	£10.30	£107.63	£26.50	€31.84	36.21	41.85 <sup>3</sup>	12.75	12.97 <sup>3</sup>
iShares FTSE/EPRA European Property Index Fund	Nov-05	€23.80	€288.20	€23.80	€31.33	38.45	37.61 <sup>8</sup>	12.36	10.76 <sup>8</sup>
iShares FTSE UK Dividend Plus	Nov-05	£9.83	£278.60	£9.83	£12.33	35.01	36.48 <sup>8</sup>	15.36	15.96 <sup>8</sup>
iShares FTSE/Xinhua China 25	Oct-04	\$17.53	\$760.96	\$50.09	\$142.24	200.88	206.83 <sup>8</sup>	89.17	90.64 <sup>8</sup>
iShares MSCI AC Far East ex-Japan	Oct-05	\$15.00	\$548.76	\$25.00	\$44.98	85.58	88.67 <sup>3</sup>	46.96	48.09 <sup>3</sup>
iShares MSCI Brazil	Nov-05	\$12.49	\$382.42	\$24.99	\$46.64	94.36	97.00 <sup>3</sup>	59.90	61.26 <sup>3</sup>
iShares MSCI Eastern Europe	Nov-05	\$9.25	\$210.46	\$23.14	\$39.71	75.83	78.07 <sup>3</sup>	29.23	30.2 <sup>3</sup>
iShares MSCI Emerging Markets	Nov-05	\$45.00	\$1,295.36	\$25.00	\$41.25	69.57	72.22 <sup>3</sup>	42.30	43.63 <sup>3</sup>
iShares MSCI Europe ex-UK	Jun-06	€30.00	€227.12	€25.00	€29.88	22.23	22.55 <sup>3</sup>	17.21	17.41 <sup>3</sup>
iShares MSCI Japan	Oct-04	\$52.28	\$2,173.39	\$9.68	\$13.93	45.93	48.63 <sup>10</sup>	2.39	2.94 <sup>10</sup>
iShares MSCI Korea	Nov-05	\$12.50	\$187.18	\$25.00	\$39.00	58.37	60.61 <sup>3</sup>	38.03	38.94 <sup>3</sup>
iShares MSCI North America	Jun-06	\$35.00	\$178.59	\$25.00	\$28.81	16.79	16.78 <sup>3</sup>	15.40	15.4 <sup>3</sup>
iShares MSCI Taiwan	Oct-05	\$12.50	\$274.68	\$25.00	\$37.60	56.69	59.34 <sup>3</sup>	29.35	30.22 <sup>3</sup>
iShares MSCI World	Oct-05	\$50.00	\$820.39	\$25.00	\$33.08	36.09	36.56 <sup>3</sup>	16.75	16.97 <sup>3</sup>
iShares S&P 500	Mar-02	\$49.50	\$2,842.46	\$11.66	\$14.71	34.73	35.25 <sup>9</sup>	14.48	14.51 <sup>9</sup>

The calendar year performance of the Funds is given below:

Fund	Year to 31/08/07		2006		2005		2004	
			(31/12/05 – 31/12/06)		(31/12/04 – 31/12/05)		(31/12/03 – 31/12/04)	
	(%) Fund	(%) Index	(%) Fund	(%) Index	(%) Fund	(%) Index	(%) Fund	(%) Index
iShares € Corporate Bond	-0.81	-0.83 <sup>5</sup>	-0.42	-0.28 <sup>5</sup>	4.15	4.33 <sup>5</sup>	8.87	9.04 <sup>5</sup>
iShares € Government Bond 1-3	2.28	2.43 <sup>7</sup>	1.25	1.37 <sup>7</sup>	n/a	n/a	n/a	n/a
iShares € Inflation Linked Bond	-0.34	-0.13 <sup>7</sup>	-1.88	-1.67 <sup>7</sup>	2.73	2.75 <sup>7</sup>	n/a	n/a
iShares £ Corporate Bond***	-2.68	-2.70 <sup>5</sup>	0.28	0.36 <sup>3,5</sup>	15.24	15.54 <sup>3</sup>	5.72	5.84 <sup>3</sup>
iShares \$ Corporate Bond	0.91	1.20 <sup>5</sup>	3.97	3.98 <sup>4,5</sup>	0.99	0.84 <sup>4</sup>	5.84	5.75 <sup>4</sup>
iShares \$ Treasury Bond 1-3	3.92	4.14 <sup>7</sup>	2.71	2.80 <sup>7</sup>	n/a	n/a	n/a	n/a
iShares AEX	8.02	8.61 <sup>3</sup>	15.88	17.19 <sup>3</sup>	4.90	4.94 <sup>3</sup>	n/a	n/a
iShares DJ Asia/Pacific Select Dividend	12.77	13.14 <sup>3</sup>	33.65	34.54 <sup>3</sup>	n/a	n/a	n/a	n/a
iShares DJ Euro STOXX Growth	8.41	8.49 <sup>3</sup>	13.57	13.96 <sup>3</sup>	6.04	6.10 <sup>3</sup>	n/a	n/a
iShares DJ Euro STOXX MidCap Fund	4.12	4.25 <sup>4</sup>	30.98	31.76 <sup>4</sup>	40.16	40.72 <sup>4</sup>	8.36	8.44 <sup>4</sup>
iShares DJ Euro STOXX Select Dividend	7.61	5.74 <sup>3</sup>	37.03	37.51 <sup>3</sup>	10.36	10.47 <sup>3</sup>	n/a	n/a
iShares DJ Euro STOXX SmallCap Fund	2.12	2.16 <sup>4</sup>	32.23	32.99 <sup>4</sup>	39.63	40.66 <sup>4</sup>	7.73	7.67 <sup>4</sup>
iShares DJ Euro STOXX Value	8.73	8.67 <sup>3</sup>	26.43	26.96 <sup>3</sup>	7.74	7.84 <sup>3</sup>	n/a	n/a
iShares FTSE 100	3.72	4.06 <sup>8</sup>	13.89	14.43 <sup>8</sup>	20.25	20.78 <sup>8</sup>	10.77	11.25 <sup>8</sup>
iShares FTSE 250	2.40	2.75 <sup>3</sup>	29.48	30.21 <sup>3</sup>	47.25	49.01 <sup>3</sup>	13.91	14.43 <sup>3</sup>
iShares FTSEurofirst 80 Fund*	7.81	7.78 <sup>3</sup>	19.48	20.62 <sup>3</sup>	23.58	24.63 <sup>3</sup>	10.33	11.44 <sup>3</sup>
iShares FTSEurofirst 100 Fund*	5.98	6.11 <sup>3</sup>	15.61	16.41 <sup>3</sup>	23.27	24.16 <sup>3</sup>	8.44	9.42 <sup>3</sup>
iShares FTSE/EPRA European Property Index Fund	-9.83	-9.62 <sup>8</sup>	51.87	50.48 <sup>8</sup>	1.10	1.18 <sup>8</sup>	n/a	n/a
iShares FTSE UK Dividend Plus	0.02	0.35 <sup>8</sup>	24.51	25.24 <sup>8</sup>	8.41	8.59 <sup>8</sup>	n/a	n/a
iShares FTSE/Xinhua China 25	33.67	34.21 <sup>8</sup>	82.94	84.33 <sup>8</sup>	23.04	24.00 <sup>8</sup>	7.67	7.78 <sup>8</sup>
iShares MSCI AC Far East ex-Japan	23.99	24.27 <sup>3</sup>	30.28	31.74 <sup>3</sup>	14.88	15.24 <sup>3</sup>	n/a	n/a
iShares MSCI Brazil	31.22	32.08 <sup>3</sup>	44.49	45.30 <sup>3</sup>	2.52	2.65 <sup>3</sup>	n/a	n/a
iShares MSCI Eastern Europe	9.89	8.29 <sup>3</sup>	54.46	55.53 <sup>3</sup>	3.59	5.73 <sup>3</sup>	n/a	n/a
iShares MSCI Emerging Markets	20.82	21.12 <sup>3</sup>	31.35	32.17 <sup>3</sup>	6.85	7.58 <sup>3</sup>	n/a	n/a
iShares MSCI Europe ex-UK	6.00	6.19 <sup>3</sup>	15.31	15.40 <sup>3</sup>	n/a	n/a	n/a	n/a
iShares MSCI Japan	-0.67	-0.34 <sup>10</sup>	5.70	6.24 <sup>10</sup>	38.99	40.36 <sup>10</sup>	10.90	11.82 <sup>10</sup>
iShares MSCI Korea	28.02	28.60 <sup>3</sup>	11.65	12.64 <sup>3</sup>	10.80	10.87 <sup>3</sup>	n/a	n/a
iShares MSCI North America	6.07	5.99 <sup>3</sup>	10.11	10.18 <sup>3</sup>	n/a	n/a	n/a	n/a
iShares MSCI Taiwan	10.34	10.71 <sup>3</sup>	18.73	19.97 <sup>3</sup>	19.60	19.97 <sup>3</sup>	n/a	n/a
iShares MSCI World	6.85	6.67 <sup>3</sup>	19.70	20.07 <sup>3</sup>	6.41	6.62 <sup>3</sup>	n/a	n/a
iShares S&P 500	4.41	4.81 <sup>9</sup>	15.12	15.14 <sup>9</sup>	4.29	4.33 <sup>9</sup>	10.21	10.21 <sup>9</sup>

# REPORT OF THE INVESTMENT MANAGER (CONTINUED)

Unless otherwise stated, the Fund performance quoted is on a total return basis (capital growth plus income net of withholding taxes), using the Fund's valuation currency.

Past performance may not necessarily be repeated and is no guide to future returns.

1 The performance figure takes account of the bonus issue applied to the Fund in October 2001.

2 The performance figure takes account of the bonus issue applied to the Fund in August 2001. Return since launch is capital return as the Fund launched against a capital return benchmark due to the unavailability of a total return benchmark at launch.

3 Benchmark source: DataStream

4 Benchmark source: Goldman Sachs

5 Benchmark source: iBoxx.com

6 Benchmark source: Barclays Global Investors Limited

7 Benchmark source: Barclays Capital

8 Benchmark source: FTSE

9 Benchmark source: Standard & Poor's

10 Benchmark source: MSCI

Additional sources: Bank of Ireland, AIB and STOXX.

\* iShares FTSEurofirst 80 and iShares FTSEurofirst 100 benchmark changed on 15 October 2004. The returns for iShares FTSEurofirst 80 since inception are shown against the total return benchmark from 20 March 2001, the inception of the total return benchmark.

\*\* The NAV per share and return figures are based on the published pricing NAV. Due to accounting policy requirements under Irish GAAP that apply to the financial statements, there may be slight differences between the NAV per share as recorded in the financial statements, and the pricing NAV per share. In addition, the fund returns are net of expenses.

\*\*\* On the 1 November 2006, the benchmark index for the Fund changed to the iBoxx \$ Liquid Investment Grade Index.

\*\*\*\* The net asset values are based on the published Net Asset Values. Due to accounting policy requirements under Irish GAAP that apply to financial statements, there may be slight differences between the Net Asset Values as recorded in financial statements, and the published Net Asset Values.

\*\*\*\*\* With effect from 1 March 2007, the benchmark index changed from S&P 500 to S&P 500 Net Total Return Index.

## MARKET BACKGROUND

### Global equities

The US sub-prime mortgage crisis halted the positive performance that equity markets had been enjoying. Although volatility increased significantly, global equity markets were still able to regain ground at the end of the reporting period. The US sub-prime mortgage market turmoil sparked waves of selling in equity markets worldwide in July and most of August. Central banks in Europe, Asia and North America dealt with a sharp decline in global liquidity by pumping additional funds into the financial system, in an effort to calm the markets and prevent the losses in the financial sector from affecting the global economy.

### US equities

Following a relatively strong performance in the second quarter, the US equity market endured significant turmoil in July and August, as a credit crunch emerged and billions of US dollars in leveraged loans and high-yield bonds remained unsold. To provide liquidity and facilitate the orderly functioning of financial markets, the US Federal Reserve injected a total of \$38 billion in temporary funds.

Wall Street rebounded slightly at the end of August after one of the most volatile periods in years. The broad US equity benchmarks finished in positive territory for the reporting period, supported by optimism that an expected cut in interest rates by the Federal Reserve and government action would help struggling sub-prime mortgage borrowers to avoid foreclosure and would help loosen credit conditions. However, financial and investment banking stocks remained weak at the end of August. These stocks had been under pressure since problems in the sub-prime mortgage market emerged in February 2007.

### UK equities

Strong second quarter gains were erased by the unfolding US sub-prime mortgage crisis. UK shares finished the review period on a positive note as rebounding US stocks and oil and mining shares provided some support.

Continued inflation pressures prompted the Bank of England to raise interest rates in both May and July by 0.25% each time, to a six-year high of 5.75%. Although the headline consumer inflation figure (sharply) dropped to an annual rate of 1.9% in July, from 3.1% in February, inflation remained a concern, with further negative implications for the housing market and construction sector.



# REPORT OF THE INVESTMENT MANAGER (CONTINUED)

Meanwhile, the UK manufacturing sector weathered rising borrowing costs and financial market turmoil – a recent survey from the Chartered Institute of Purchasing Managers showed that the sector had enjoyed its fastest growth in output in 13 years. Robust export demand from the euro zone also helped the UK economy.

## **Euro zone equities**

Economic activity remained buoyant in the euro zone. Policymakers raised interest rates a further 0.25% in the second quarter in response to concerns over the recent surge in energy prices and their impact on future inflation.

Euro zone shares were not spared from the market turmoil caused by the US sub-prime mortgage crisis. After producing strong returns in the second quarter, continental Europe's equity markets plummeted to negative territory in July and August, surrendering most of their earlier gains.

However, euro zone stocks have been on a recovery path after the European Central Bank (ECB) injected around \$130 billion (€94.8 billion) into the banking system in August. This move was designed to calm financial markets. The ECB followed similar action by the US Federal Reserve, aimed at stabilising credit markets.

## **Japanese equities**

Japanese stocks finished slightly lower at the end of August, erasing some of the gains made in the second quarter. The Japanese banking sector suffered after two large banks reported significant losses from mortgage-related securities. Problems in the US sub-prime mortgage sector and ensuing turmoil in global markets have raised uncertainties over the outlook for the Japanese economy. In August, as global equities were under significant pressure, the Bank of Japan added liquidity into the banking system in separate actions that mirrored moves by the central banks in the euro zone and the US.

The Japanese economic climate remained soft at the end of August. Consumer prices fell in July – the sixth consecutive monthly decline. Industrial production fell in July due to an earthquake in northern Japan that disrupted car production. Furthermore, the Japanese government reported that gross domestic product increased by a weaker-than-expected annualised 0.5% in real terms during the second quarter, due to a drop in exports to the US and lower private consumption.

The Bank of Japan left interest rates unchanged at 0.50% as there remained no sign of an acceleration in inflation. Consumer prices in Japan, excluding food and energy, were still falling despite low unemployment levels and the lack of spare capacity in the manufacturing sector.

## **Emerging market equities**

Emerging markets were also hampered by the global market turbulence driven by the US sub-prime mortgage crisis. However, the decline in emerging markets was not sharper than in developed markets. However, emerging market equities have subsequently recovered vigorously, producing gains at the end of August.

Emerging markets continued growing despite recent events with gains led by the Chinese, Korean, Indian, Turkish and Brazilian markets. These markets all delivered strong double-digit returns during the reporting period.

The Chinese equity market's performance reflected China's economic boom, while Latin American stock markets also benefited from demand for commodities driven by China's expansion. Political risks weighed on the laggards in the emerging markets and many investors remained nervous of the investment climate in Russia. Turkish equities managed to stage a recovery, following a temporary decline during the showdown between the Islamist government and secular military authorities.



# REPORT OF THE INVESTMENT MANAGER (CONTINUED)

## Property markets

Global property markets were negatively impacted by the fallout from the US sub-prime mortgage crisis. With the exception of Asia, most regions underperformed during the reporting period. Property shares in the US, euro zone and the UK entered into negative territory while Asia enjoyed strong gains.

## US corporate bonds

Corporate bonds underperformed government issues towards the end of August as investors fled to less risky assets.

Corporate bond yield premiums in the UK, US and euro zone shot to their highest levels in over three years in July due to concerns surrounding the effects of the US sub-prime mortgage market. A significant re-pricing of risk within the US sub-prime mortgage market took place in July, as the ability of people with lower credit rating profiles to make monthly mortgage payments deteriorated. This resulted in concerns extending to the rest of the credit market, with corporate bonds issued by financial institutions worst hit.

## US government bonds

The fallout from the sub-prime mortgage market has boosted US treasuries, resulting in both US government bonds and inflation-linked securities outperforming corporate bonds.

The US economy remained resilient despite the downturn in the housing market. Economic data continued to be strong, particularly in the labour market, resulting in the US Federal Reserve opting to keep interest rates at 5.25% for the time being. In the second quarter of 2007, the treasury market sold off as market participants reduced their bets that the Federal Open Market Committee would lower the federal funds rate by year-end.

The treasury market fell at all maturity points in August, and the yield curve steepened as concerns about the effects from the sub-prime mortgage market continued to grow. Federal Reserve Chairman Bernanke's commentary in August included forecasts that economic growth would continue at a moderate pace for the rest of the year, picking up in 2008, and that core inflation would edge lower through next year.

## European corporate bonds

Corporate bonds produced negative returns, responding to a flight to quality into government bonds.

In April and May, corporate bonds outperformed government securities as corporate risk premiums either remained stable or else fell slightly. During June, however, the pattern reversed and corporate bonds underperformed. This was prompted by concerns over the sub-prime mortgage market in the US. Corporate bond markets (sharply) underperforming government bonds in July as investors fled to less risky assets. Corporate bond yield premiums in the UK, US and euro zone shot to their highest levels in over three years in July due to concerns surrounding the effects of the US sub-prime market.

Overall, financials were the worst performing sector, as performance was hindered by concern over exposure to the sub-prime mortgage sector in the US and the possibility of contagion into European markets.

## European government bonds

The euro zone government bond market generated positive returns, with the exception of longer-dated bonds which delivered negative returns. In general, euro zone economic growth remained buoyant despite business surveys and new orders suggesting that activity across the region had begun to cool. Economic growth in Germany remained strong compared to neighbouring euro zone countries. The European Central Bank remained hawkish, hiking interest rates by 0.25% in the second quarter, to

# REPORT OF THE INVESTMENT MANAGER (CONTINUED)

4.00%. The annual inflation rate in the euro region increased slightly to 1.9% in May (up from 1.8% in March).

The euro rose to a lifetime high against the US dollar in June due to interest rate expectations and the concerns about the sub-prime market in the US. A stronger euro begun to take its toll on business confidence and industrial orders started to slow.

## **UK corporate bonds**

Overall, UK corporate bonds underperformed UK government bonds towards the end of August.

Some of the gains made in April and May were given back during the second half of June, following flight to quality buying of gilts that was driven by growing concerns over the US sub-prime mortgage market.

Corporate bond markets sharply underperformed government bonds in July as investors continued to favour less risky assets. Corporate bond yield premiums in the UK, US and euro zone shot to their highest levels in over three years in July due to concerns surrounding the effects of the US sub-prime market.

## **UK government bonds**

UK gilts produced positive returns despite a weaker performance in the second quarter. Index-linked gilts outperformed the conventional government bond market at the end of the reporting period. Government bond yields in the UK fell from their multi-year highs in July, as investors fled to less risky assets as stock markets and credit markets experienced increased volatility due to concerns over losses from exposure to the US sub-prime mortgage market.

Continued inflation pressures prompted the Bank of England to raise interest rates in both May and July by 0.25%, to a six-year high of 5.75%. Although the headline consumer inflation figure dropped to an annual rate of 1.9% in July, from 3.1% in February, inflation remained a concern, with further negative implications for the housing market and construction sector.

In continuing to raise rates, the Monetary Policy Committee (MPC) cited stronger than expected economic activity in the UK in an overall positive global economic environment. The MPC also noted the 'rapid' growth of monetary aggregates, although it was less clear on whether this pointed to rising inflation pressures in the future.

**Barclays Global Investors Limited**  
**September 2007**

# iSHARES PLC

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Operating income	2	173,528	180,112	107,473
Net gains on financial assets at fair value through profit or loss		345,644	629,799	43,138
<b>Total investment income</b>		<b>519,172</b>	<b>809,911</b>	<b>150,611</b>
Operating expenses	3	(22,238)	(31,426)	(14,345)
<b>Net income</b>		<b>496,934</b>	<b>778,485</b>	<b>136,266</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	4	(134,065)	(147,311)	(90,109)
Interest expense		(277)	(98)	(95)
<b>Profit before tax</b>		<b>362,592</b>	<b>631,076</b>	<b>46,062</b>
Non-reclaimable withholding tax		(7,293)	(7,046)	(11,514)
Adjustment from bid market prices to last traded market prices		185	4,476	-
<b>Increase in net Assets attributable to Redeemable Participating Shareholders</b>		<b>355,484</b>	<b>628,506</b>	<b>34,548</b>

There are no recognised gains or losses arising in the period other than the increase in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		8,588,796	5,362,111	5,356,823*
Notional foreign exchange adjustment**	1 (d)	(160,523)	(403,204)	(238,929)
Increase in net assets attributable to Redeemable Participating Shareholders from Operations		355,484	628,506	34,548
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		2,060,336	3,897,911	2,016,268
Payment of redemption of Redeemable Participating Shares		(1,125,079)	(896,528)	(549,391)
<b>Net Assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>9,719,014</b>	<b>8,588,796</b>	<b>6,619,319</b>

\*\* The Notional foreign exchange adjustment arises from the retranslation of the net assets at the beginning of the period using the exchange rate at 31 August 2007. The average rate for the period is applied to the Profit and Loss items (see note 1 (d)).

# iSHARES PLC

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	1(a)	9,603,013	8,511,754	6,539,945
Debtors	5	202,802	321,431	192,008
Cash and bank balances	15	137,294	123,881	95,724
<b>Total current assets</b>		<b>9,943,109</b>	<b>8,957,066</b>	<b>6,827,677</b>
<b>Current liabilities</b>				
Creditors	6	(170,708)	(352,472)	(171,884)
Distributions to Redeemable Participating Shareholders payable	4	(57,955)	(25,455)	(36,474)
Bank overdraft	15	(5,381)	(107)	-
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(234,044)</b>	<b>(378,034)</b>	<b>(208,358)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period (at bid prices)</b>		<b>9,709,065</b>	<b>8,579,032</b>	<b>-</b>
Adjustment from bid market prices to last traded market prices		9,949	9,764	-
<b>Net Assets attributable to Redeemable Participating Shareholders at end of period (at last traded market prices)</b>		<b>9,719,014</b>	<b>8,588,796</b>	<b>6,619,319</b>

The accompanying notes form an integral part of these financial statements.

### On behalf of the Board

Director

Director

Date: 22 October 2007

\* The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by £5,288,000 to account for assets at fair value in accordance with applicable accounting standards.

# iSHARES PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies and estimation techniques applied in the preparation of these financial statements are set out below. The Company has taken advantage of the reductions in disclosure available under the Accounting Standards Board's statement on Half-Yearly Financial Reports issued in July 2007.

#### Basis of preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statutes comprising the Companies Acts, 1963 to 2006, and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended). Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board ("ASB").

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments held at fair value through the profit or loss and in accordance with generally accepted accounting principles in the Republic of Ireland.

All of the Company's assets and liabilities are held for the purpose of being traded or are expected to be realised within one year.

The format and certain wordings of the Financial Statements have been adapted from those contained in the Companies (Amendment) Act 1986, so that, in the opinion of the Directors, they more approximately reflect the nature of the Company's business as an Investment Fund.

The Company has availed of the exemption contained in Financial Reporting Standard (FRS) 1 (Revised) "Cash Flow Statements" and has not presented a cash flow statement. The information required by FRS No.1 "Cash Flow Statements", to be included in a Cash Flow statement and FRS No.3 "Reporting Financial Performance", to be included in a statement of total recognised gains and losses and a reconciliation of movements in Shareholder's Funds, is in the opinion of the Directors, contained in the Profit and Loss account and the Statement of Changes in Net Assets attributable to Redeemable Participating Shareholders on page 10.

#### First time adoption of Accounting Standards Board's Statement of Half-Yearly Financial Reports

The Accounting Standards Board issued its statement on Half-Yearly Financial Reports in July 2007 which provides guidance on recommended practice for the content of half-yearly financial reports. The Company has applied this statement in the current reporting period.

As part of the specific requirements of this statement, comparative figures for the corresponding half-yearly period and the previous full financial year have been included in the Financial Statements.

The significant accounting policies adopted by the Company are as follows:

#### *a) Financial assets and financial liabilities at fair value through profit or loss*

##### Valuation of Investments at Fair Value

##### Classification

The Company classifies its investments in debt and equity securities, and related derivatives, as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are classified as held for trading or designated by the Board of Directors at fair value through profit or loss at inception.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Company's documented investment strategy. The Company's policy is for the Investment Manager and the Board of Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information.

##### Recognition/derecognition

Normal purchases and sales of investments are recognised on the trade date, the date on which the Company commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

##### Measurement

Financial assets and financial liabilities at fair value through profit and loss are initially recognised at fair value. Transaction costs are expensed in the profit and loss account. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss category are presented in the profit and loss account in the period in which they arise.

##### Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price

# iSHARES PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

(previously valued at mid value): the appropriate quoted market price for financial liabilities is the current asking price. The Company has taken advantage of the exemption under 108(d) of FRS 26 and not restated the results for the six months to 31 August 2006.

The fair value of financial instruments, that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

Investments listed on Recognised Stock Exchanges are valued at the following bid-prices:

iShares € Corporate Bond	16.45 Irish Time
iShares € Government Bond 1-3	18.00 Irish Time
iShares € Inflation Linked Bond	22.00 Irish Time
iShares £ Corporate Bond	16.15 Irish Time
iShares \$ Corporate Bond	15.00 New York Time (Eastern Standard)
iShares \$ Treasury Bond 1-3	22.00 Irish Time
iShares AEX	17.00 Irish Time
iShares DJ Asia/Pacific Select Dividend	16.45 Irish Time
iShares DJ Euro STOXX Growth	18.45 Irish Time
iShares DJ Euro STOXX Value	18.45 Irish Time
iShares DJ Euro STOXX MidCap	17.30 Irish Time
iShares DJ Euro STOXX SmallCap	17.30 Irish Time
iShares DJ Euro STOXX Select Dividend	17.30 Irish Time
iShares FTSE 100*	See note below
iShares FTSE 250	16.45 Irish Time
iShares FTSEurofirst 80	17.30 Irish Time
iShares FTSEurofirst 100	17.30 Irish Time
iShares FTSE/EPRA European Property Fund	18.45 Irish Time
iShares FTSE UK Dividend Plus	17.30 Irish Time
iShares FTSE/Xinhua China 25	16.30 on Dealing Day +1 Irish Time
iShares MSCI AC Far East ex-Japan	16.45 on Dealing Day +1 Irish Time
iShares MSCI Brazil	23.00 Irish Time
iShares MSCI Eastern Europe	22.15 Irish Time
iShares MSCI Emerging Markets	23.00 on Dealing Day +1 Irish Time
iShares MSCI Europe ex-UK	17.30 Irish Time
iShares MSCI Japan	16.30 on Dealing Day +1 Irish Time
iShares MSCI Korea	16.45 on Dealing day +1 Irish Time
iShares MSCI North America	22.15 Irish Time
iShares MSCI Taiwan	16.45 Irish Time on Dealing Day +1
iShares MSCI World	22.15 on Dealing Day +1 Irish Time
iShares S&P 500*	See note below

\*Note: The valuation point for this fund shall be the time of the close of business on the dealing day in the markets relevant for the valuation of the assets and liabilities of the Fund.

### Futures contracts

Future contracts are valued at their fair value by "marking-to-market" the value of the contract at the Balance Sheet date. For open futures, changes in the value of the contract are recognised in the Profit and Loss account in Net gains/(losses) on financial assets at fair value through profit or loss. When the contract is closed, the difference between the proceeds from (or cost of) the closing transactions and the original transaction is recorded in the Balance Sheet in Net gains/(losses) on financial assets at fair value through profit or loss.

Initial margin deposits are made upon entering into future contracts and are generally made in cash or cash equivalents. The variation margin receivable/payable at the reporting date is reported as an asset or liability, as applicable in the Balance Sheet. For further details, see note 15.

### Forward contracts

The Funds of the Company may enter into forward currency contracts. The unrealised gain or loss on open forward currency contracts is calculated by reference to the difference between the contracted rate and the rate to close out the contract. Realised gains or losses include net gains on contracts, which have been settled. Realised gains or losses and changes in unrealised gains or losses are recognised in the Profit and Loss account in Net gains/(losses) on financial assets at fair value through profit or loss.

### b) Equalisation

Income equalisation arrangements are applied to the Shares in the Company. These arrangements are intended to ensure that the income per share, which is distributed in respect of the distribution period, is not affected by changes in the number of shares in issue during that period. The calculation of equalisation is based on net income and represents the income portion of the price of subscriptions/redemptions of shares.

Equalisation income and/or expense amounts are included in note 4 – Finance Cost - Distributions to Redeemable Participating Shareholders.

### c) Income from investments

#### Dividend income and bond interest

Dividends on listed investments at fair value are recognised when the securities are declared ex-dividend. Bond interest income is accrued on a daily basis using the effective interest method in accordance with FRS 26. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability.

The income and gains of any Fund from its securities and assets may suffer withholding tax which may not be reclaimable in the countries where such income and gains arise.

Income is shown gross of any non-recoverable withholding tax, which is disclosed separately in the Profit and Loss account. Dividends

# iSHARES PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

receivable in relation to securities on loan are 'manufactured dividends' under UK and Irish tax legislation, and no withholding tax is deducted from such receipts. Any dividend income that is UK franked investment income is shown net of any tax credits.

### **Deposit interest**

Interest on bank and short term deposits is recognised as income of the Company on an accruals basis.

### **Securities lending income**

Certain funds engage in securities lending whereby income is earned from lending securities owned by the Funds to a number of third-party borrowers. Securities lending income is accounted for on an accruals basis. For further details on securities lending income please see note 14.

### **d) Foreign currency**

#### **Functional currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates ("the functional currency"). This is sterling, which reflects the fact that the Company's investor base is located in the United Kingdom.

In accordance with FRS 23, the functional currency of the Funds was re-evaluated by the Directors on the advice of the Manager. The currencies in which the performance of the Funds are reported to investors are still considered to be the appropriate functional currencies.

### **Foreign exchange**

Transactions denominated in foreign currencies are translated into the presentation currency at the exchange rate ruling on the date of the transaction. The fair value of the investments and other assets and liabilities in currencies other than the presentation currency of the individual Fund have been translated at the rates of exchange ruling at 31 August 2007. Resulting foreign exchange differences are included in Net gains/(losses) on financial assets at fair value through profit or loss in the Profit and Loss account. For rates of exchange at 31 August 2007, see note 16.

### **Translation to reporting currency**

For the purpose of combining the Financial Statements of the Funds to arrive at Total Company figures (required under Irish Company Law), the amounts in the Financial Statements have been translated to GBP at the exchange rate ruling at 31 August 2007. The method of translation has no effect on the Net Asset Value per share attributable

to the individual Funds.

The opening value of the Company has been restated at the exchange rates ruling at 31 August 2007. The resulting loss of £160,523,000 (February 2007: loss of £403,204,000 and August 2006: loss of £238,929,000) is due to the movements in exchange rates between 1 March 2007 and 31 August 2007. This is a notional foreign exchanged adjustment which has no impact on the Net Asset Value of the individual Funds.

### **e) Distributions**

Distributions payable to holders of Redeemable Participating Shares are classified as Finance Costs in the Profit and Loss account.

### **f) Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition origination. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The carrying amount of other receivables approximates to their fair values.

### **g) Payables**

Payables are recognised initially at fair value and subsequently stated at amortised cost. The difference between the proceeds and the amount payable is recognised over the period of the payable using the effective interest method.

The carrying amount of other payables approximates to their fair values.

### **h) Redeemable participating shares**

Redeemable participating shares are redeemable at the Shareholder's option and are classified as financial liabilities. Distributions on redeemable participating shares are recognised in the Profit and Loss Account as Finance Costs.

The participating share can be put back to the Company at any time for cash equal to a proportionate share of the Company's Net Asset Value less any associated duties and charges and any redemption dividend which is payable on the shares redeemed. The participating share is carried at the redemption amount that is payable at the balance sheet date if the shareholder exercised its right to put the share back to the Company.



# ISHARES PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

The fair value of the financial liability for the redeemable participating shares is the redemption amount per share, calculated as the Net Asset Value per share less any associated duties and charges and any redemption dividend which is payable on the shares redeemed.

The opening value of net assets attributable to relevant participating shareholders has been adjusted to conform with the current year presentation.

### i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liabilities simultaneously.

### j) Cash and other liquid assets

Cash and other liquid assets will be valued at their face value with interest accrued.

## 2. OPERATING INCOME

	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Dividends	144,508	132,278	86,736
Bond income	21,708	41,424	18,039
Securities lending income	4,737	3,568	1,390
Interest income	2,367	2,713	1,197
Other income	208	129	111
<b>Income</b>	<b>173,528</b>	<b>180,112</b>	<b>107,473</b>

## 3. OPEARTING EXPENSES

	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Management fees	22,238	31,426	14,054
Other fees	-	-	291
<b>Expenses</b>	<b>22,238</b>	<b>31,426</b>	<b>14,345</b>

Included in expenses are audit fees of £121,108 (28 February 2007: £228,575, 31 August 2006: £114,288) and directors fees of £46,061 (28 February 2007: £94,368, 31 August 2006: £47,184).

For further details of management fee charges see note 8.

## 4. FINANCE COST – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The Company may declare and pay dividends on any class of Shares in the Company.

Pay date	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
March 2006	-	6,781	-
April 2006	-	261	257
May 2006	-	187	184
June 2006	-	44,736	50,914
July 2006	-	3,434	3,677
August 2006	-	223	209
September 2006	-	37,377	36,474
October 2006	-	193	-
November 2006	-	200	-
December 2006	-	28,123	-
January 2007	-	2,110	-
February 2007	-	245	-
March 2007	-	25,455	-
April 2007	198	-	-
May 2007	192	-	-
June 2007	71,233	-	-
July 2007	4,534	-	-
August 2007	244	-	-
September 2007	57,955*	-	-
	<b>134,356</b>	<b>149,325</b>	<b>91,715</b>
Equalisation income	(7,735)	(10,037)	(5,440)
Equalisation expense	7,444	8,023	3,834
	<b>134,065</b>	<b>147,311</b>	<b>90,109</b>

\* Outstanding at period end.

## 5. DEBTORS

	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
Dividends receivable	23,145	11,696	29,227
Bond income receivable	19,412	16,227	4,795
Securities lending income receivable	475	411	230
Interest income receivable	261	1,713	303
Sales of securities awaiting settlement	135,720	260,326	154,208
Subscriptions awaiting settlement	23,694	31,058	3,245
Other Income	95	-	-
<b>Debtors</b>	<b>202,802</b>	<b>321,431</b>	<b>192,008</b>

## 6. CREDITORS (amounts falling due within one year)

	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
Accrued expenses	4,626	3,714	3,800
Purchases of securities payable awaiting settlement	154,905	348,665	157,461
Redemptions awaiting settlement	11,167	37	10,577
Interest expense payable	11	56	46
<b>Creditors</b>	<b>170,709</b>	<b>352,472</b>	<b>171,884</b>

# iSHARES PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 7. SHARE CAPITAL

#### Authorised

The authorised share capital of the Company is £30,000 divided into 30,000 subscriber shares of a par value of £1 each and 500 billion participating shares of no par value.

#### Subscriber shares

The Company has issued 30,000 subscriber shares to the Manager and nominees of the Manager. They do not form part of the net asset value of the Company. They are thus disclosed in the financial statements by way of this note only. In the opinion of the Directors this disclosure reflects the nature of the Company's investment business.

#### Participating Shares – issued and fully paid

	31 August 2007	28 February 2007	31 August 2006
	No. of Shares '000s	No. of Shares '000s	No. of Shares '000s
Balance at beginning of period	781,347	561,492	561,492
Issued during the period	142,240	302,685	103,250
Redeemed during the period	(68,120)	(82,830)	(48,350)
<b>Balance at end of period</b>	<b>856,467</b>	<b>781,347</b>	<b>616,392</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Company. Redeemable participating shares are redeemable at the Shareholders' option and are classified as financial liabilities.

### 8. FEES

#### Management fees

The expense rates given in the table in the Letter To Investors on page 2 are expressed as a percentage per annum of the Funds' net asset value basis. The Funds pay the expenses to the Manager (BGIL) who is responsible for discharging from this amount all fees and expenses of the Funds including but not limited to, fees for services provided by the Investment Manager, Administrator, and the Custodian, together with all reasonable out of pocket expenses of such service providers (excluding transaction related charges of the Administrator and Custodian).

#### 9. DIRECTORS' FEES

The Directors shall be entitled to a fee and remuneration for their services at a rate to be determined from time to time by the Directors.

### 10. TAXATION

Under current law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, (as amended). It is not chargeable to Irish tax

on its income or gains.

However, Irish tax may arise on the happening of a "chargeable event" in the Company. A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

- A shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided in each case, that an appropriate valid declaration in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, is held by the Company.
- Certain exempted Irish shareholders who have provided the Company with the necessary signed statutory declarations.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country of origin, from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

### 11. SOFT COMMISSIONS

Neither the Investment Manager, nor any investment advisor or affiliates may retain the benefit of any cash commission or rebate paid or payable by any broker or dealer to the Investment Manager, investment advisor or affiliate in respect of any business placed with such broker or dealer by any such person, for and on behalf of the Company. There were no soft commissions received by the Investment Manager, in relation to iShares plc, during the six months ended 31 August 2007.

### 12. RELATED PARTY TRANSACTIONS

In the opinion of the Directors, the following entities are related parties to the Company as at 31 August 2007:

Manager:	Barclays Global Investors Ireland Limited
Investment Manager:	Barclays Global Investors Limited
Counterparty for Derivatives:	Barclays Bank PLC
Securities Lending Agent:	Barclays Global Investors Limited

Fees payable during the period to the Manager were £22,238,000 (28 February 2007: £31,426,000, 31 August 2006: £14,054,300) and amounts outstanding at the end of the period were £4,626,000 (28 February 2007: £3,713,310, 31 August 2006: £3,800,250).

The Manager is responsible for discharging the fees of the Investment

# ISHARES PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

Manager out of the Management Fee, see note 8.

The value of derivative transactions entered into during the period with the counterparty to derivatives, Barclays Bank PLC, are included within financial assets at fair value in the Balance Sheet. The realised and change in unrealised gain/loss on derivative contracts during the period are included within net gains/(losses) on financial assets at fair value through the profit or loss in the Profit and Loss account.

The amount of commission paid to the counterparty for derivatives during the period was £1,445 (28 February 2007: £11,903, 31 August 2006: £1,334,009).

Some Funds hold investments in related parties. These investments are detailed in the individual Funds' Schedule of Investments.

### 13. FINANCIAL INSTRUMENTS AND RISKS

The Company's investment activities expose it to the various types of risk which are associated with the financial instruments and markets in which it invests. The Company manages its risk profile by investing in a range of transferable securities admitted to official stock exchange listings, including equities, fixed income securities, American depositary receipts, futures contracts and forward contracts. The following summary is not intended to be a comprehensive summary of all risks and Investors should refer to the prospectus for a more detailed discussion of the risks inherent in investing in the Company.

The specific risks applicable to each fund are detailed in the individual Fund's Financial Statements.

#### Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

#### Market price risk

Market risk arises mainly from uncertainty about future prices for financial instruments held. It represents the potential loss the Company might suffer through holding positions in the face of price movements.

The Company enters into index and single stock future contracts for the purpose of efficient portfolio management. These derivatives will normally be traded on a recognised market.

#### Counterparty / credit risk

The Company will be exposed to counterparty risk to parties with whom it trades and will bear the risk of settlement default. The Company minimises this risk by undertaking transactions with a large

number of counterparties on recognised exchanges and other regulated markets.

Financial assets that potentially expose the Company to credit risk consist principally of investments in securities, cash balances and deposits with and receivables from counterparties to derivative contracts. The extent of the Company's exposure to credit risk in respect of these financial assets approximates their carrying value as recorded in the Company's Balance Sheet.

The Investment Manager employs appropriate procedures to ensure that the counterparties are reputable institutions and that the credit risk to the Company is acceptable.

The Investment Manager approves the counterparties to which the company may lend securities. Collateral is received on behalf of the Company in order to cover the required value of any securities on loan. The Company monitors the fair value of securities loaned and additional collateral is obtained, if necessary. The value of securities on loan and collateral held at the end of the period are disclosed in note 14.

Cash held as collateral with the counterparty to derivative contracts, Barclays Bank PLC, is disclosed in note 15.

#### Fair value interest rate risk

Funds which hold interest bearing securities are exposed to interest rate risk, where the value of these securities may fluctuate as a result of a change in interest rates.

#### Cash flow interest rate risk

The Funds are exposed to the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Where the Funds hold floating rate debt instruments such fluctuations may result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.

The interest rate for those cash accounts that earn interest are as follows:

As at 31 August 2007

Currency	(%)	Currency	(%)
AUD	4.6	JPY	0.3
CAD	2.7	MXN	6.2
CHF	1.3	NOK	2.6
CZK	2.7	NZD	4.7
DKK	2.3	PLN	3.4
EUR	4.1	SEK	3.2
GBP	6.2	USD	5.3
HKD	3.6	ZAR	8.1

# iSHARES PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

As at 28 February 2007

Currency	(%)	Currency	(%)
AUD	3.6	JPY	1.8
CAD	2.4	MXN	5.4
CHF	1.1	NOK	2.3
CZK	2.1	NZD	4.4
DKK	2.6	PLN	3.2
EUR	2.8	SEK	1.9
GBP	3.8	USD	4.3
HKD	2.6	ZAR	5.6

As at 31 August 2006

Currency	(%)	Currency	(%)
AUD	6.7	JPY	0.0
CAD	2.4	MXN	4.7
CHF	2.8	NOK	3.5
CZK	1.2	NZD	6.7
DKK	1.7	PLN	2.4
EUR	2.2	SEK	2.8
GBP	4.3	USD	4.5
HKD	2.6	ZAR	4.9
HUF	9.0		

The Company's assets comprise mainly of readily realisable securities. The main liability of the Company is the redemption of any redeemable participating shares that investors wish to sell.

### Cash flow liquidity risk

The Company's assets comprise mainly readily realisable securities. The main liability of the Company is the redemption of any shares that investors wish to sell.

### Currency risk

The Company may invest in securities denominated in currencies other than its presentation currency. Consequently, the Company is exposed to the risk that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Company's assets which are denominated in currencies other than the presentation currency.

### Off balance sheet risk

The Funds invest in Financial Futures which are carried at fair value in the Balance Sheet. The market risk of the Financial Futures may be in excess of that amount recognised in the Balance Sheet due to changes in the market values of the underlying financial instrument of the Financial Futures contract.

## 14. SECURITIES LENDING INCOME

iShares plc lends securities to a number of different counterparties at any one time. Given below is a list of counterparties that have been approved by the Investment Manager as part of the lending programme along with the value of securities on loan at period end:

	31 August 2007	28 February 2007	31 August 2006
Goldman Sachs International	£93,249,510	£78,650,946	£71,369,642
Lehman Brothers International	£18,607,769	£4,485,696	£19,650,658
Deutsche Bank AG	£11,007,152	£7,393,263	£3,947,805
Morgan Stanley & Co International	£83,373,367	£8,616,708	£219,610,920
Barclays Bank PLC	£152,117,712	£930,392,553	£9,724,848
UBS Limited	£59,715,924	£113,872,401	£8,742,435
Merrill Lynch	£354,398,883	£328,053,110	-

The Company receives either cash collateral, or securities, for a value in excess of the market value of the securities loaned. The collateral is registered and held in the name of The Governor and Company of the Bank of Ireland on behalf of the Funds in any or all of the following central securities depositaries: JP Morgan Chase, Euroclear or in CREST, depending on the type of collateral the counterparty has to give in order to cover the required value of exposure. The Company monitors the fair value of the securities loaned and additional collateral is obtained, if necessary. Securities lending fees received are reported as part of income in the Profit and Loss account.

The securities lending income earned during the period, the value of securities on loan at the period end and the value of the collateral held at the period end for the Funds engaged in securities lending is shown below:

	31 August 2007 EUR	28 February 2007 EUR	31 August 2006 EUR
<b>iShares € Corporate Bond</b>			
Income earned during the period	4,450	85,579	84,703
Value of securities on loan at period end	-	44,889,302	-
Value of collateral held by the Fund at period end	-	53,364,466	-

	31 August 2007 GBP	28 February 2007 GBP	31 August 2006 GBP
<b>iShares £ Corporate Bond</b>			
Income earned during the period	662	16,885	7,286
Value of securities on loan at period end	-	3,692,099	9,724,848
Value of collateral held by the Fund at period end	-	3,911,848	10,849,537

	31 August 2007 GBP	28 February 2007 GBP	31 August 2006 GBP
<b>iShares AEX</b>			
Income earned during the period	8,853	-	-
Value of securities on loan at period end	3,538,787	-	-
Value of collateral held by the Fund at period end	3,809,427	-	-

	31 August 2007 EUR	28 February 2007 EUR	31 August 2006 EUR
<b>iShares DJ Euro STOXX Growth</b>			
Income earned during the period	142,548	11,809	-
Value of securities on loan at period end	3,018,948	269,769	-
Value of collateral held by the Fund at period end	4,295,747	304,330	-

# iSHARES PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

	31 August 2007	28 February 2007	31 August 2006
iShares DJ Euro STOXX MidCap	EUR	EUR	EUR
Income earned during the period	244,050	235,636	70,188
Value of securities on loan at period end	24,641,390	85,628,996	9,319,173
Value of collateral held by the Fund at period end	26,724,545	91,056,361	9,973,338

	31 August 2007	28 February 2007	31 August 2006
iShares DJ Euro STOXX Select Dividend	EUR	EUR	EUR
Income earned during the period	2,229,558	309,442	192,075
Value of securities on loan at period end	84,488,541	5,403,979	4,757,102
Value of collateral held by the Fund at period end	91,494,014	5,639,641	5,065,126

	31 August 2007	28 February 2007	31 August 2006
iShares DJ Euro STOXX Value	EUR	EUR	EUR
Income earned during the period	136,164	-	-
Value of securities on loan at period end	3,479,222	-	-
Value of collateral held by the Fund at period end	4,822,826	-	-

	31 August 2007	28 February 2007	31 August 2006
iShares DJ Euro STOXX SmallCap	EUR	EUR	EUR
Income earned during the period	397,866	225,954	73,936
Value of securities on loan at period end	49,758,020	99,143,804	25,951,431
Value of collateral held by the Fund at period end	54,365,419	105,691,689	27,751,416

	31 August 2007	28 February 2007	31 August 2006
iShares FTSE 100	GBP	GBP	GBP
Income earned during the period	18,774	3,713	-
Value of securities on loan at period end	-	8,215,073	-
Value of collateral held by the Fund at period end	-	8,717,852	-

	31 August 2007	28 February 2007	31 August 2006
iShares FTSE 250	GBP	GBP	GBP
Income earned during the period	5,453	1,194	-
Value of securities on loan at period end	3,919,792	1,205,950	-
Value of collateral held by the Fund at period end	4,144,871	1,274,172	-

	31 August 2007	28 February 2007	31 August 2006
iShares FTSEurofirst 80	EUR	EUR	EUR
Income earned during the period	358,240	465,719	147,145
Value of securities on loan at period end	3,851,354	3,088,162	22,002,210
Value of collateral held by the Fund at period end	5,332,173	3,251,922	23,493,468

	31 August 2007	28 February 2007	31 August 2006
iShares FTSEurofirst 100	EUR	EUR	EUR
Income earned during the period	131,675	100,379	31,417
Value of securities on loan at period end	3,143,215	199,407	3,686,501
Value of collateral held by the Fund at period end	3,370,007	232,008	3,930,106

	31 August 2007	28 February 2007	31 August 2006
iShares FTSE/EPRA European Property	EUR	EUR	EUR
Income earned during the period	464,132	57,040	-
Value of securities on loan at period end	39,236,327	18,879,485	-
Value of collateral held by the Fund at period end	49,146,641	19,200,115	-

	31 August 2007	28 February 2007	31 August 2006
iShares FTSE UK Dividend Plus	GBP	GBP	GBP
Income earned during the period	523	-	-
Value of securities on loan at period end	5,426,625	-	-
Value of collateral held by the Fund at period end	5,738,228	-	-

	31 August 2007	28 February 2007	31 August 2006
iShares FTSE/Xinhua China 25	USD	USD	USD
Income earned during the period	1,317,969	2,040,538	717,331
Value of securities on loan at period end	84,428,554	102,409,673	125,395,342
Value of collateral held by the Fund at period end	91,410,166	106,317,949	133,036,873

	31 August 2007	28 February 2007	31 August 2006
iShares MSCI AC Far East ex-Japan	USD	USD	USD
Income earned during the period	6,056	-	-
Value of securities on loan at period end	1,172,812	-	-
Value of collateral held by the Fund at period end	1,387,772	-	-

	31 August 2007	28 February 2007	31 August 2006
iShares MSCI Eastern Europe	USD	USD	USD
Income earned during the period	5,890	157,105	108,676
Value of securities on loan at period end	31,845,295	7,703,323	14,659,720
Value of collateral held by the Fund at period end	33,043,921	8,178,357	15,620,020

	31 August 2007	28 February 2007	31 August 2006
iShares MSCI Emerging Markets	USD	USD	USD
Income earned during the period	132,094	43,144	15,401
Value of securities on loan at period end	32,729,631	8,721,467	1,879,263
Value of collateral held by the Fund at period end	39,104,385	9,391,755	2,012,617

	31 August 2007	28 February 2007	31 August 2006
iShares MSCI Europe ex-UK	EUR	EUR	EUR
Income earned during the period	260,404	-	-
Value of securities on loan at period end	23,542,178	-	-
Value of collateral held by the Fund at period end	25,432,497	-	-

	31 August 2007	28 February 2007	31 August 2006
iShares MSCI Japan	USD	USD	USD
Income earned during the period	555,252	396,536	-
Value of securities on loan at period end	306,829,111	1,756,803,272	-
Value of collateral held by the Fund at period end	318,696,734	1,869,252,899	-

# iSHARES PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

	31 August 2007 USD	28 February 2007 USD	31 August 2006 USD
<b>iShares MSCI World</b>			
Income earned during the period	268,561	10,452	-
Value of securities on loan at period end	6,464,713	438,789	-
Value of collateral held by the Fund at period end	8,237,745	455,534	-
<b>iShares S&amp;P 500</b>			
Income earned during the period	1,341,691	2,090,277	1,020,294
Value of securities on loan at period end	667,891,681	642,348,517	361,521,329
Value of collateral held by the Fund at period end	691,542,147	800,353,685	384,867,883

### 15. CASH AND BANK BALANCES

All cash is held with The Governor and Company of the Bank of Ireland (BOI), with the exception of cash held as collateral with the counterparty for futures contracts, Barclays Bank PLC (Barclays):

#### As at 31 August 2007

Fund	BOI £'000s	Barclays £'000s	Total £'000s
iShares € Corporate Bond	4,976	-	4,976
iShares € Government Bond 1-3	2,433	-	2,433
iShares € Inflation Linked Bond	60	-	60
iShares £ Corporate Bond	2,776	-	2,776
iShares \$ Corporate Bond	327	-	327
iShares \$ Treasury Bond 1-3	1,473	-	1,473
iShares AEX	825	-	825
iShares DJ Asia/Pacific Select			
Dividend	827	-	827
iShares DJ Euro STOXX Growth	543	-	543
iShares DJ Euro STOXX MidCap	2,126	-	2,126
iShares DJ Euro STOXX Select			
Dividend	29,464	-	29,464
iShares DJ Euro STOXX SmallCap	2,869	-	2,869
iShares DJ Euro STOXX Value	590	-	590
iShares FTSE 100	38,496	5,807	44,303
iShares FTSE 250	1,760	-	1,760
iShares FTSEurofirst 80	2,488	450	2,938
iShares FTSEurofirst 100	1,896	649	2,545
iShares FTSE/EPRA European			
Property Index Fund	1,538	-	1,538
iShares FTSE UK Dividend Plus	2,637	-	2,637
iShares FTSE/Xinhua China 25	(5,381)	-	(5,381)
iShares MSCI Far East ex-Japan	2,977	-	2,977
iShares MSCI Brazil	222	-	222
iShares MSCI Eastern Europe	101	-	101
iShares MSCI Emerging Markets	3,901	-	3,901
iShares MSCI Europe ex-UK	5,293	-	5,293
iShares MSCI Japan	574	-	574
iShares MSCI Korea	4,159	-	4,159
iShares MSCI North America	461	-	461
iShares MSCI Taiwan	2,777	-	2,777
iShares MSCI World	2,277	-	2,277
iShares S&P 500	9,316	226	9,542
	<b>124,781</b>	<b>7,132</b>	<b>131,913</b>

#### As at 28 February 2007

Fund	BOI £'000s	Barclays £'000s	Total £'000s
iShares € Corporate Bond	8,080	-	8,080
iShares € Government Bond 1-3	18	-	18
iShares € Inflation Linked Bond	29	-	29
iShares £ Corporate Bond	2,975	-	2,975

Fund	BOI £'000s	Barclays £'000s	Total £'000s
iShares \$ Corporate Bond	260	-	260
iShares \$ Treasury Bond 1-3	394	-	394
iShares AEX	3	-	3
iShares DJ Asia/Pacific Select			
Dividend	416	-	416
iShares DJ Euro STOXX Growth	133	-	133
iShares DJ Euro STOXX MidCap	458	-	458
iShares DJ Euro STOXX Select			
Dividend	568	-	568
iShares DJ Euro STOXX SmallCap	567	-	567
iShares DJ Euro STOXX Value	20	-	20
iShares FTSE 100	38,577	3,423	42,000
iShares FTSE 250	746	-	746
iShares FTSEurofirst 80	1,813	233	2,046
iShares FTSEurofirst 100	527	44	571
iShares FTSE/EPRA European			
Property Index Fund	205	-	205
iShares FTSE UK Dividend Plus	1,314	-	1,314
iShares FTSE/Xinhua China 25	468	-	468
iShares MSCI Far East ex-Japan	186	-	186
iShares MSCI Brazil	91	-	91
iShares MSCI Eastern Europe	510	-	510
iShares MSCI Emerging Markets	2,593	-	2,593
iShares MSCI Europe ex-UK	135	-	135
iShares MSCI Japan	55,234	-	55,234
iShares MSCI Korea	(53)	-	(53)
iShares MSCI North America	130	-	130
iShares MSCI Taiwan	(54)	-	(54)
iShares MSCI World	716	-	716
iShares S&P 500	2,767	248	3,015
	<b>119,826</b>	<b>3,948</b>	<b>123,774</b>

#### As at 31 August 2006

Fund	BOI £'000s	Barclays £'000s	Total £'000s
iShares € Corporate Bond	4,592	-	4,592
iShares € Government Bond 1-3	88	-	88
iShares € Inflation Linked Bond	10,668	-	10,668
iShares £ Corporate Bond	1,890	-	1,890
iShares \$ Corporate Bond	122	-	122
iShares \$ Treasury Bond 1-3	340	-	340
iShares AEX	138	-	138
iShares DJ Asia/Pacific Select	144	-	144
Dividend	-	-	-
iShares DJ Euro STOXX Growth	530	-	530
iShares DJ Euro STOXX MidCap	1,335	-	1,335
iShares DJ Euro STOXX Select	6,058	-	6,058
Dividend	-	-	-
iShares DJ Euro STOXX SmallCap	822	-	822
iShares DJ Euro STOXX Value	324	-	324
iShares FTSE 100	44,135	5,196	49,331
iShares FTSE 250	1,455	-	1,455
iShares FTSEurofirst 80	2,911	186	3,097
iShares FTSEurofirst 100	794	50	844
iShares FTSE/EPRA European			
Property Index Fund	606	-	606
iShares FTSE UK Dividend Plus	2,568	-	2,568
iShares FTSE/Xinhua China 25	1,198	-	1,198
iShares MSCI Far East ex-Japan	598	-	598
iShares MSCI Brazil	99	-	99
iShares MSCI Eastern Europe	915	-	915
iShares MSCI Emerging Markets	624	-	624
iShares MSCI Europe ex-UK	219	-	219
iShares MSCI Japan	371	-	371
iShares MSCI Korea	46	-	46
iShares MSCI North America	116	-	116
iShares MSCI Taiwan	1,055	-	1,055
iShares MSCI World	633	-	633
iShares S&P 500	4,295	603	4,898
	<b>89,689</b>	<b>6,035</b>	<b>95,724</b>



# iSHARES PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 16. EXCHANGE RATES

The rates of exchange ruling at the 31 August 2007 were:

EUR1=	CHF 1.6473	GBP1 =	EUR 1.4796
	DKK 7.4495		
	GBP 0.6759	USD1 =	EUR 0.7335
	NOK 7.9372		GBP 0.4958
	SEK 9.3902		

The rates of exchange ruling at the 28 February 2007 were:

EUR1=	CHF 1.6132	GBP1 =	EUR 1.4836
	DKK 7.4520		
	GBP 0.6741	USD1 =	EUR 0.7570
	NOK 8.1150		GBP 0.5103
	SEK 9.2687		

The rates of exchange ruling at the 31 August 2006 were:

EUR1=	CHF 1.5782	GBP1 =	EUR 1.4860
	DKK 7.4595		
	GBP 0.6729	USD1 =	EUR 0.7812
	NOK 8.0704		GBP 0.5257
	SEK 9.2586		

### 17. SEGREGATED LIABILITY

The assets of each Fund are not exposed to the liabilities of other Funds within the Company. This resolution was passed at the Annual General Meeting on 23 July 2007.

### 18. EFFICIENT PORTFOLIO MANAGEMENT

The Funds of the Company may employ techniques and instruments relating to transferable securities, including investments in financial derivative instruments, provided that such techniques and instruments are used for Efficient Portfolio Management purposes or to provide protection against exchange risk. Such techniques and instruments include futures, options, foreign exchange contracts, contracts for differences, stock-lending and repurchase and reverse repurchase agreements.

### 19. EVENTS SINCE THE YEAR END

The Memorandum and Articles of Association and Prospectus have been amended with language to reflect the segregation of liabilities between Funds.

### 20. APPROVAL OF FINANCIAL STATEMENTS

The Directors approved the financial statements on 22 October 2007.



# iSHARES € CORPORATE BOND

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Operating Income	2	14,874	34,701	16,681
Net losses on financial assets at fair value through profit or loss		(29,384)	(22,218)	(15,418)
<b>Total investment (loss)/Income</b>		<b>(14,510)</b>	<b>12,483</b>	<b>1,263</b>
Operating Expenses	3	(744)	(1,603)	(753)
<b>Net (loss)/income</b>		<b>(15,254)</b>	<b>10,880</b>	<b>(510)</b>
<b>Finance Costs</b>				
Distributions to Redeemable Participating Shareholders	9	(18,395)	(40,542)	(25,403)
<b>Loss before tax</b>		<b>(33,649)</b>	<b>(29,662)</b>	<b>(24,893)</b>
Adjustment from bid market prices to last traded market prices		905	(117)	-
<b>Decrease in net assets attributable to Redeemable Participating Shareholders</b>		<b>(32,744)</b>	<b>(29,779)</b>	<b>(24,893)</b>

There are no recognised gains or losses arising in the period other than the decrease in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		871,460	822,149	821,398*
Decrease in net assets attributable to Redeemable Participating Shareholders from Operations		(32,744)	(29,779)	(24,893)
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		65,879	153,144	88,738
Payment on redemption of Redeemable Participating Shares		(213,481)	(74,054)	(75,348)
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>691,114</b>	<b>871,460</b>	<b>809,895</b>

# iSHARES € CORPORATE BOND

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007

	Notes	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	672,767	856,536	792,123
Debtors	5	119,316	310,224	151,211
Cash and bank balances		7,362	11,988	6,827
<b>Total current assets</b>		<b>799,445</b>	<b>1,178,748</b>	<b>950,161</b>
<b>Current liabilities</b>				
Creditors	6	(102,702)	(299,876)	(132,750)
Distributions to Redeemable Participating Shareholders payable	9	(7,168)	(8,046)	(7,516)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(109,870)</b>	<b>(307,922)</b>	<b>(140,266)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>689,575</b>	<b>870,826</b>	-
Adjustment from bid market prices to last traded market prices		1,539	634	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>691,114</b>	<b>871,460</b>	<b>809,895</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>5,940,000</b>	<b>7,200,000</b>	<b>6,660,000</b>
<b>Net asset value per Redeemable Participating Share</b>		<b>€116.35</b>	<b>€121.04</b>	<b>€121.61</b>

The accompanying notes form an integral part of these financial statements.

\* The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by €751,000 to account for assets at fair value in accordance with applicable accounting standards (See Note 1 (a)).

# iSHARES € CORPORATE BOND

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>EUROPEAN UNION</b>			14,718,000	3.75% Goldman Sachs Group 04/02/2013	13,619,509	1.97
	<b>Cosmetics</b>			16,302,000	3.75% HSBC Finance Corporation 04/11/2015	14,781,483	2.14
	<b>Aa3 Rating</b>			14,388,000	4.45% Merrill Lynch 31/01/2014	13,518,020	1.96
13,794,000	4% BASF AG 21/04/2011	13,602,441	1.97	18,216,000	4.375% Morgan Stanley 12/10/2016	16,639,480	2.41
20,856,000	4.5% Procter & Gamble Company 12/05/2014	20,485,566	2.96	11,352,000	5.321% UT2 Funding 30/06/2016	10,816,234	1.57
	<b>Cosmetics - Total</b>	<b>34,088,007</b>	<b>4.93</b>		<b>Baa1 Rating</b>		
	<b>Consumer, Cyclical</b>			13,794,000	4.75% Bertelsmann AG 26/09/2016	13,222,800	1.91
	<b>Baa1 Rating</b>			15,312,000	4.75% Linde Finance 24/04/2017	14,552,611	2.10
20,196,000	4.125% Daimlerchrysler NA Holdings 08/09/2009	19,949,112	2.89	13,926,000	3.125% SLM Corporation 17/09/2012	11,423,935	1.65
14,190,000	4.125% National Grid 21/03/2013	13,556,885	1.96	31,680,000	3.75% Telefonica Emision 02/02/2011	30,488,366	4.41
	<b>Consumer, Cyclical -Total</b>	<b>33,505,997</b>	<b>4.85</b>	11,286,000	3.75% Mediobanca SPA 02/02/2016	10,140,565	1.47
	<b>Financial</b>				<b>Financial - Total</b>	<b>506,580,872</b>	<b>73.29</b>
	<b>Aaa Rating</b>				<b>Telephone</b>		
21,054,000	4.25% GE Capital Euro Funding 06/02/2014	20,342,754	2.94		<b>A2 Rating</b>		
58,608,000	4.125% Rabobank Nederland 04/04/2012	57,578,017	8.33	14,322,000	4.875% Telenor ASA 29/05/2017	13,725,775	1.99
11,682,000	4.125% Royal Bank Canada 26/01/2010	11,540,821	1.67		<b>A3 Rating</b>		
10,494,000	4.75% UBS AG Jersey 07/06/2017	10,412,567	1.51	21,054,000	4.75% France Telecom 21/02/2017	20,251,712	2.93
19,536,000	4.25% BMW Finance 22/01/2014	18,829,725	2.72		<b>Baa2 Rating</b>		
14,124,000	4.75% Telstra Corporation Limited 21/03/2017	13,558,558	1.96	14,058,000	4.75% Koninklijke KPN 17/01/2017	13,306,357	1.92
20,658,000	4.5% Deutsche Telekom International 25/10/2013	19,993,399	2.89		<b>Telephone - Total</b>	<b>47,283,844</b>	<b>6.84</b>
13,992,000	4.125% Volkswagen Leasing 31/05/2011	13,665,600	1.98		<b>Utilities</b>		
14,454,000	5% Volvo Treasury AB 31/05/2017	13,975,740	2.02	19,866,000	5.25% Enel-Societa Per Azioni 20/06/2017	19,966,609	2.89
	<b>Aa1 Rating</b>				<b>Utilities-Total</b>	<b>19,966,609</b>	<b>2.89</b>
17,886,000	3.375% Australia & New Zealand Banking Group 01/03/2011	17,057,508	2.47		<b>Water</b>		
21,516,000	4.375% Citigroup Incorporated 30/01/2017	20,267,349	2.93		<b>Baa1 Rating</b>		
10,362,000	4.75% Danske Bank A/S 29/06/2012	10,372,787	1.50	18,612,000	4.75% SGOFP 11/04/2017	17,547,369	2.54
11,286,000	3.375% Santander International Debt SA 17/02/2010	10,935,007	1.58		<b>A3 Rating</b>		
14,322,000	3.875% Total Capital SA 06/09/2011	13,970,849	2.02	14,718,000	5.125% Veolia Environment 24/05/2022	13,794,387	2.00
19,668,000	4.125% Wells Fargo Company 03/11/2016	18,121,489	2.62		<b>Water - Total</b>	<b>31,341,756</b>	<b>4.54</b>
	<b>Aa2 Rating</b>				<b>EUROPEAN UNION - TOTAL</b>	<b>672,767,085</b>	<b>97.34</b>
14,322,000	4.25% ABN Amro Bank NV 11/05/2016	13,677,663	1.98		<b>TOTAL VALUE OF INVESTMENTS AT BID PRICES</b>	<b>672,767,085</b>	<b>97.34</b>
12,474,000	3.125% Credit Suisse (US) Finance 14/09/2012	11,459,297	1.66		<b>CASH*</b>	<b>7,362,299</b>	<b>1.07</b>
13,332,000	4.5% Fortis Bank NV/SA 30/05/2014	13,177,215	1.91		<b>OTHER NET ASSETS</b>	<b>9,445,980</b>	<b>1.37</b>
24,090,000	4.75% ING Group 31/05/2017	23,602,178	3.42		<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>689,575,364</b>	<b>99.78</b>
	<b>Aa3 Rating</b>				Adjustment from bid market prices to last traded market prices	1,538,839	0.22
25,674,000	4.375% Banque Federal Credit Mutual 31/05/2016	24,839,346	3.59		<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>691,114,203</b>	<b>100.00</b>

\*All cash holdings are held with The Governor & Company of the Bank of Ireland.

# iSHARES € CORPORATE BOND

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS EUR	LARGEST PURCHASES	COST EUR
4.25% Rabobank Nederland 16/01/2017	67,047,234	4.125% Rabobank Nederland 04/04/2012	67,303,269
4.125% GE Capital Euro Funding 27/10/2016	32,957,376	4.25% GE Capital Euro Funding 06/02/2014	25,349,813
3.375% BASF AG 30/05/2012	27,758,803	4.75% ING Groep 31/05/2017	23,602,178
3.375% Procter & Gamble Company 07/12/2012	26,893,852	4.5% Procter & Gamble Company 12/05/2014	23,345,010
4% ING Verzekeringen NV 18/09/2013	21,940,162	5.25% Enel-Societa Per Azioni 20/06/2017	19,998,904
3.75% Portugal Telecom International Finance 26/03/2012	20,193,985	4.75% SGOFP 11/04/2017	19,425,545
4.375% Veolia Environment 16/01/2017	19,813,413	4.75% Linde Finance 24/04/2017	16,084,414
3.875% BAA 15/02/2012	19,352,307	4.75% Telstra Corporated Limited 21/03/2017	15,974,546
4.56% Gaz Capital (Gazprom) 09/12/2012	18,889,875	5% Volvo Treasury AB 31/05/2017	15,484,005
3.125% Scheider Electric SA 11/08/2010	17,971,684	5.125% Veolia Environment 24/05/2022	15,433,217
3.25% Royal Bank Canada 18/01/2013	16,783,366	4% BASF AG 21/04/2011	15,431,628
4.25% Carnival 27/11/2013	15,351,796	4.125% Royal Bank Canada 26/01/2010	14,389,655
4.375% Taqu Abu Dhabi National 28/10/2013	15,275,025	4.875% Telenor ASA 29/05/2017	13,725,775
4.5% Fortum Oyj 20/06/2016	14,625,394	4.5% Fortis Bank NV/SA 30/05/2014	13,177,215
3.75% Telefonica Emission 02/02/2011	13,904,682	4.375% Fortis Bank NV/SA 01/02/2017	12,626,727
4.375% Citigroup Incorporated 30/01/2017	12,747,039	4.75% UBS AG Jersey 07/06/2017	10,412,567
4.375% Fortis Bank NV/SA 01/02/2017	12,273,073	4.75% Danske Bank A/S 29/06/2012	10,397,749
3.375% Australia & New Zealand Banking Group 01/03/2011	11,169,318	4.375% Banque Federal Credit Mutual 31/05/2016	10,325,316
4.125% Wells Fargo Company 03/11/2016	11,061,469	4.25% BMW Finance 22/01/2014	5,235,540
4.375% Morgan Stanley 12/10/2016	9,990,340	4.25% Rabobank Nederland 16/01/2017	4,785,133

# iSHARES € CORPORATE BOND

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Bond income	14,795	34,430	16,534
Securities lending income	5	86	85
Interest income	74	185	62
<b>Income</b>	<b>14,874</b>	<b>34,701</b>	<b>16,681</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Management fees	744	1,603	722
Other fees	-	-	31
<b>Expenses</b>	<b>744</b>	<b>1,603</b>	<b>753</b>

Included in expenses are audit fees of €5,558 (February 2007: €10,939 August 2006: €9,545) and Directors' fees of €2,191 (February 2007: €4,516 August 2006: €2,258).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Cost at beginning of period	866,250	809,941	809,941
Cost at end of period	692,555	866,250	804,385
Fair value at beginning of period	856,536	802,127	802,127
Fair value at end of period	<b>672,767</b>	<b>856,536</b>	<b>792,123</b>

### 5. DEBTORS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Bond income receivable	14,688	13,573	16,689
Securities lending income receivable	2	2	-
Interest income receivable	4	137	21
Sale of securities awaiting settlement	104,622	296,512	134,501
<b>Debtors</b>	<b>119,316</b>	<b>310,224</b>	<b>151,211</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Accrued expenses	145	174	252
Purchases of securities awaiting settlement	102,557	299,702	132,498
<b>Creditors</b>	<b>102,702</b>	<b>299,876</b>	<b>132,750</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares '000s	28 February 2007 No. of Shares '000s	31 August 2006 No. of Shares '000s
Balance at beginning of period	7,200	6,570	6,570
Issued during the period	540	1,260	720
Redeemed during the period	(1,800)	(630)	(630)
<b>Balance at end of period</b>	<b>5,940</b>	<b>7,200</b>	<b>6,660</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The fund did not hold any open futures at 28 February 2007 and 31 August 2006.

### 9. FINANCE COSTS – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year.

Pay date	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
March 2006	-	7,611	-
June 2006	-	8,506	16,117
September 2006	-	7,520	7,516
December 2006	-	7,568	-
March 2007	-	8,046	-
June 2007	7,475	-	-
September 2007	7,168*	-	-
	<b>14,643</b>	<b>39,251</b>	<b>23,633</b>
Equalisation income	-	(976)	-
Equalisation expenses	3,752	2,267	1,770
	<b>18,395</b>	<b>40,542</b>	<b>25,403</b>

\*Outstanding at period end.

# iSHARES € CORPORATE BOND

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to the risk that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's currency exposure at 31 August 2007 and comparatives for 28 February 2007.

	31 August 2007	28 February 2007	31 August 2006
	Net currency exposure €	Net currency exposure €	Net currency exposure €
GBP	83,405	80,997	5,613
	<b>83,405</b>	<b>80,997</b>	<b>5,613</b>

#### Fair Value and Cash Flow Interest Rate Risk

The Fund is exposed to the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Where the Fund holds floating rate debt instruments such fluctuations may result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.

The interest rate profile of the financial assets as at 31 August 2007 is given below.

#### As at 31 August 2007

	Total €	Floating Rate Interest Assets €	Fixed Rate Interest Assets €
EUR	672,767,000	-	672,767,000
	<b>672,767,000</b>	<b>-</b>	<b>672,767,000</b>

#### As at 31 August 2007

	Fixed Rate Interest Assets Weighted Average interest Rate %	Fixed Rate Interest Assets Weighted Average period for which rate is fixed Years
EUR	4.31	7.02
	<b>4.31</b>	<b>7.02</b>

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

The interest rate profile of the financial assets as at 28 February 2007 is given below.

#### As at 28 February 2007

	Total €	Floating Rate Interest Assets €	Fixed Rate Interest Assets €
EUR	856,536,228	-	856,536,228
	<b>856,536,228</b>	<b>-</b>	<b>856,536,228</b>

#### As at 28 February 2007

	Fixed Rate Interest Assets Weighted Average interest Rate %	Fixed Rate Interest Assets Weighted Average period for which rate is fixed Years
EUR	4.05	7.12
	<b>4.05</b>	<b>7.12</b>

The interest rate profile of the financial assets as at 31 August 2006 is given below.

#### As at 31 August 2006

	Total €	Floating Rate Interest Assets €	Fixed Rate Interest Assets €
EUR	€792,122,747	-	€792,122,747
	<b>€792,122,747</b>	<b>-</b>	<b>€792,122,747</b>

#### As at 31 August 2006

	Fixed Rate Interest Assets Weighted Average interest Rate %	Fixed Rate Interest Assets Weighted Average period for which rate is fixed Years
EUR	3.79	7.23
	<b>3.79</b>	<b>7.23</b>

# iSHARES € INFLATION LINKED BOND

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Operating Income	2	1,168	2,010	1,120
Net (loses)/gains on financial assets at Fair Value through Profit or Loss		(583)	204	771
<b>Total Investment (loss)/income</b>		<b>585</b>	<b>2,214</b>	<b>1,891</b>
Operating Expenses	3	(158)	(265)	(143)
<b>Net income</b>		<b>427</b>	<b>1,949</b>	<b>1,748</b>
<b>Finance Costs</b>				
Distributions to Redeemable Participating Shareholders	9	450	(968)	(32)
Interest Expense		(18)	-	-
<b>Profit before tax</b>		<b>859</b>	<b>981</b>	<b>1,716</b>
Adjustment from bid market prices to last traded market prices		117	746	-
<b>Increase in Net Assets Attributable to Redeemable Participating Shareholders</b>		<b>976</b>	<b>1,727</b>	<b>1,716</b>

There are no recognised gains or losses arising in the period other than the increase in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		110,125	31,037	31,701*
Increase in net assets attributable to Redeemable Participating Shareholders from Operations		976	1,727	1,716
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		75,403	138,945	124,502
Payment on redemption of Redeemable Participating Shares		(45,423)	(61,584)	(62,754)
<b>Net Assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>141,081</b>	<b>110,125</b>	<b>95,165</b>



# iSHARES € INFLATION LINKED BOND

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007

	Notes	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	140,168	108,697	94,639
Debtors	5	665	2,621	419
Cash and bank balances		89	43	15,852
<b>Total current assets</b>		<b>140,922</b>	<b>111,361</b>	<b>110,910</b>
<b>Current liabilities</b>				
Creditors	6	(40)	(1,318)	(15,745)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(40)</b>	<b>(1,318)</b>	<b>(15,745)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period (at bid prices)</b>		<b>140,882</b>	<b>110,043</b>	-
Adjustment from bid market prices to last traded market prices		199	82	-
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period (at last traded market prices)</b>		<b>141,081</b>	<b>110,125</b>	<b>95,165</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>900,000</b>	<b>700,000</b>	<b>600,000</b>
<b>Net asset value per Redeemable Participating Share</b>		<b>€156.76</b>	<b>€157.32</b>	<b>€158.61</b>

The accompanying notes form an integral part of these financial statements.

\* The opening figure for Net assets to Redeemable Participating Shareholders has been restated by €664,000 to account for assets at fair value in accordance with applicable accounting standards. (See Note 1(a)).

# iSHARES € INFLATION LINKED BOND

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>EUROPEAN UNION</b>		
	<b>Aaa Rating</b>		
	<b>Government Fixed</b>		
9,792,000	3% France (Government of) 25/07/2012	11,435,577	8.11
6,975,000	2.25% France (Government of) 25/07/2020	7,611,289	5.39
5,697,000	3.15% France (Government of) 25/07/2032	7,361,933	5.22
2,700,000	1.25% France (Government of ) 25/07/2010	2,747,909	1.95
7,974,000	2.5% France (Government of) 25/07/2013	8,813,048	6.25
7,254,000	1.6% France (Government of) 25/07/2011	7,574,575	5.37
9,342,000	3% France (Government of) 25/07/2009	10,840,076	7.68
7,290,000	1.6% France (Government of) 25/07/2015	7,464,360	5.29
7,173,000	1% France (Government of) 25/07/2017	6,601,557	4.67
4,491,000	3.4% France (Government of) 25/07/2029	6,058,617	4.29
2,520,000	1.8% France (Government of) 25/07/2040	2,332,930	1.65
6,300,000	1.5% Germany (Federal Republic of) 15/04/2016	6,181,522	4.38
	<b>A1 Rating</b>		
	<b>Government Fixed</b>		
5,031,000	2.9% Greece (Republic of) 25/07/2025	5,863,697	4.17
1,980,000	2.3% Greece (Republic of) 25/07/2030	1,934,069	1.37

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>Aa2 Rating</b>		
	<b>Government Fixed</b>		
8,946,000	1.65% Italy (Republic of) 15/09/2008	9,626,206	6.82
10,980,000	0.95% Italy (Republic of) 15/09/2010	11,220,824	7.95
10,980,000	2.15% Italy (Republic of) 15/09/2014	11,861,504	8.41
5,283,000	2.1% Italy (Republic of) 15/09/2017	5,355,929	3.80
6,831,000	2.35% Italy (Republic of) 15/09/2035	7,045,668	5.00
2,160,000	2.6% Italy (Republic of) 15/09/2023	2,236,258	1.59
	<b>EUROPEAN UNION - TOTAL</b>	<b>140,167,548</b>	<b>99.36</b>
	<b>TOTAL VALUE OF INVESTMENTS</b>		
	<b>AT BID PRICES</b>	<b>140,167,548</b>	<b>99.36</b>
	<b>CASH*</b>	<b>88,752</b>	<b>0.06</b>
	<b>OTHER NET ASSETS</b>	<b>624,926</b>	<b>0.44</b>
	<b>TOTAL VALUE OF FUND AT BID</b>		
	<b>MARKET PRICES</b>	<b>140,881,226</b>	<b>99.86</b>
	Adjustment from bid market prices to last traded market prices	199,315	0.14
	<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>141,080,541</b>	<b>100.00</b>

\*All cash holdings are held with The Governor & Company of the Bank of Ireland.

# iSHARES € INFLATION LINKED BOND

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE PERIOD ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS EUR	LARGEST PURCHASES	COST EUR
2.5% France (Government of) 25/07/2013	6,099,391	3% France (Government of) 25/07/2012	6,999,804
3% France (Government of) 25/07/2009	4,824,042	3% France (Government of) 25/07/2009	6,941,680
2.15% Italy (Republic of) 15/09/2014	3,907,275	2.15% Italy (Republic of) 15/09/2014	6,907,809
3% France (Government of) 25/07/2012	3,864,600	0.95% Italy (Republic of) 15/09/2010	6,454,112
0.95% Italy (Republic of) 15/09/2010	3,710,182	2.5% France (Government of) 25/07/2013	6,275,313
3.15% France (Government of) 25/7/2032	3,218,208	1.65% Italy (Republic of) 15/09/2008	5,670,223
1.65% Italy (Republic of) 15/09/2008	3,201,403	3.15% France (Government of) 25/7/2032	4,473,738
3.4% France (Government of) 25/07/2029	2,922,561	2.25% France (Government of) 25/07/2020	4,468,749
2.35% Italy (Republic of) 15/09/2035	2,612,514	3.4% France (Government of) 25/07/2029	4,457,712
1.6% France (Government of) 25/07/2015	2,556,551	1.6% France (Government of) 25/07/2011	4,420,692
2.25% France (Government of) 25/07/2020	2,536,164	1.6% France (Government of) 25/07/2015	4,307,593
1.6% France (Government of) 25/07/2011	2,533,865	2.35% Italy (Republic of) 15/09/2035	4,055,516
1% France (Government of) 25/07/2017	2,172,172	1% France (Government of) 25/07/2017	3,676,991
1.5% Germany (Federal Republic of) 15/04/2016	2,018,914	2.9% Greece (Republic of) 25/07/2025	3,513,858
2.9% Greece (Republic of) 25/07/2025	1,973,587	2.1% Italy (Republic of) 15/09/2017	3,494,263
2.1% Italy (Republic of) 15/09/2017	1,385,362	1.8% France (Government of) 25/07/2040	3,458,123
1.8% France (Government of) 25/07/2040	1,042,892	1.5% Germany (Federal Republic of) 15/04/2016	3,438,220
1.25% France (Government of) 25/07/2010	916,181	2.3% Greece (Republic of) 25/07/2030	2,439,682
2.3% Greece (Republic of) 25/07/2030	430,465	2.6% Italy (Republic of) 15/09/2023	2,437,589
2.6% Italy (Republic of) 15/09/2023	245,517	1.25% France (Government of) 25/07/2010	1,569,498

# iSHARES € INFLATION LINKED BOND

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007	Year ended 28 February 2007	Six months ended 31 August 2006
	€'000s	€'000s	€'000s
Bond income	1,168	1,987	1,098
Interest income	-	23	22
<b>Income</b>	<b>1,168</b>	<b>2,010</b>	<b>1,120</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007	Year ended 28 February 2007	Six months ended 31 August 2006
	€'000s	€'000s	€'000s
Management fees	158	265	143
<b>Expenses</b>	<b>158</b>	<b>265</b>	<b>143</b>

Included in expenses are audit fees of €5,558 (February 2007: €10,939 August 2006: €4,780) and Directors' fees of €2,191 (February 2007: €4,516 August 2006: €2,258).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007	28 February 2007	31 August 2006
	€'000s	€'000s	€'000s
Cost at beginning of period	110,207	32,809	32,809
Cost at end of period	144,737	110,207	94,472
Fair value at beginning of period	108,697	31,323	31,323
Fair value at end of period	<b>140,168</b>	<b>108,697</b>	<b>94,639</b>

### 5. DEBTORS

	31 August 2007	28 February 2007	31 August 2006
	€'000s	€'000s	€'000s
Bond income receivable	665	1,303	408
Interest income receivable	-	13	11
Sales of securities awaiting settlement	-	1,305	-
<b>Debtors</b>	<b>665</b>	<b>2,621</b>	<b>419</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007	28 February 2007	31 August 2006
	€'000s	€'000s	€'000s
Accrued expenses	40	27	28
Purchases of securities awaiting settlement	-	1,291	15,717
<b>Creditors</b>	<b>40</b>	<b>1,318</b>	<b>15,745</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007	28 February 2007	31 August 2006
	No. of Shares '000s	No. of Shares '000s	No. of Shares '000s
Balance at beginning of period	700	200	200
Issued during the period	500	900	800
Redeemed during the period	(300)	(400)	(400)
<b>Balance at end of period</b>	<b>900</b>	<b>700</b>	<b>600</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The fund did not hold any open futures at 28 February 2007 and 31 August 2006.

### 9. FINANCE COSTS – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

The shares in the Fund are accumulating and, therefore it is not intended to distribute dividends to the shareholders. The income and other profits will be accumulated and reinvested on behalf of shareholders. Dividends, if paid on the shares, may be paid out of the net revenue of the Fund including interest and dividends earned by the Fund, realised and unrealised profits on the disposal/valuation of the Investments less realised and unrealised losses of the Fund.

	Six months ended 31 August 2007	Year ended 28 February 2007	Six months ended 31 August 2006
	€'000s	€'000s	€'000s
Equalisation income	(1,146)	(191)	-
Equalisation expenses	696	1,159	32
	<b>(450)</b>	<b>968</b>	<b>32</b>

# iSHARES € INFLATION LINKED BOND

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to the risk that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's net currency exposure at 31 August 2007 and comparatives for 28 February 2007 and 31 August 2006:

	31 August 2007	28 February 2007	31 August 2006
	Net currency exposure	Net currency exposure	Net currency exposure
	€	€	€
CHF	-	-	(35)
GBP	35,451	16,511	(42)
	<b>35,451</b>	<b>16,511</b>	<b>(77)</b>

#### Fair Value and Cash Flow Interest Rate Risk

The Fund is exposed to the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Where the Fund holds floating rate debt instruments such fluctuations may result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.

The interest rate profile of the financial assets as at 31 August 2007 is given below.

#### AS AT 31 AUGUST 2007

	Total	Floating Rate Interest Assets	Fixed rate interest assets
	€	€	€
EUR	140,168,000	-	140,168,000
	<b>140,168,000</b>	<b>-</b>	<b>140,168,000</b>

#### AS AT 31 AUGUST 2007

	Fixed rate Interest assets Weighted average Interest rate %	Fixed rate Interest assets Weighted average Period to Maturity years
EUR	2.12	9.81
	<b>2.12</b>	<b>9.81</b>

The interest rate profile of the financial assets as at 28 February 2007 is given below.

#### AS AT 28 FEBRUARY 2007

	Total	Floating Rate Interest Assets	Fixed rate interest assets
	€	€	€
EUR	108,697,393	-	108,697,393
	<b>108,697,393</b>	<b>-</b>	<b>108,697,393</b>

#### AS AT 28 FEBRUARY 2007

	Fixed rate Interest assets Weighted average Interest rate %	Fixed rate Interest assets Weighted average period to Maturity Years
EUR	2.14	9.52
	<b>2.14</b>	<b>9.52</b>

The interest rate profile of the financial assets as at 31 August 2006 is given below.

#### AS AT 31 AUGUST 2006

	Total	Floating Rate Interest Assets	Fixed rate interest assets
	€	€	€
EUR	94,639,406	-	94,639,406
	<b>94,639,406</b>	<b>-</b>	<b>94,639,406</b>

#### AS AT 31 AUGUST 2006

	Fixed rate Interest assets Weighted average Interest rate %	Fixed rate Interest assets Weighted average period to Maturity Years
EUR	4.26	9.94
	<b>4.26</b>	<b>9.94</b>

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

# iSHARES € GOVERNMENT BOND 1-3

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Operating income	2	3,287	2,357	645
Net gains/(losses) on financial assets at fair value through profit or loss		260	(626)	(90)
<b>Total investment (loss)/income</b>		<b>3,547</b>	<b>1,731</b>	<b>555</b>
Operating expenses	3	(169)	(146)	(48)
<b>Net income</b>		<b>3,378</b>	<b>1,585</b>	<b>507</b>
<b>Finance Costs</b>				
Distributions to Redeemable Participating Shareholders	9	(4,605)	(3,097)	(1,678)
Interest Expense		-	(2)	-
<b>Loss before tax</b>		<b>(1,227)</b>	<b>(1,514)</b>	<b>(1,171)</b>
Non-reclaimable withholding tax		-	-	-
Adjustment from bid market prices to last traded market prices		(60)	20	-
<b>Decrease in net assets attributable to Redeemable Participating Shareholders</b>		<b>(1,287)</b>	<b>(1,494)</b>	<b>(1,171)</b>

There are no recognised gains or losses arising in the period other than the decrease in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period	88,126	-	-
Decrease in net assets attributable to Redeemable Participating Shareholders from Operations	(1,287)	(1,494)	(1,171)
<b>Share transactions</b>			
Proceeds from issue of Redeemable Participating Shares	146,628	104,324	105,400
Payment on redemption of Redeemable Participating Shares	(5,240)	(14,704)	-
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>	<b>228,227</b>	<b>88,126</b>	<b>104,229</b>

# iSHARES € GOVERNMENT BOND 1-3

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	225,328	86,974	103,016
Debtors	5	9,483	2,591	2,368
Cash and bank balances		3,600	27	131
<b>Total current assets</b>		<b>238,411</b>	<b>89,592</b>	<b>105,515</b>
<b>Current liabilities</b>				
Creditors	6	(6,502)	(23)	(630)
Distributions to Redeemable Participating Shareholders payable	9	(3,642)	(1,463)	(656)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(10,144)</b>	<b>(1,486)</b>	<b>(1,286)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>228,267</b>	<b>88,106</b>	-
Adjustment from bid market prices to last traded market prices		-	20	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>228,267</b>	<b>88,126</b>	<b>104,229</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>1,760,000</b>	<b>680,000</b>	<b>800,000</b>
<b>Net asset value per Redeemable Participating Share</b>		<b>€129.70</b>	<b>€129.60</b>	<b>€130.29</b>

The accompanying notes form an integral part of these financial statements.



# iSHARES € GOVERNMENT BOND 1-3

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>EUROPEAN UNION</b>		
	<b>Aaa Rating</b>		
	<b>Corporate Fixed</b>		
31,240,000	4.5% Germany (Federal Republic of) 12/06/2009	31,489,920	13.80
	<b>Government Fixed</b>		
26,910,400	3.75% Germany (Federal Republic of) 12/12/2008	26,798,991	11.74
15,532,000	4% France (Government of) 12/09/2009	15,502,179	6.79
25,564,000	3.75% Germany (Federal Republic of) 13/03/2009	25,445,383	11.15
23,496,000	2.75% Netherlands (Government of) 15/04/2009	23,017,621	10.08
	<b>Aa2 Rating</b>		
	<b>Government Fixed</b>		
6,380,000	4.5% Italy (Republic of) 01/08/2010	6,424,724	2.80
29,744,000	3% Italy (Republic of) 01/02/2009	29,260,065	12.82
35,948,000	3.75% Italy (Republic of) 15/06/2009	35,706,789	15.64
31,812,000	4% Italy (Republic of) 01/03/2010	31,681,888	13.88
	<b>EUROPEAN UNION – TOTAL</b>	<b>225,327,560</b>	<b>98.71</b>
	<b>TOTAL VALUE OF INVESTMENTS AT BID PRICES</b>	<b>225,327,560</b>	<b>98.71</b>
	<b>CASH*</b>	<b>3,599,954</b>	<b>1.58</b>
	<b>OTHER NET LIABILITIES</b>	<b>(660,618)</b>	<b>(0.29)</b>
	<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>228,266,896</b>	<b>100.00</b>
	Adjustment from bid market prices to last traded market prices	(39,812)	(0.02)
	<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>228,266,896</b>	<b>100.00</b>

\* All cash holdings are held with The Governor & Company of the Bank of Ireland.

# iSHARES € GOVERNMENT BOND 1-3

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS EUR	LARGEST PURCHASES	COST EUR
3.5% Germany (Federal Republic of) 12/09/2008	22,926,856	4% Italy (Republic of) 01/03/2010	31,894,802
2.9% Spain (Government of) 31/10/2008	20,142,360	4.5% Germany (Federal Republic of) 12/06/2009	31,321,206
3.5% France (Government of) 12/09/2008	18,728,859	3.75% Germany (Federal Republic of) 12/12/2008	28,968,148
2.5% Italy (Republic of) 15/06/2008	12,815,753	3.75% Germany (Federal Republic of) 13/03/2009	25,795,207
3.25% Germany (Federal Republic of) 13/06/2008	11,325,130	3.75% Italy (Republic of) 15/06/2009	24,699,514
3.75% Germany (Federal Republic of) 12/12/2008	10,126,223	2.75% Netherlands (Government of) 15/04/2009	20,881,190
2.75% Netherlands (Government of) 15/04/2009	3,836,045	3% Italy (Republic of) 01/02/2009	18,557,958
3.75% Italy (Republic of) 15/06/2009	809,917	4% France (Government of) 12/09/2009	15,653,715
3% Italy (Republic of) 01/02/2009	662,832	3.5% Germany (Federal Republic of) 12/09/2008	12,697,156
3.75% Germany (Federal Republic of) 13/03/2009	431,733	2.9% Spain (Government of) 31/10/2008	12,171,757
4 % Italy (Republic of) 01/03/2010	348,089	3.5% France (Government of) 12/09/2008	9,756,874
4% France (Government of) 12/09/2009	222,010	4.5% Italy (Republic of) 01/08/2010	6,428,807
		2.5% Italy (Republic of) 15/06/2008	712,233
		3.25% Germany (Federal Republic of) 13/06/2008	629,507

# iSHARES € GOVERNMENT BOND 1-3

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Bond income	3,284	2,357	643
Interest income	3	-	2
<b>Income</b>	<b>3,287</b>	<b>2,357</b>	<b>645</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Management fees	169	146	48
<b>Expenses</b>	<b>169</b>	<b>146</b>	<b>48</b>

Included in expenses are audit fees of €5,558 (February 2007: €10,939 August 2006:€nil) and directors fees of €2,191 (February 2007: €4,516August 2006:€nil).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Cost at beginning of period	87,193	-	-
Cost at end of period	224,699	87,193	501
Fair value at beginning of period	86,974	-	-
Fair value at end of period	225,328	86,974	103,016

### 5. DEBTORS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Bond income receivable	3,404	1,080	1,166
Interest income receivable	1	-	-
Sales of securities awaiting settlement	6,078	1,511	1,202
<b>Debtors</b>	<b>9,483</b>	<b>2,591</b>	<b>2,368</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Accrued expenses	46	18	21
Purchases of securities awaiting settlement	6,456	-	607
Interest expense payable	-	5	2
<b>Creditors</b>	<b>6,502</b>	<b>23</b>	<b>630</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares '000s	28 February 2007 No. of Shares '000s	31 August 2006 No. of Shares '000s
Balance at beginning of period	680	-	-
Issued during the period	1,120	800	800
Redeemed during the period	(40)	(120)	-
<b>Balance at end of period</b>	<b>1,760</b>	<b>680</b>	<b>800</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The fund did not hold any open futures at 28 February 2007 and 31 August 2006.

### 9. FINANCE COSTS – DISTRIBUTIONS TO REEDEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year.

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
<b>Pay date</b>			
September 2006	-	667	656
December 2006	-	-	-
March 2007	2	1,463	-
September 2007	3,642*	-	-
	<b>3,644</b>	<b>2,130</b>	<b>656</b>
Equalisation income	(47)	(55)	-
Equalisation expense	1,008	1,022	1,022
	<b>4,605</b>	<b>3,097</b>	<b>1,678</b>

\*Outstanding at period end.

# iSHARES € GOVERNMENT BOND 1-3

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's currency exposure at 31 August 2007 and comparatives for 28 February 2007. At 31 August 2006 all assets and liabilities were held in the functional currency EUR. The fund had no currency exposure at 31 August 2006.

Currency	31 August 2007 Net Currency exposure €	28 February 2007 Net Currency exposure €	31 August 2006 Net Currency exposure €
GBP	5	1,342,000	-
	5	1,342,000	-

#### Fair value and cash flow interest rate risk

The Fund is exposed to the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Where the Fund holds floating rate debt instruments such fluctuations may result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.

The interest rate profile of the financial assets as at 31 August 2007 is given below.

#### AS AT 31 AUGUST 2007

	Total €	Fixed Rate Interest Assets €
EUR	225,328,000	225,328,000
	225,328,000	225,328,000

#### AS AT 31 AUGUST 2007

	Fixed Rate Interest Assets Weighted average Interest Rate %	Fixed Rate Interest Assets Weighted average Period to Maturity years
EUR	3.72	1.78
	3.72	1.78

The interest rate profile of the financial assets as at 28 February 2007 is given below.

#### AS AT 28 FEBRUARY 2007

	Total €	Fixed Rate Interest Assets €
EUR	86,974,413	86,974,413
	86,974,413	86,974,413

#### AS AT 28 FEBRUARY 2007

	Fixed Rate Interest Assets Weighted average Interest Rate %	Fixed Rate Interest Assets Weighted average Period to Maturity years
EUR	3.21	1.70
	3.21	1.70

The interest rate profile of the financial assets as at 31 August 2006 is given below.

#### AS AT 31 AUGUST 2006

	Total €	Fixed Rate Interest Assets €
EUR	103,015,539	103,015,539
	103,015,539	103,015,539

#### AS AT 31 August 2006

	Fixed Rate Interest Assets Weighted average Interest Rate %	Fixed Rate Interest Assets Weighted average Period to Maturity years
EUR	2.88	1.79
	2.88	1.79

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

# iSHARES £ CORPORATE BOND

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Operating income	2	5,639	9,731	4,018
Net losses on financial assets at fair value through profit or loss		(13,504)	(6,983)	(4,969)
<b>Total investment (loss/income)</b>		<b>(7,865)</b>	<b>2,748</b>	<b>(951)</b>
Operating expenses	3	(200)	(357)	(163)
<b>Net (loss/income)</b>		<b>(8,065)</b>	<b>2,391</b>	<b>(1,114)</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	9	(5,636)	(12,057)	(5,091)
<b>Loss before tax</b>		<b>(13,701)</b>	<b>(9,666)</b>	<b>(6,205)</b>
Non-reclaimable withholding tax		-	-	-
Adjustment from bid market prices to last traded market prices		255	222	-
<b>Decrease in net assets attributable to Redeemable Participating Shareholders</b>		<b>(13,446)</b>	<b>(9,444)</b>	<b>(6,205)</b>

There are no recognised gains or losses arising in the period other than the decrease in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		207,512	130,948	130,824*
Decrease in net assets attributable to Redeemable Participating Shareholders from Operations		(13,446)	(9,444)	(6,205)
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		-	86,008	55,681
Payment on redemption of Redeemable Participating Shares		-	-	181
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>194,066</b>	<b>207,512</b>	<b>180,481</b>

# iSHARES £ CORPORATE BOND

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	188,062	203,075	175,674
Debtors	5	31,148	36,270	48,994
Cash and bank balances		2,776	2,975	1,890
<b>Total current assets</b>		<b>221,986</b>	<b>242,320</b>	<b>226,558</b>
<b>Current Liabilities</b>				
Creditors	6	(25,863)	(32,772)	(43,757)
Distributions to Redeemable Participating Shareholders payable	9	(2,658)	(2,382)	(2,320)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(28,521)</b>	<b>(35,154)</b>	<b>(46,077)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>193,465</b>	<b>207,166</b>	-
Adjustment from bid market prices to last traded market prices		601	346	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>194,066</b>	<b>207,512</b>	<b>180,481</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,300,000</b>
<b>Net asset value per Redeemable Participating Share</b>		<b>£129.38</b>	<b>£138.34</b>	<b>£138.83</b>

The accompanying notes form an integral part of these financial statements.

\* The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by £124,000 to account for assets at fair value in accordance with applicable accounting standards. (See Note 1(a))

# iSHARES £ CORPORATE BOND

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE GBP	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE GBP	% OF FUND
	<b>UNITED KINGDOM</b>			4,260,000	5% Unicredito Italiano 01/02/2016	3,830,778	1.97
	<b>Aerospace</b>				<b>Investment</b>		
	<b>Baa2 Rating</b>				<b>Aaa Rating</b>		
7,080,000	5.125% BAA 15/02/2023	6,334,602	3.26	7,620,000	4.75% Rabobank 30/09/2009	7,441,108	3.83
	<b>Aerospace Total</b>	<b>6,334,602</b>	<b>3.26</b>	2,700,000	4.625% Toyota Motor Credit Corporation 01/02/2011	2,596,320	1.34
	<b>Communication</b>			5,190,000	4.625% Wellcome Trust Finance 25/07/2036	4,672,066	2.41
	<b>A3 Rating</b>				<b>A1 Rating</b>		
3,465,000	5.25% France Telecom 05/12/2025	3,087,334	1.59	3,150,000	AIB UK 3 LP FRN 29/06/2049	2,858,658	1.47
	<b>Communication Total</b>	<b>3,087,334</b>	<b>1.59</b>	4,965,000	Bank of Ireland Capital Funding FRN 29/09/2049	4,541,298	2.34
	<b>Consumer, Cyclical</b>			7,965,000	5.25% GlaxoSmithKline Capital 10/04/2042	7,508,170	3.87
	<b>Aa2 Rating</b>			4,770,000	5.5% Goldman Sachs Group 12/10/2021	4,180,713	2.15
8,715,000	4.875% Wal-Mart Stores Incorporated 19/01/2039	7,705,419	3.98	3,150,000	HBOS FRN 29/06/2049	2,865,050	1.48
	<b>A1 Rating</b>			5,940,000	ING Groep NV FRN 29/03/2049	5,297,667	2.73
3,465,000	5% Tesco 24/03/2023	3,118,999	1.61	3,810,000	RBS Capital Trust FRN 08/12/2049	3,456,821	1.78
	<b>Consumer, Cyclical Total</b>	<b>10,824,418</b>	<b>5.59</b>		<b>A2 Rating</b>		
	<b>Electricity</b>			3,315,000	DNB Norbank AS FRN 29/03/2049	3,090,289	1.59
	<b>A1 Rating</b>			5,295,000	MUFG Capital Finance 5 Limited FRN 25/01/2049	4,949,873	2.55
4,980,000	5.75% Enel-Societa Per Azioni 22/06/2037	4,896,657	2.52		<b>A3 Rating</b>		
	<b>Baa1 Rating</b>			3,150,000	Anglo Irish Capital UK LP FRN 01/06/2049	2,930,446	1.51
2,700,000	5.25% National Grid 02/06/2011	2,608,033	1.34	7,425,000	6.58% Gaz Capital 31/10/2013	7,096,426	3.66
	<b>Electricity Total</b>	<b>7,504,690</b>	<b>3.86</b>	6,360,000	Standard Chartered Bank FRN 29/06/2049	5,623,298	2.90
	<b>Financial</b>				<b>Baa1 Rating</b>		
	<b>Aa1 Rating</b>			7,095,000	5.375% Telefonica Emisiones Sau 02/02/2018	6,483,503	3.34
4,590,000	4.5% Australian & New Zealand Banking Group 30/12/2009	4,416,567	2.28	4,725,000	AXA SA FRN 29/07/2049	4,592,494	2.37
7,080,000	4.875% General Electric Capital Corporation 18/09/2037	5,977,924	3.08		<b>Financial Total</b>	<b>157,863,952</b>	<b>81.35</b>
5,535,000	4.875% Total Capital SA 23/12/2010	5,338,917	2.75		<b>Publishing</b>		
7,080,000	4.625% Wells Fargo & Company 02/11/2035	5,982,422	3.08		<b>Baa3 Rating</b>		
	<b>Aa2 Rating</b>			2,535,000	6.125% ITV 05/01/2017	2,446,507	1.26
4,725,000	4.5% Citigroup Incorporated 03/03/2031	3,829,604	1.97		<b>Publishing Total</b>	<b>2,446,507</b>	<b>1.26</b>
5,670,000	4.75% HSBC Bank 24/03/2046	4,790,902	2.47		<b>UNITED KINGDOM - TOTAL</b>	<b>188,061,503</b>	<b>96.91</b>
3,045,000	Svenska Handelsbanken FRN 29/09/2049	2,880,389	1.49		<b>TOTAL VALUE OF INVESTMENTS AT BID PRICES</b>	<b>188,061,503</b>	<b>96.91</b>
	<b>Aa3 Rating</b>				<b>CASH*</b>	<b>2,775,768</b>	<b>1.43</b>
7,095,000	ABN Amro Bank NV FRN 28/02/2049	6,341,052	3.27		<b>OTHER NET ASSETS</b>	<b>2,627,168</b>	<b>1.35</b>
7,770,000	Banca Intesa SPA FRN 19/12/2016	7,466,237	3.85		<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>193,464,439</b>	<b>99.69</b>
4,560,000	Barclays Bank FRN 29/03/2049	3,884,489	2.00		Adjustment from bid market prices to last traded market prices	601.358	0.31
3,810,000	5.75% Morgan Stanley 14/02/2017	3,545,223	1.83		<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>194,065,797</b>	<b>100.00</b>
6,150,000	Norinchukin Finance (Cayman) FRN 28/09/2016	5,942,478	3.06				
5,670,000	Saphir Fin FRN 25/08/2049	5,320,354	2.74				
5,295,000	Scottish Widows FRN 29/09/2049	4,712,502	2.43				
3,555,000	Skandinaviska Enskilda FRN 30/11/2049	3,419,914	1.76				

\* All cash holdings are held with The Governor & Company of the Bank of Ireland.

# iSHARES £ CORPORATE BOND

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE PERIOD ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS GBP	LARGEST PURCHASES	COST GBP
6.0884% HBOS 12/05/2015	7,036,569	5.25% GlaxoSmithKline Capital 10/04/2042	7,705,421
5.5% Westfield Finance 27/06/2017	5,567,499	6.58% Gaz Capital 31/10/2013	7,118,719
5.25% Allied Irish Banks 10/03/2020	4,736,039	5.75% Enel-Societa Per Azioni 22/06/2037	4,953,506
Barclays Bank FRN 29/03/2049	4,535,636	Danske Bank AS FRN 29/12/2049	4,417,016
Danske Bank AS FRN 29/12/2049	4,176,274	Barclays Bank FRN 29/03/2049	3,921,600
4.25% Alliance & Leicester 30/12/2008	3,696,843	HBOS FRN 29/06/2049	3,051,374
Old Mutual FRN 24/03/2020	3,585,291	AIB UK 3 LP FRN 29/06/2049	3,043,782
Anglo Irish Bank Corporation FRN 05/10/2015	2,636,412	Anglo Irish Capital UK LP FRN 01/06/2049	2,954,921
5.125% Toyota Credit Canada Incorporated 17/01/2012	2,460,564	5.25% National Grid 02/06/2011	2,614,518
5.75% BP Capital Markets 26/02/2010	2,323,199	4.625% Toyota Motor Credit Corporation 01/02/2011	2,596,320
4.75% Rabobank 30/09/2009	669,906	4.5% Australian & New Zealand Banking Group 30/12/2009	1,241,494
Banca Intesa SPA FRN 19/12/2016	358,658	4.875% Wal-Mart Stores Incorporated 19/01/2039	360,539
4.625% Wells Fargo & Company 02/11/2035	351,456	4.875% Total Capital SA 23/12/2010	232,128
AXA SA FRN 29/07/2049	334,643		
ABN Amro Bank NV FRN 28/02/2049	292,001		
5.125% BAA 15/02/2023	291,618		
5.5% Goldman Sachs Group 12/10/2021	279,891		
4.5% Citigroup Incorporated 03/03/2031	279,736		
5% Unicredito Italiano 01/02/2016	277,153		
Standard Chartered Bank FRN 29/06/2049	275,877		



# iSHARES £ CORPORATE BOND

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Bond income	5,585	9,618	3,959
Securities lending income	1	17	7
Interest income	53	96	46
Other income	-	-	6
<b>Income</b>	<b>5,639</b>	<b>9,731</b>	<b>4,018</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Management fees	200	357	163
<b>Expenses</b>	<b>200</b>	<b>357</b>	<b>163</b>

Included in expenses are audit fees of £3,757 (February 2007: £7,373 August 2006: £3,686) and directors fees of £1,486 (February 2007: £3,044 August 2006: £1,522).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
Cost at beginning of period	200,068	125,539	125,539
Cost at end of period	195,744	200,068	172,198
Fair value at beginning of period	203,075	126,849	126,849
Fair value at end of period	<b>188,062</b>	<b>203,075</b>	<b>175,674</b>

### 5. DEBTORS

	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
Bond income receivable	5,456	4,204	4,473
Securities lending income receivable	-	1	1
Interest income receivable	7	62	11
Sales of securities awaiting settlement	25,685	32,003	44,509
<b>Debtors</b>	<b>31,148</b>	<b>36,270</b>	<b>48,994</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
Accrued expenses	41	42	36
Purchase of securities awaiting settlement	25,822	32,730	43,721
<b>Creditors</b>	<b>25,863</b>	<b>32,772</b>	<b>43,757</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares £'000s	28 February 2007 No. of Shares £'000s	31 August 2006 No. of Shares £'000s
Issued during the period	1,500	900	900
Redeemed during the period	-	600	400
Balance at end of period	-	-	-
<b>Balance at end of period</b>	<b>1,500</b>	<b>1500</b>	<b>1,300</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The fund did not hold any open futures at 28 February 2007 and 31 August 2006.

### 9. FINANCE COST – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year.

	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
<b>Pay Date</b>			
March 2006	-	1,616	-
June 2006	-	1,834	3,449
September 2006	-	2,319	2,320
December 2006	-	2,465	-
March 2007	-	2,382	-
June 2007	2,978	-	-
September 2007	2,658*	-	-
	<b>5,636</b>	<b>10,616</b>	<b>5,769</b>
Equalisation income	-	-	(678)
Equalisation expense	-	1,441	-
	<b>5,636</b>	<b>12,057</b>	<b>5,091</b>

\*Outstanding at period end

# iSHARES £ CORPORATE BOND

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's currency exposure at 31 August 2007 and comparatives for 28 February 2007. At 31 August 2006 all assets and liabilities were held in the functional currency GBP. The fund had no currency exposure at 31 August 2006.

	31 August 2007 Net currency exposure £	28 February 2007 Net currency exposure £	31 August 2006 Net currency exposure £
EUR	22	(51,419)	-
	<b>22</b>	<b>(51,419)</b>	<b>-</b>

#### Fair Value and Cash Flow Interest Rate Risk

The Fund is exposed to the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Where the Fund holds floating rate debt instruments such fluctuations may result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.

The interest rate profile of the financial assets as at 31 August 2007 is given below.

#### As at 31 August 2007

	Total £	Floating Rate Interest Assets £	Fixed Rate Interest Assets £
GBP	188,060,000	80,171,000	107,889,000
	<b>188,060,000</b>	<b>80,171,000</b>	<b>107,889,000</b>

#### As at 31 August 2007

	Fixed Rate Interest Assets Weighted average Interest Rate %	Fixed Rate Interest Assets Weighted average period for which rate is fixed Years
GBP	9.64	18.27
	<b>9.64</b>	<b>18.27</b>

The interest rate profile of the financial assets as at 28 February 2007 is given below.

#### As at 28 February 2007

	Total £	Floating Rate Interest Assets £	Fixed Rate Interest Assets £
GBP	203,075,408	85,317,643	117,757,765
	<b>203,075,408</b>	<b>85,317,643</b>	<b>117,757,765</b>

#### As at 28 February 2007

	Fixed Rate Interest Assets Weighted average Interest Rate %	Fixed Rate Interest Assets Weighted average period for which rate is fixed Years
GBP	5.07	16.35
	<b>5.07</b>	<b>16.35</b>

The interest rate profile of the financial assets as at 31 August 2006 is given below.

#### AS at 31 August 2006

	Total £	Floating Rate Interest Assets £	Fixed Rate Interest Asset £
GBP	175,673,593	61,614,844	114,058,749
	<b>175,673,593</b>	<b>61,614,844</b>	<b>114,058,749</b>

#### AS at 31 August 2006

	Fixed Rate Interest Assets Weighted average Interest Rate %	Fixed Rate Interest Assets Weighted average period for which rate is fixed Years
GBP	5.09	14.19
	<b>5.09</b>	<b>14.19</b>

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

# iSHARES \$ CORPORATE BOND

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Operating Income	2	3,051	5,188	2,325
Net (losses)/gains on financial assets at fair value through profit or loss		(3,759)	597	(975)
<b>Total investment (loss/income)</b>		<b>(708)</b>	<b>5,785</b>	<b>1,350</b>
Operating expenses	3	(108)	(180)	(65)
<b>Net (loss/income)</b>		<b>(816)</b>	<b>5,605</b>	<b>1,285</b>
<b>Finance Costs</b>				
Distributions to Redeemable Participating Shareholders	9	(3,197)	(4,997)	(2,670)
Interest Expense		(47)	-	(26)
<b>(Loss)/profit before tax</b>		<b>(4,060)</b>	<b>608</b>	<b>(1,411)</b>
Non-reclaimable withholding tax		-	-	-
Adjustment from bid market prices to last traded market prices		191	902	-
<b>(Decrease)/increase in net assets attributable to Redeemable Participating Shareholders</b>		<b>(3,869)</b>	<b>1,510</b>	<b>(1,411)</b>

There are no recognised gains or losses arising in the period other than the decrease in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		96,229	94,719	95,660*
(Decrease)/increase in net assets attributable to Redeemable Participating Shareholders from Operations		(3,869)	1,510	(1,411)
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		21,457	-	-
Payment of redemption of Redeemable Participating Shares		-	-	-
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>113,817</b>	<b>96,229</b>	<b>94,249</b>

# iSHARES \$ CORPORATE BOND

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	112,189	94,900	93,308
Debtors	5	13,660	8,118	6,970
Cash and bank balances		660	509	232
<b>Total current assets</b>		<b>126,509</b>	<b>103,527</b>	<b>100,510</b>
<b>Current liabilities</b>				
Creditors	6	(12,268)	(6,839)	(5,829)
Distributions to redeemable Participating Shareholders payable	9	(575)	(420)	(432)
<b>Total current liabilities (excluding net assets attributable to redeemable participating Shareholders)</b>		<b>(12,843)</b>	<b>(7,259)</b>	<b>(6,261)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period (at bid prices)</b>		<b>113,666</b>	<b>96,268</b>	<b>-</b>
Adjustment from bid market prices to last traded market prices		152	(39)	-
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period (at last traded market prices)</b>		<b>113,818</b>	<b>96,229</b>	<b>94,249</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>1,100,000</b>	<b>900,000</b>	<b>900,000</b>
<b>Net asset value per Redeemable Participating Share</b>		<b>\$103.47</b>	<b>\$106.92</b>	<b>\$104.73</b>

The accompanying notes form an integral part of these financial statements.

\* The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by \$941,000 to account for assets at fair value in accordance with applicable accounting standards. (See Note 1(a)).

# iSHARES \$ CORPORATE BOND

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES</b>				<b>Electrical</b>		
	<b>Basic Material</b>				<b>Aaa Rating</b>		
	<b>Baa1 Rating</b>			1,210,000	5% General Electric Capital Corporation 01/02/2013	1,195,112	1.05
1,155,000	6% CRH America Incorporated 30/09/2016	1,152,547	1.01	1,155,000	5% General Electrical Capital Corporation 01/12/2010	1,150,211	1.01
1,100,000	5.625% CRH America Incorporated 30/09/2011	1,118,524	0.98	1,155,000	5.4% General Electric Capital Corporation 15/02/2017	1,140,762	1.00
1,100,000	5.25% Home Depot Incorporated 16/12/2013	1,065,805	0.94	1,100,000	6.15% General Electric Capital Corporation 07/08/2037	1,123,375	0.99
1,155,000	5.4% Home Depot Incorporated 01/03/2016	1,090,981	0.96		<b>Baa1 Rating</b>		
1,100,000	5.875% Home Depot Incorporated 16/12/2036	948,501	0.83	1,155,000	6.125% Mid American Energy Holdings 01/04/2036	1,122,168	0.99
	<b>Baa3 Rating</b>				<b>Electrical - Total</b>	<b>5,731,628</b>	<b>5.04</b>
1,100,000	5.95% Anadarko Petroleum Corporation 15/09/2016	1,090,072	0.96		<b>Energy</b>		
1,155,000	6.45% Anadarko Petroleum Corporation 15/09/2036	1,129,305	0.99	1,155,000	5.5% Conocophillips Australia 15/04/2013	1,161,671	1.02
	<b>Basic Material - Total</b>	<b>7,595,735</b>	<b>6.67</b>		<b>Energy - Total</b>	<b>1,161,671</b>	<b>1.02</b>
	<b>Chemicals</b>				<b>Financial</b>		
	<b>A1 Rating</b>			1,100,000	6.15% American Express 28/08/2017	1,113,288	0.98
1,155,000	5.6% Abbott Laboratories 15/05/2011	1,173,234	1.03	1,155,000	5.125% BHP Billiton Finance 29/03/2012	1,149,689	1.01
1,155,000	5.875% Abbott Laboratories 15/05/2016	1,177,782	1.03	1,155,000	5.4% BHP Billiton Finance 29/03/2017	1,138,537	1.00
	<b>A2 Rating</b>			1,155,000	5.25% Cisco Systems 22/02/2011	1,161,032	1.02
1,155,000	5.875% Bristol-Myers Squibb 15/11/2036	1,096,922	0.96	1,100,000	5.5% Cisco Systems 22/02/2016	1,098,334	0.96
	<b>Chemicals - Total</b>	<b>3,447,938</b>	<b>3.02</b>	1,155,000	5.625% Goldman Sachs Group Incorporated 15/01/2017	1,105,461	0.97
	<b>Communication</b>			1,210,000	5.3% International Lease Finance Corporation 01/05/2012	1,197,371	1.05
	<b>A2 Rating</b>			1,100,000	5.25% Lehman Brothers Holdings 06/02/2012	1,070,160	0.94
1,100,000	6.8% AT&T Incorporated 15/05/2036	1,150,100	1.01	1,100,000	6.05% Merrill Lynch & Company 16/05/2016	1,089,388	0.96
1,100,000	5.3% AT&T Incorporated 15/11/2010	1,103,725	0.97	1,155,000	6.11% Merrill Lynch & Company 29/01/2037	1,069,027	0.94
	<b>Baa2 Rating</b>				<b>A2 Rating</b>		
1,155,000	5.45% Comcast Corporation 15/11/2010	1,159,220	1.02	1,155,000	5.55% Bear Stearns Companies Incorporated 22/01/2017	1,063,029	0.93
1,100,000	6.3% Comcast Corporation 15/11/2017	1,115,059	0.98	1,100,000	5.05% Caterpillar Financial Services 01/12/2010	1,100,366	0.97
1,100,000	6.95% Comcast Corporation 15/08/2037	1,134,474	1.00	1,155,000	5.65% CIT Group Incorporated 13/02/2017	991,665	0.87
	<b>Baa3 Rating</b>			1,100,000	5.6% CIT Group Incorporated 27/04/2011	1,049,301	0.92
1,100,000	6.738% Embarq Corporation 01/06/2013	1,139,647	1.00	1,155,000	5.625% FPL Group Capital 01/09/2011	1,175,190	1.03
1,210,000	7.995% Embarq Corporation 01/06/2036	1,259,059	1.11	1,100,000	6.5% Lehman Brothers Holdings 19/07/2017	1,085,036	0.95
	<b>Communication - Total</b>	<b>8,061,284</b>	<b>7.09</b>	1,100,000	5% Oracle Corporation 15/01/2011	1,096,442	0.96
	<b>Consumer, Cyclical</b>				<b>A3 Rating</b>		
	<b>Aa2 Rating</b>			1,100,000	5.7% Capital One Financial 15/09/2011	1,083,572	0.95
1,100,000	5% Wal-Mart Stores Incorporated 05/04/2012	1,096,445	0.96	1,100,000	5.5% Diageo Finance 01/04/2013	1,104,950	0.97
1,155,000	5.375% Wal-Mart Stores Incorporated 05/04/2017	1,139,003	1.00	1,100,000	5.25% United Health Group 15/03/2011	1,102,207	0.97
1,155,000	5.875% Wal-Mart Stores Incorporated 05/04/2027	1,116,010	0.98				
	<b>Baa1 Rating</b>						
1,100,000	5.75% Daimlerchrysler NA Holdings Corporation 08/09/2011	1,109,490	0.97				
	<b>Consumer, Cyclical - Total</b>	<b>4,460,948</b>	<b>3.91</b>				

# iSHARES \$ CORPORATE BOND

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (continued)</b>				<b>Baa1 Rating</b>		
1,155,000	5.85% Verizon Global Funding 15/09/2035	1,081,999	0.95	1,100,000	6.15% Capital One Financial Corporation 01/09/2016	1,054,930	0.93
1,210,000	5.4% Western Union Company 17/11/2011	1,210,448	1.06	1,155,000	5.48% Orix Corporation 22/11/2011	1,160,260	1.02
	<b>Aa1 Rating</b>			1,155,000	5.4% SLM Corporation 25/10/2011	1,072,947	0.94
1,210,000	5.3% Bank of America Corporation 15/03/2017	1,167,117	1.03		<b>Baa2 Rating</b>		
1,155,000	5.375% Bank of America Corporation 15/08/2011	1,164,641	1.02	1,155,000	5.95% Istar Financial Incorporated 15/10/2013	1,093,196	0.96
1,100,000	5.125% Citigroup Incorporated 14/02/2011	1,096,957	0.96	1,100,000	5.15% Marsh & McLennan 15/09/2010	1,095,273	0.96
1,100,000	5.5% Citigroup Incorporated 27/08/2012	1,110,879	0.98	1,155,000	5.5% Time Warner Incorporated 15/11/2011	1,154,706	1.01
1,100,000	6% Citigroup Incorporated 15/08/2017	1,115,653	0.98		<b>Baa2e Rating</b>		
1,045,000	5.5% Credit Suisse USA Incorporated 16/08/2011	1,053,381	0.93	1,155,000	5.35% Federated Retail Holding 15/03/2012	1,141,610	1.00
1,155,000	5.625% Shell International Finance 27/06/2011	1,180,274	1.04		<b>Baa3 Rating</b>		
1,045,000	4.875% Wells Fargo & Company 12/01/2011	1,036,663	0.91	1,100,000	5.8% Countrywide Financial Corporation 07/06/2012	989,456	0.87
1,155,000	5.75% Wells Fargo Bank 16/05/2016	1,162,750	1.02		<b>Financial - Total</b>	<b>63,541,107</b>	<b>55.80</b>
	<b>Aa2 Rating</b>				<b>Health</b>		
1,155,000	5.45% American International Group 18/05/2017	1,123,135	0.99		<b>Aaa Rating</b>		
1,111,000	6.125% Citigroup Incorporated 25/08/2036	1,080,696	0.95	1,100,000	5.15% Johnson & Johnson 15/08/2012	1,115,719	0.98
1,100,000	5.6% JP Morgan Chase 01/06/2011	1,111,224	0.98		<b>Baa1 Rating</b>		
1,199,000	5.85% Wachovia Bank 01/02/2037	1,141,497	1.00	1,155,000	5% Wellpoint Incorporated 15/01/2011	1,146,867	1.01
	<b>Aa3 Rating</b>			1,155,000	5.875% Wellpoint Incorporated 15/06/2017	1,154,977	1.01
1,155,000	5% American Express Credit 02/12/2010	1,153,100	1.01	1,155,000	6.375% Wellpoint Incorporated 15/06/2037	1,130,295	0.99
1,210,000	5.3% Goldman Sachs Group Incorporated 14/02/2012	1,195,848	1.05		<b>Health - Total</b>	<b>4,547,858</b>	<b>3.99</b>
1,155,000	5.9% HSBC Finance Corporation 19/06/2012	1,163,058	1.02		<b>Machinery</b>		
1,210,000	5.5% HSBC Finance Corporation 19/01/2016	1,171,291	1.03		<b>A2 Rating</b>		
1,100,000	6.5% HSBC Holdings 02/05/2036	1,120,048	0.98	1,155,000	6.05% Caterpillar Incorporated 15/08/2036	1,150,264	1.01
1,100,000	6.125% JP Morgan Chase & Company 27/06/2017	1,121,214	0.99		<b>Machinery - Total</b>	<b>1,150,264</b>	<b>1.01</b>
1,100,000	6.05% Merrill Lynch & Company 15/08/2012	1,119,943	0.98		<b>Medical</b>		
1,155,000	5.45% Morgan Stanley 09/01/2017	1,106,456	0.97		<b>A3 Rating</b>		
1,100,000	5.625% Morgan Stanley Capital Incorporated 09/01/2012	1,099,413	0.97	1,155,000	5.5% Wyeth 15/02/2016	1,146,017	1.01
1,100,000	5.3% Wachovia Corporation 15/10/2011	1,103,310	0.97	1,155,000	5.95% Wyeth 01/04/2037	1,105,200	0.98
1,210,000	5.75% Wachovia Corporation 15/06/2017	1,208,878	1.06		<b>Medical - Total</b>	<b>2,251,217</b>	<b>1.99</b>
	<b>Aaa Rating</b>				<b>Oil</b>		
1,100,000	4.75% Berkshire Hathaway Finance 15/05/2012	1,091,483	0.96		<b>Baa2 Rating</b>		
1,045,000	5.65% Royal Bank of Canada 20/07/2011	1,065,973	0.94	1,155,000	6.25% Canadian National Resources 15/03/2038	1,112,663	0.98
1,155,000	5.45% Toyota Motor Credit 18/05/2011	1,177,355	1.03		<b>Oil - Total</b>	<b>1,112,663</b>	<b>0.98</b>
					<b>Publishing</b>		
					<b>Baa2 Rating</b>		
				1,155,000	5.625% Donnelley & Sons 15/01/2012	1,152,205	1.02
					<b>Baa3 Rating</b>		
				1,155,000	5.75% Viacom Incorporated 30/04/2011	1,166,916	1.03
				1,100,000	6.25% Viacom Incorporated 30/04/2016	1,105,773	0.98

# iSHARES \$ CORPORATE BOND

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (continued)</b>		
1,155,000	6.875% Viacom Incorporated 30/04/2036	1,128,633	0.99
	<b>Publishing - Total</b>	<b>4,553,527</b>	<b>4.02</b>
	<b>Telephone</b>		
	<b>A3 Rating</b>		
1,155,000	5.35% Verizon Communications 15/02/2011	1,159,697	1.02
1,100,000	5.55% Verizon Communications 15/02/2016	1,088,397	0.96
	<b>Baa2 Rating</b>		
1,100,000	7.2% Telecom Italia Capital 18/07/2036	1,147,369	1.01
1,155,000	6.2% Telecom Italia Capital 18/07/2011	1,177,210	1.04
	<b>Telephone - Total</b>	<b>4,572,673</b>	<b>4.03</b>
	<b>UNITED STATES - TOTAL</b>	<b>112,188,513</b>	<b>98.57</b>
	<b>TOTAL VALUE OF INVESTMENTS AT BID PRICES</b>	<b>112,188,513</b>	<b>98.57</b>
	<b>CASH*</b>	<b>659,855</b>	<b>0.58</b>
	<b>OTHER NET ASSETS</b>	<b>816,632</b>	<b>0.72</b>
	<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>113,665,000</b>	<b>99.87</b>
	Adjustment from bid market prices to last traded market prices	152,251	0.13
	<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>113,817,251</b>	<b>100.00</b>

\* All cash holdings are held with The Governor & Company of the Bank of Ireland.

# iSHARES \$ CORPORATE BOND

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS USD	LARGEST PURCHASES	COST USD
5.625% Bank of America Corporation 14/10/2016	1,233,922	5.3% Goldman Sachs Group Incorporated 14/02/2012	1,216,074
5.77% Merrill Lynch & Company 25/07/2011	1,218,543	5.3% International Lease Finance Corporation 01/05/2012	1,213,557
5.875% Daimlerchrysler NA Holdings Corporation 15/03/2011	1,212,581	5.625% Goldman Sachs Group Incorporated 15/01/2017	1,205,838
4.875% CSFB (USA) Incorporated 15/08/2010	1,194,816	5.3% Bank of America Corporation 15/03/2017	1,197,089
5.625% Wachovia Corporation 15/10/2016	1,181,396	5.75% Wachovia Corporation 15/06/2017	1,193,278
6.875% Vale Overseas 21/11/2036	1,178,273	6.2% Telecom Italia Capital 18/07/2011	1,189,860
4.875% UTD Technologies 01/05/2015	1,175,285	5.85% Wachovia Bank 01/02/2037	1,181,790
5.75% Goldman Sachs Group Incorporated 01/10/2016	1,169,819	5.95% Istar Financial Incorporated 15/10/2013	1,163,611
6.125% Mohawk Industrial 15/01/2016	1,167,486	5.875% Wal-Mart Stores Incorporated 05/04/2027	1,163,177
4.5% US Bancorp Del 29/07/2010	1,164,336	5.9% HSBC Finance Corporation 19/06/2012	1,159,666
5.45% International Lease Finance Corporation 24/03/2011	1,163,847	5.375% Wal-Mart Stores Incorporated 05/04/2017	1,156,074
6% Wyeth 15/02/2036	1,158,962	5.4% BHP Billiton Finance 29/03/2017	1,154,919
6.375% Residential Capital Corp 30/06/2010	1,152,736	5.125% BHP Billiton Finance 29/03/2012	1,154,916
5.5% Wyeth 01/02/2014	1,151,246	5.95% Wyeth 01/04/2037	1,154,249
5.75% Morgan Stanley 18/10/2016	1,146,823	5.35% Federated Retail Holding 15/03/2012	1,154,184
5.7% Caterpillar Incorporated 15/08/2016	1,143,057	6.5% Residential Capital LLC 01/06/2012	1,149,906
5.25% HSBC Finance Corporation 14/01/2011	1,139,742	5% General Electrical Capital Corporation 01/12/2010	1,143,127
5.875% Diageo Finance 30/09/2036	1,136,012	6.375% Wellpoint Incorporated 15/06/2037	1,141,567
5.5% Citigroup Incorporated 15/02/2017	1,125,351	5.875% Wellpoint Incorporated 15/06/2017	1,141,198
6.45% Comcast Corporation 15/03/2037	1,117,890	5.55% Bear Stearns Companies Incorporated 22/01/2017	1,139,664



# iSHARES \$ CORPORATE BOND

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Bond income	2,989	5,163	2,311
Interest income	62	25	14
<b>Income</b>	<b>3,051</b>	<b>5,188</b>	<b>2,325</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Management fees	108	180	65
<b>Expenses</b>	<b>108</b>	<b>180</b>	<b>65</b>

Included in expenses are audit fees of \$7,578 (February 2007: \$14,450 August 2006: \$11,383) and Directors' fees of \$2,960 (February 2007: \$5,966 August 2006: \$2,983).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
Cost at beginning of period	93,660	96,366	96,366
Cost at end of period	113,500	93,660	93,434
Fair value at beginning of period	94,900	94,446	94,446
Fair value at end of period	<b>112,189</b>	<b>94,900</b>	<b>93,308</b>

### 5. DEBTORS

	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
Bond income receivable	1,570	1,403	1,236
Interest income receivable	2	13	3
Sales of securities awaiting settlement	12,088	6,702	5,731
<b>Debtors</b>	<b>13,660</b>	<b>8,118</b>	<b>6,970</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
Accrued expenses	24	19	23
Purchases of securities awaiting settlement	12,245	6,820	5,806
<b>Creditors</b>	<b>12,269</b>	<b>6,839</b>	<b>5,829</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares £'000s	28 February 2007 No. of Shares £'000s	31 August 2006 No. of Shares £'000s
Issued during the period	900	900	900
Redeemed during the period	200	-	-
Balance at beginning of period	-	-	-
<b>Balance at end of period</b>	<b>1,100</b>	<b>900</b>	<b>900</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The Fund did not hold any open futures at 28 February 2007 and 31 August 2006.

### 9. FINANCE COSTS – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared monthly.

	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
<b>Pay date</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
April 2006	-	489	488
May 2006	-	351	351
June 2006	-	641	641
July 2006	-	376	376
August 2006	-	382	382
September 2006	-	432	432
October 2006	-	362	-
November 2006	-	374	-
December 2006	-	319	-
January 2007	-	392	-
February 2007	-	459	-
March 2007	-	420	-
April 2007	396	-	-
May 2007	382	-	-
June 2007	582	-	-
July 2007	484	-	-
August 2007	486	-	-
September 2007	575*	-	-
	<b>2,905</b>	<b>4,997</b>	<b>2,670</b>
Equalisation income	-	-	-
Equalisation expense	292	-	-
	<b>3,197</b>	<b>4,997</b>	<b>2,670</b>

\*Outstanding at period end

# iSHARES \$ CORPORATE BOND

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect of the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's currency exposure at 31 August 2007 and comparatives for 28 February 2007 and 31 August 2006

	31 August 2007	28 February 2007	31 August 2006
	Net currency exposure	Net currency exposure	Net currency exposure
	£	£	£
GBP	21	(24,236)	(49)
	21	(24,236)	(49)

#### Fair Value and Cash Flow Interest Rate Risk

The Fund is exposed to the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Where the Fund holds floating rate debt instruments such fluctuations may result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.

The interest rate profile of the financial assets as at 31 August 2007 is given below.

#### As at 31 August 2007

	Total	Floating Rate Interest Assets	Fixed Rate Interest Assets
	\$	\$	\$
USD	112,340,762	-	112,340,762
	112,340,762	-	112,340,762

#### As at 31 August 2007

	Fixed Rate Interest Assets Weighted average Interest Rate	Fixed Rate Interest Assets Weighted average year for which rate is fixed Years
	%	Years
USD	5.71	10.56
	5.71	10.56

The interest rate profile of the financial assets as at 28 February 2007 is given below.

#### As at 28 February 2007

	Total	Floating Rate Interest Assets	Fixed Rate Interest Assets
	\$	\$	\$
USD	94,899,599	-	94,899,599
	94,899,599	-	94,899,599

#### As at 28 February 2007

	Fixed Rate Interest Assets Weighted average Interest Rate	Fixed Rate Interest Assets Weighted average year for which rate is fixed Years
	%	Years
USD	5.59	10.78
	5.59	10.78

The interest rate profile of the financial assets as at 31 August 2006 is given below.

#### As at 31 August 2006

	Total	Floating Rate Interest Assets	Fixed Rate Interest Assets
	\$	\$	\$
USD	93,307,737	-	93,307,737
	93,307,737	-	93,307,737

#### As at 31 August 2006

	Fixed Rate Interest Assets Weighted average Interest Rate	Fixed Rate Interest Assets Weighted average year for which rate is fixed Years
	%	Years
USD	5.31	9.85
	5.31	9.85

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

# iSHARES \$ TREASURY BOND 1-3

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended* 28 February 2007 \$'000s	Six months ended* 31 August 2006 \$'000s
Operating Income	2	3,138	5,144	1,002
Net gains/(losses) on financial assets at fair value through profit or loss		677	(129)	375
<b>Total Investment income</b>		<b>3,815</b>	<b>5,015</b>	<b>1,377</b>
Operating expenses	3	(130)	(203)	(47)
<b>Net income</b>		<b>3,685</b>	<b>4,812</b>	<b>1,330</b>
<b>Finance Costs</b>				
Distributions to Redeemable Participating Shareholders	9	(2,858)	(4,342)	(1,835)
<b>Profit/(loss) before tax</b>		<b>827</b>	<b>470</b>	<b>(505)</b>
Non-reclaimable withholding tax		-	-	-
Adjustment from bid market prices to last traded market prices		(2)	36	-
<b>Increase/(decrease) in net assets attributable to Redeemable Participating Shareholders</b>		<b>825</b>	<b>506</b>	<b>(505)</b>

There are no recognised gains or losses arising in the period other than the decrease in Net Assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended* 28 February 2007 \$'000s	Six months ended* 31 August 2006 \$'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		126,794	-	-
Increase/(decrease) in net assets attributable to Redeemable Participating Shareholders from Operations		825	506	(505)
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		24,630	193,396	102,076
Payment on redemption of Redeemable Participating Shares		(29,511)	(67,108)	-
<b>Net Assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>122,738</b>	<b>126,794</b>	<b>101,571</b>

# iSHARES \$ TREASURY BOND 1-3

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	121,496	125,604	100,561
Debtors	5	15,465	9,814	12,110
Cash and bank balances		2,972	772	648
<b>Total current assets</b>		<b>139,933</b>	<b>136,190</b>	<b>113,319</b>
<b>Current liabilities</b>				
Creditors	6	(14,424)	(7,518)	(10,712)
Distributions to Redeemable Participating Shareholders payable	9	(2,804)	(1,914)	(1,036)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(17,228)</b>	<b>(9,432)</b>	<b>(11,748)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>122,705</b>	<b>126,758</b>	-
Adjustment from bid market prices to last traded market prices		33	36	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>122,738</b>	<b>126,794</b>	<b>101,571</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>1,000,000</b>	<b>1,040,000</b>	<b>840,000</b>
<b>Net asset value per Redeemable Participating Share</b>		<b>\$122.74</b>	<b>\$121.92</b>	<b>\$120.92</b>

The accompanying notes form an integral part of these financial statements.

\*For the period commencing 2 June 2006

# iSHARES \$ TREASURY BOND 1-3

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES</b>		
	<b>N/A Rating</b>		
7,500,000	4.875% US Treasury Notes 31/05/2009	7,582,031	6.18
7,125,000	4.625% US Treasury Notes 31/07/2009	7,181,777	5.85
8,625,000	4.75% US Treasury Notes 31/12/2008	8,677,558	7.07
8,500,000	4.875% US Treasury Notes 31/01/2009	8,573,046	6.98
9,550,000	4.5% US Treasury Notes 15/02/2009	9,584,320	7.81
8,925,000	4.75% US Treasury Notes 28/02/2009	8,989,148	7.32
8,150,000	4.5% US Treasury Notes 31/03/2009	8,181,836	6.67
8,150,000	4.5% US Treasury Notes 30/04/2009	8,185,656	6.67
11,050,000	4.875% US Treasury Notes 15/05/2009	11,167,406	9.10
5,300,000	4.875% US Treasury Notes 30/06/2009	5,361,281	4.37
7,525,000	4.875% US Treasury Notes 15/08/2009	7,615,535	6.20
9,000,000	4% US Treasury Notes 31/08/2009	8,967,654	7.31
10,075,000	4.625% US Treasury Notes 15/11/2009	10,161,582	8.28
5,200,000	4.75% US Treasury Notes 15/02/2010	5,265,812	4.29
5,950,000	4.5% US Treasury Notes 15/05/2010	6,001,133	4.89
	<b>UNITED STATES - TOTAL</b>	<b>121,495,775</b>	<b>98.99</b>
	<b>TOTAL VALUE OF INVESTMENTS</b>		
	<b>AT BID PRICES</b>	<b>121,495,775</b>	<b>98.99</b>
	<b>CASH*</b>	<b>2,971,659</b>	<b>2.42</b>
	<b>OTHER NET LIABILITIES</b>	<b>(1,762,857)</b>	<b>(1.44)</b>
	<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>122,704,577</b>	<b>99.97</b>
	Adjustment from bid market prices to last traded market prices	33,488	0.03
	<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>122,738,065</b>	<b>100.00</b>

\* All cash holdings are held with The Governor & Company of the Bank of Ireland.

# iSHARES \$ TREASURY BOND 1-3

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS USD	LARGEST PURCHASES	COST USD
4.625% US Treasury Notes 30/09/2008	10,962,469	4.75% US Treasury Notes 28/02/2009	11,094,095
4.875% US Treasury Notes 31/10/2008	10,811,191	4.5% US Treasury Notes 30/04/2009	9,833,584
4.875% US Treasury Notes 31/08/2008	9,669,740	4.5% US Treasury Notes 31/03/2009	9,831,335
5.125% US Treasury Notes 30/06/2008	9,527,224	4.875% US Treasury Notes 31/05/2009	8,999,321
5% US Treasury Notes 31/07/2008	9,515,790	4% US Treasury Notes 31/08/2009	8,981,730
4.875% US Treasury Notes 31/05/2008	9,301,447	4.625% US Treasury Notes 31/07/2009	7,128,720
4.625% US Treasury Notes 30/11/2008	9,271,693	4.5% US Treasury Notes 15/05/2010	7,073,771
4.375% US Treasury Notes 15/11/2008	8,398,697	4.75% US Treasury Notes 31/12/2008	6,102,778
4.125% US Treasury Notes 15/08/2008	7,091,150	4.875% US Treasury Notes 31/01/2009	5,883,408
4.75% US Treasury Notes 15/02/2010	3,688,241	4.875% US Treasury Notes 30/06/2009	5,365,031
4.875% US Treasury Notes 15/05/2009	2,578,499	4.875% US Treasury Notes 15/05/2009	4,639,272
4.625% US Treasury Notes 15/11/2009	2,208,274	4.625% US Treasury Notes 15/11/2009	4,400,898
4.75% US Treasury Notes 28/02/2009	2,138,137	4.5% US Treasury Notes 15/02/2009	4,288,741
4.5% US Treasury Notes 15/02/2009	2,079,761	4.875% US Treasury Notes 15/08/2009	1,514,618
4.75% US Treasury Notes 31/12/2008	2,065,634	4.625% US Treasury Notes 30/11/2008	1,490,038
4.875% US Treasury Notes 31/01/2009	2,039,469	4.75% US Treasury Notes 15/02/2010	1,437,565
4.875% US Treasury Notes 15/08/2009	1,807,764	4.375% US Treasury Notes 15/11/2008	1,349,593
4.5% US Treasury Notes 30/04/2009	1,725,464	4.875% US Treasury Notes 31/10/2008	1,029,253
4.5% US Treasury Notes 31/03/2009	1,724,248	4.625% US Treasury Notes 30/09/2008	785,386
4.875% US Treasury Notes 31/05/2009	1,500,434	4.875% US Treasury Notes 31/08/2008	693,703

# iSHARES \$ TREASURY BOND 1-3

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended, 31 August 2007	Year ended, 28 February 2007	Six months ended, 31 August 2006
	\$'000s	\$'000s	\$'000s
Bond income	3,129	5,133	996
Interest income	9	11	6
<b>Income</b>	<b>3,138</b>	<b>5,144</b>	<b>1,002</b>

### 3. OPERATING EXPENSES

	Six months ended, 31 August 2007	Year ended, 28 February 2007	Six months ended, 31 August 2006
	\$'000s	\$'000s	\$'000s
Management fees	130	203	47
<b>Expenses</b>	<b>130</b>	<b>203</b>	<b>47</b>

Included in expenses are audit fees of \$7,578 (February 2007: \$14,450 August 2006: \$nil) and Directors' fees of \$2,960 (February 2007: \$5,966 August 2006: \$nil).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007	28 February 2007	31 August 2006
	\$'000s	\$'000s	\$'000s
Cost at beginning of period	125,431	-	-
Cost at end of period	120,602	125,431	100,201
Fair value at beginning of period	125,604	-	-
Fair value at end of period	<b>121,496</b>	<b>125,604</b>	<b>100,561</b>

### 5. DEBTORS

	31 August 2007	28 February 2007	31 August 2006
	\$'000s	\$'000s	\$'000s
Bond income receivable	1,005	1,081	785
Interest income receivable	4	6	-
Sales of securities awaiting settlement	14,456	8,727	11,325
<b>Debtors</b>	<b>15,465</b>	<b>9,814</b>	<b>12,110</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007	28 February 2007	31 August 2006
	\$'000s	\$'000s	\$'000s
Accrued expenses	25	28	20
Purchases of securities awaiting settlement	14,399	7,490	10,692
<b>Creditors</b>	<b>14,424</b>	<b>7,518</b>	<b>10,712</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007	28 February 2007	31 August 2006
	No. of Shares '000s	No. of Shares '000s	No. of Shares '000s
Balance at beginning of period	1,040	-	-
Issued during the period	200	1,600	840
Redeemed during the period	(240)	(560)	-
<b>Balance at end of period</b>	<b>1,000</b>	<b>1,040</b>	<b>840</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The Fund did not hold any open futures at 28 February 2007 and August 2006.

### 9. FINANCE COST – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year.

	Six months ended 31 August 2007	Year ended 28 February 2007	Six months ended 31 August 2006
	\$'000s	\$'000s	\$'000s
<b>Pay date</b>			
September 2006	-	1,050	1,036
March 2007	13	1,914	-
September 2007	2,804*	-	-
	<b>2,817</b>	<b>2,964</b>	<b>1,036</b>
Equalisation income	(167)	(327)	-
Equalisation expense	208	1,705	799
	<b>2,858</b>	<b>4,342</b>	<b>1,835</b>

\*Outstanding at period end

# iSHARES \$ TREASURY BOND 1-3

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

There is no foreign currency exposure as all assets and liabilities are held in the functional currency, USD at 31 August 2007. At 28 February 2007 and at 31 August 2006 all assets and liabilities were also held in the functional currency USD.

#### Fair Value and Cash Flow Interest Rate Risk

The Fund is exposed to the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Where the Fund holds floating rate debt instruments such fluctuations may result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.

The interest rate profile of the financial assets as at 31 August 2007 is given below.

#### As at 31 August 2007

	Total \$	Floating Rate Interest Assets \$	Fixed Rate Interest Assets \$
USD	121,495,775	-	121,495,775
	<b>121,495,775</b>	<b>-</b>	<b>121,495,775</b>

#### As at 31 August 2007

	Fixed rate Interest assets Weighted average interest rate %	Fixed rate Interest assets Weighted average period to Maturity Years
USD	4.65	1.80
	<b>4.65</b>	<b>1.80</b>

The interest rate profile of the financial assets as at 28 February 2007 is given below.

#### As at 28 February 2007

	Total \$	Floating Rate Interest Assets \$	Fixed Rate Interest Assets \$
USD	125,603,900	-	125,603,900
	<b>125,603,900</b>	<b>-</b>	<b>125,603,900</b>

#### As at 28 February 2007

	Fixed rate Interest assets Weighted average interest rate %	Fixed rate Interest assets Weighted average period to Maturity Years
USD	4.75	1.84
	<b>4.75</b>	<b>1.84</b>

The interest rate profile of the financial assets as at 31 August 2006 is given below.

#### As at 31 August 2006

	Total \$	Floating Rate Interest Assets \$	Fixed Rate Interest Assets \$
USD	\$100,560,881	-	\$100,560,881
	<b>\$100,560,881</b>	<b>-</b>	<b>\$100,560,881</b>

#### As at 31 August 2006

	Fixed rate Interest assets Weighted average interest rate %	Fixed rate Interest assets Weighted average period to Maturity Years
USD	4.54	1.88
	<b>4.54</b>	<b>1.88</b>

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.



# iSHARES AEX

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Operating Income	2	1,638	1,108	903
Net gains on financial assets at fair value through profit or loss		4,648	2,917	1,201
<b>Total investment income</b>		<b>6,286</b>	<b>4,025</b>	<b>2,104</b>
Operating expenses	3	(97)	(111)	(42)
<b>Net income</b>		<b>6,189</b>	<b>3,914</b>	<b>2,062</b>
<b>Finance Costs</b>				
Distributions to Redeemable Participating Shareholders	9	(1,307)	(729)	(641)
<b>Profit before tax</b>		<b>4,882</b>	<b>3,185</b>	<b>1,421</b>
Non-reclaimable withholding tax		(204)	(269)	(225)
Adjustment from bid market prices to last traded market prices		12	1	-
<b>Increase in Net Assets Attributable to Redeemable Participating Shareholders</b>		<b>4,690</b>	<b>2,917</b>	<b>1,196</b>

There are no recognised gains or losses arising in the period other than the increase in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Net Assets attributable to Redeemable Participating Shareholders at the beginning of the period		58,729	27,510	27,509*
Increase in net assets attributable to Redeemable Participating Shareholders from Operations		4,690	2,917	1,196
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		19,804	47,716	8,729
Payment of redemption of Redeemable Participating Shares		(20,529)	(19,414)	(4,624)
<b>Net Assets attributable to Redeemable Participating Shareholders at the end of the year</b>		<b>62,694</b>	<b>58,729</b>	<b>32,810</b>

# iSHARES AEX

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	62,656	58,701	32,800
Debtors	5	251	63	116
Cash and bank balances		1,221	5	202
<b>Total current assets</b>		<b>64,128</b>	<b>58,769</b>	<b>33,118</b>
<b>Current liabilities</b>				
Creditors	6	(725)	(17)	(10)
Distributions to Redeemable Participating Shareholders payable	9	(723)	(25)	(298)
<b>Total Current Liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(1,448)</b>	<b>(42)</b>	<b>(308)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period (at bid prices)</b>		<b>62,680</b>	<b>58,727</b>	-
Adjustment from bid market prices to last traded market prices		14	2	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>62,694</b>	<b>58,729</b>	<b>32,810</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>1,200,000</b>	<b>1,200,000</b>	<b>700,000</b>
<b>Net asset value per Redeemable Participating share</b>		<b>€52.25</b>	<b>€48.94</b>	<b>€46.87</b>

The accompanying notes form an integral part of these financial statements.

\* The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by €1000 to account for assets at fair value in accordance with applicable accounting standards. (See Note 1(a)).

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>EUROPEAN UNION</b>		
	<b>Banks</b>		
227,742	ABN-Amro Holdings Com NPV	7,772,834	12.40
154,691	Fortis Com EUR0.42 (NET)	4,159,641	6.63
	<b>Brewers</b>		
28,767	Heineken NV Com EUR1.60	1,337,090	2.13
	<b>Business Training &amp; Employment Agencies</b>		
7,195	Randstad Holdings NV Com EUR0.10	295,499	0.47
20,402	Vedior NV-CVA Com EUR0.05	340,101	0.54
	<b>Consumer Electronics</b>		
136,647	Philips Electronic (KON) Com EUR0.20	3,953,198	6.31
	<b>Delivery Services</b>		
55,139	TNT NV Com EUR0.48	1,709,309	2.73
	<b>Fixed Line Telecommunications</b>		
172,602	KON KPN NV Com EUR0.24	1,974,567	3.15
	<b>Food Products</b>		
22,784	Numico (KON) NV Com EUR0.25	1,228,285	1.96
203,745	Unilever NV CVA Com EUR0.16	4,567,963	7.29
	<b>Food Retailers &amp; Wholesalers</b>		
188,470	Koninklijke Ahold NV Com EUR0.30	1,845,121	2.94
	<b>Industrial Suppliers</b>		
21,584	Corporate Express Com EUR1.20	177,852	0.28
61,224	Hagemeyer NV Com EUR1.20	190,407	0.30
	<b>Integrated Oil &amp; Gas</b>		
345,225	Royal Dutch Shell Class 'A' Com EUR0.07	9,825,104	15.67
	<b>Life Insurance</b>		
192,980	Aegon NV Com EUR0.12	2,584,002	4.12
262,514	ING Groep NV CVA Com EUR0.24	7,749,413	12.36
	<b>Oil Equipment &amp; Services</b>		
16,793	SBM Offshore Com EUR0.25	461,975	0.74
	<b>Publishing</b>		
87,459	Reed Elsevier NV Com EUR0.06	1,157,083	1.85
37,180	Wolters Kluwer Com EUR0.12	794,537	1.27
	<b>Real Estate Investment Trusts</b>		
4,482	Unibail Holding Com EUR5.00	792,194	1.26
	<b>Semiconductors</b>		
57,523	ASM Lithography Holding Com EUR0.02	1,249,975	2.00
	<b>Specialty Chemicals</b>		
33,558	Akzo Nobel NV Com EUR2.00	1,937,975	3.09
22,788	Koninklijke DSM NV Com EUR1.00	855,234	1.36
	<b>Steel</b>		
110,193	Arcelor Mittal Steel Company NV Com EUR0.01 (Netherlands)	5,320,118	8.49
1,284	Arcelor Mittal Steel Company NV Ord EUR0.01 (France)	61,952	0.10
	<b>Telecommunications Equipment</b>		
6,598	TomTom NV Com EUR0.20	314,988	0.50
	<b>EUROPEAN UNION - TOTAL</b>	<b>62,656,417</b>	<b>99.94</b>

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>TOTAL VALUE OF INVESTMENTS AT BID PRICES</b>	<b>62,656,417</b>	<b>99.94</b>
	<b>CASH*</b>	<b>1,221,376</b>	<b>1.95</b>
	<b>OTHER NET LIABILITIES</b>	<b>(1,197,297)</b>	<b>(1.91)</b>
	<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>62,680,496</b>	<b>99.98</b>
	Adjustment from bid market prices to last traded market prices	13,742	0.02
	<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>62,694,238</b>	<b>100.00</b>

\*All cash holdings are held with The Governor &amp; Company of the Bank of Ireland.

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE PERIOD ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS EUR	LARGEST PURCHASES	COST EUR
Royal Dutch Shell Class 'A' Com EUR0.07	3,271,131	Arcelor Mittal Steel Company NV Com EUR0.01 (Netherlands)	6,519,528
ING Groep NV CVA Com EUR0.24	3,216,362	Royal Dutch Shell Class 'A' Com EUR0.07	4,539,890
ABN-Amro Holdings Com NPV	3,150,160	ING Groep NV CVA Com EUR0.24	2,972,606
KON KPN NV Com EUR0.24	2,457,157	ABN-Amro Holdings Com NPV	2,316,287
Philips Electronic (KON) Com EUR0.20	2,413,187	Fortis Com EUR0.42 (NET)	1,649,279
Fortis Com EUR0.42 (NET)	2,232,086	Unilever NV CVA Com EUR0.16	1,442,531
Unilever NV CVA Com EUR0.16	1,956,862	Philips Electronic (KON) Com EUR0.20	1,339,405
Arcelor Mittal Steel Company NV Com EUR0.01 (Netherlands)	1,711,961	KON KPN NV Com EUR0.24	1,123,392
Aegon NV Com EUR0.12	1,271,212	Aegon NV Com EUR0.12	978,842
Heineken NV Com EUR1.60	1,035,055	Heineken NV Com EUR1.60	893,894
Akzo Nobel NV Com EUR2.00	818,661	TNT NV Com EUR0.48	641,242
TNT NV Com EUR0.48	738,855	Akzo Nobel NV Com EUR2.00	594,083
Koninklijke Ahold NV Com EUR0.25	638,156	Randstad Holdings NV Com EUR0.10	514,972
Rodamco Europe NV Com EUR8.00	511,275	Koninklijke Ahold NV Com EUR0.25	505,934
Reed Elsevier NV Com EUR0.06	495,037	Rodamco Europe NV Com EUR8.00	488,594
ASM Lithography Holding Com EUR0.02	478,971	Koninklijke Ahold NV Com EUR0.30	447,528
Koninklijke DSM NV Com EUR1.00	386,877	Reed Elsevier NV Com EUR0.06	400,173
Wolters Kluwer Com EUR0.12	380,744	Asm Lithography Holding Com EUR0.02	354,831
Numico (KON) NV Com EUR0.25	365,604	Numico (KON) NV Com EUR0.25	312,594
SBM Offshore Com EUR0.25	199,467	Wolters Kluwer Com EUR0.12	300,661

# NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

## 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

## 2. INCOME

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Dividends	1,625	1,106	901
Securities lending income	9	-	-
Interest income	4	2	2
<b>Income</b>	<b>1,638</b>	<b>1,108</b>	<b>903</b>

## 3. OPERATING EXPENSES

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Management fees	97	111	42
<b>Expenses</b>	<b>97</b>	<b>111</b>	<b>42</b>

Included in expenses are audit fees of £15,558 (28 February 2007: £110,939, 31 August 2006: £14,780) and directors fees of £12,191 (28 February 2007: £14,516, 31 August 2006: £12,258). For further details of management fee charges see note 8.

## 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Cost at beginning of period	55,469	25,158	25,158
Cost at end of period	57,038	55,469	29,871
Fair value at beginning of period	58,701	27,498	27,498
Fair value at end of period	<b>62,656</b>	<b>58,701</b>	<b>32,800</b>

## 5. DEBTORS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Dividends receivable	249	62	116
Securities lending income receivable	2	-	-
Interest income receivable	-	1	-
<b>Debtors</b>	<b>251</b>	<b>63</b>	<b>116</b>

## 6. CREDITORS (amounts falling due within one year)

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Accrued expenses	19	17	10
Purchases of securities awaiting settlement	706	-	-
<b>Creditors</b>	<b>725</b>	<b>17</b>	<b>10</b>

## 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares '000s	28 February 2007 No. of Shares '000s	31 August 2006 No. of Shares '000s
Balance at beginning of period	1,200	600	600
Issued during the period	400	1,000	200
Redeemed during the period	(400)	(400)	(100)
<b>Balance at end of period</b>	<b>1,200</b>	<b>1,200</b>	<b>700</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

## 8. FUTURES

The Fund did not hold any open futures as at 31 August 2007 and did not hold any open futures at 28 February 2007 or 31 August 2007.

## 9. FINANCE COST – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year.

Pay Date	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
June 2006	-	303	303
September 2006	-	299	298
December 2006	-	81	-
March 2007	-	25	-
June 2007	635	-	-
September 2007	723*	-	-
	<b>1,358</b>	<b>708</b>	<b>601</b>
Equalisation income	(57)	(30)	-
Equalisation expense	6	51	40
	<b>1,307</b>	<b>729</b>	<b>641</b>

\*Outstanding at period end

## 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect of the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

# NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2006 (CONTINUED)

## 10. FINANCIAL INSTRUMENTS AND RISKS (continued)

### Currency Risk (continued)

The table below shows the Fund's currency exposure at 31 August 2007 and comparatives for 28 February 2007. At 31 August 2006 all assets and liabilities were held in the reporting currency EUR. The fund had no currency exposure at 31 August 2006

	31 August 2007 Net currency exposure €	28 February 2007 Net currency exposure €	31 August 2006 Net currency exposure €
GBP	175	(11,910)	-
CHF	(1)	-	-
USD	260	-	-
	<b>434</b>	<b>(11,910)</b>	-

### Fair Value and Cash Flow Interest Rate Risk

The Fund did not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk. The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate profile of the financial assets as at 31 August 2007 is given below.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

# iSHARES DJ ASIA/PACIFIC SELECT DIVIDEND

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended* 28 February 2007 \$'000s	Six months ended* 31 August 2006 \$'000s
Operating Income	2	4,038	1,236	69
Net gains on financial assets at fair value through profit or loss		3,966	7,869	523
<b>Total investment income</b>		<b>8,004</b>	<b>9,105</b>	<b>592</b>
Operating expenses	3	(376)	(140)	(15)
<b>Net income</b>		<b>7,628</b>	<b>8,965</b>	<b>577</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	9	(2,915)	(607)	(67)
<b>Profit before tax</b>		<b>4,713</b>	<b>8,358</b>	<b>510</b>
Non-reclaimable withholding tax		(109)	(40)	-
Adjustment from bid market prices to last traded market prices		202	216	-
<b>Increase in net assets attributable to Redeemable Participating Shareholders</b>		<b>4,806</b>	<b>8,534</b>	<b>510</b>

There are no recognised gains or losses arising in the period other than the increase in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended* 28 February 2007 \$'000s	Six months ended* 31 August 2006 \$'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		93,667	-	-
Increase in net assets attributable to Redeemable Participating Shareholders from Operations		4,806	8,534	510
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		44,215	91,920	10,007
Payment on redemption of Redeemable Participating Shares		(7,090)	(6,787)	-
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>135,598</b>	<b>93,667</b>	<b>10,517</b>

# iSHARES DJ ASIA/PACIFIC SELECT DIVIDEND

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007

	Notes	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	133,651	92,756	10,513
Debtors	5	5,905	580	2
Cash and bank balances		1,668	814	75
<b>Total current assets</b>		<b>141,224</b>	<b>94,150</b>	<b>10,590</b>
<b>Current liabilities</b>				
Creditors	6	(4,730)	(50)	(6)
Distributions to Redeemable Participating Shareholders payable	9	(1,314)	(649)	(67)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(6,044)</b>	<b>(699)</b>	<b>(73)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>135,180</b>	<b>93,451</b>	-
Adjustment from bid market prices to last traded market prices		418	216	-
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period (at last traded market prices)</b>		<b>135,598</b>	<b>93,667</b>	<b>10,517</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>3,800,000</b>	<b>2,800,000</b>	<b>400,000</b>
<b>Net asset value per Redeemable Participating Share</b>		<b>\$35.68</b>	<b>\$33.45</b>	<b>\$26.29</b>

The accompanying notes form an integral part of these financial statements.

\* For the period commencing 2 June 2006



# iSHARES DJ ASIA/PACIFIC SELECT DIVIDEND

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVTMENT	FAIR VALUE USD	% OF FUND
	<b>AUSTRALIA</b>				<b>Telecommunications Equipment</b>		
	<b>Airlines</b>			673,000	Vtech Holdings Com USD0.05	5,097,079	3.76
855,307	Qantas Airways Com NPV	3,841,009	2.83		<b>HONG KONG - TOTAL</b>	<b>23,747,655</b>	<b>17.51</b>
	<b>Banks</b>						
156,390	Australia & New Zealand Banking Group Com NPV	3,687,157	2.72		<b>JAPAN</b>		
97,598	Commonwealth Bank of Australia Com NPV	4,359,107	3.21	100,430	<b>Consumer Finance</b>		
137,230	National Australia Bank Com NPV	4,456,807	3.29		Takefuji Corporation Com NPV	2,685,873	1.98
140,689	St George Bank Com NPV	3,906,436	2.88		<b>JAPAN - TOTAL</b>	<b>2,685,873</b>	<b>1.98</b>
233,293	Suncorp-Metway Limited Com NPV	3,795,910	2.80				
201,819	Westpac Banking Corporation Com NPV	4,457,754	3.29		<b>NEW ZEALAND</b>		
	<b>Brewers</b>			2,324,105	<b>Fixed Line Telecommunications</b>		
577,278	Lion Nathan Limited Com NPV	4,273,765	3.15		Telecom Corporation of New Zealand Com NPV	6,979,431	5.15
	<b>Containers &amp; Packaging</b>				<b>NEW ZEALAND - TOTAL</b>	<b>6,979,431</b>	<b>5.15</b>
652,879	Amcor Com NPV	4,020,803	2.97				
	<b>Diversified Industrials</b>				<b>SINGAPORE</b>		
1,366,546	CSR Limited Com NPV	3,713,257	2.74	1,940,000	<b>Communications</b>		
	<b>Farming &amp; Fishing</b>				Singapore Telecommunications Com SGD0.15	4,634,204	3.42
2,416,800	Futuris Corporation Com NPV	4,777,836	3.52	496,000	<b>Consolidated Enterprises</b>		
	<b>Fixed Line Telecommunications</b>				Orient Overseas International Limited Com USD0.10	5,372,393	3.96
1,805,236	Telstra Corporation Com NPV	6,417,999	4.73		<b>Integrated Oil &amp; Gas</b>		
	<b>Gambling</b>			1,357,000	Singapore Petrol Com SGD0.50	5,254,166	3.87
321,608	Tabcorp Holdings Com NPV	4,000,540	2.95		<b>SINGAPORE - TOTAL</b>	<b>15,260,763</b>	<b>11.25</b>
	<b>Heavy Construction</b>						
30,965	BBI EPS Ltd Exchangeable Preferred	21,967	0.02		<b>TOTAL VALUE OF INVESTMENTS AT BID PRICES</b>	<b>133,650,632</b>	<b>98.56</b>
	<b>Pipelines</b>				<b>CASH*</b>	<b>1,667,823</b>	<b>1.23</b>
122,719	APA Group Com NPV	370,399	0.27		<b>OTHER NET LIABILITIES</b>	<b>(139,062)</b>	<b>(0.10)</b>
	<b>Property &amp; Casualty Insurance</b>				<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>135,179,393</b>	<b>99.69</b>
848,792	Insurance Australia Group Com NPV	3,452,674	2.55		Adjustment from bid market prices to last traded market prices	418,326	0.31
	<b>Steel</b>				<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>135,597,719</b>	<b>100.00</b>
668,421	Bluescope Steel Com NPV	5,802,281	4.28				
820,871	Onesteel Com NPV	4,006,918	2.96				
	<b>Transportation Services</b>						
3,994,739	Babcock & Brown Infrastructure Stapled Units	5,541,113	4.08				
	<b>Waste &amp; Disposal Services</b>						
1,213,841	MacQuarie Infrastructure Group Com NPV	3,239,067	2.39				
300,442	Sims Group Limited Com NPV	6,834,111	5.04				
	<b>AUSTRALIA - TOTAL</b>	<b>84,976,910</b>	<b>62.67</b>				
	<b>HONG KONG</b>						
	<b>Banks</b>						
1,527,000	BOC Hong Kong Holdings Com HKD5.00	3,662,411	2.70				
477,600	The Bank of East Asia Com HKD2.50	2,652,397	1.96				
	<b>Diversified Industrials</b>						
975,000	Citic Pacific Com HKD0.40	5,320,967	3.92				
	<b>Electricity</b>						
500,000	China Light & Power Holdings Com HKD5.00	3,443,743	2.54				
713,000	Hong Kong Electric Holdings Com HKD1.00	3,571,058	2.63				

\*All cash holdings are held with The Governor & Company of the Bank of Ireland.

# iSHARES DJ ASIA/PACIFIC SELECT DIVIDEND

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS USD	LARGEST PURCHASES	COST USD
Alinta Limited NPV	4,884,779	Singapore Petrol Com SGD0.50	5,560,641
Suncorp-Metway Limited Com NPV	626,577	Telecom Corporation of New Zealand Com NPV	2,656,423
Telecom Corporation of New Zealand Com NPV	459,274	Telstra Corporation Com NPV	2,262,436
Telstra Corporation Com NPV	387,304	Bluescope Steel Com NPV	2,051,880
Babcock & Brown Infrastructure Stapled Units	346,732	Sims Group Limited Com NPV	1,984,992
Sims Group Limited Com NPV	339,362	Babcock & Brown Infrastructure Stapled Units	1,981,581
Bluescope Steel Com NPV	331,227	Alinta Limited NPV	1,612,217
Vtech Holdings Com USD0.05	309,640	Vtech Holdings Com USD0.05	1,609,989
National Australia Bank Com NPV	267,437	National Australia Bank Com NPV	1,588,542
Futuris Corporation Com NPV	258,472	Futuris Corporation Com NPV	1,529,433
Tabcorp Holdings Com NPV	257,789	Tabcorp Holdings Com NPV	1,484,230
Orient Overseas International Limited Com USD0.10	256,284	Westpac Banking Corporation Com NPV	1,466,846
Westpac Banking Corporation Com NPV	251,166	Orient Overseas International Limited Com USD0.10	1,420,109
Singapore Telecommunications Com SGD0.15	249,884	Singapore Telecommunications Com SGD0.15	1,406,211
Lion Nathan Limited Com NPV	244,073	Lion Nathan Limited Com NPV	1,405,270
Insurance Australia Group Com NPV	240,400	Commonwealth Bank of Australia Com NPV	1,375,848
CSR Limited Com NPV	238,671	CSR Limited Com NPV	1,372,430
Commonwealth Bank of Australia Com NPV	237,663	Insurance Australia Group Com NPV	1,361,555
Citic Pacific Com HKD0.40	235,498	St George Bank Com NPV	1,360,826
Hong Kong Electric Holdings Com HKD1.00	231,965	Suncorp-Metway Limited Com NPV	1,324,404

# iSHARES DJ ASIA/PACIFIC SELECT DIVIDEND

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Dividends	3,995	1,193	67
Interest income	43	43	2
<b>Income</b>	<b>4,038</b>	<b>1,236</b>	<b>69</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Management fees	376	140	15
<b>Expenses</b>	<b>376</b>	<b>140</b>	<b>15</b>

Included in expenses are audit fees of \$7,578 (February 2007: \$14,450 August 2006:\$nil) and directors fees of \$2,960 (February 2007: \$5,966 August 2006:\$nil)

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Cost at beginning of period	87,539	-	-
Cost at end of period	126,156	87,539	9,977
Fair value at beginning of period	92,756	-	-
Fair value at end of period	<b>133,651</b>	<b>92,756</b>	<b>10,513</b>

### 5. DEBTORS

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Dividends receivable	1,271	550	-
Interest income receivable	3	30	2
Sales of securities awaiting settlement	4,631	-	-
<b>Debtors</b>	<b>5,905</b>	<b>580</b>	<b>2</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Accrued expenses	83	50	6
Purchases of Investments awaiting settlement	4,647	-	-
<b>Creditors</b>	<b>4,730</b>	<b>50</b>	<b>6</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares '000s	28 February 2007 No. of Shares '000s	31 August 2006 No. of Shares '000s
Issued during the period	2,800	-	-
Redeemed during the period	1,200	3,000	500
Balance at beginning of period	(200)	(200)	(100)
<b>Balance at end of period</b>	<b>3,800</b>	<b>2,800</b>	<b>400</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The fund did not hold any open futures at 28 February 2007 and 31 August 2006.

### 9. FINANCE COSTS – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year.

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
<b>Pay date</b>			
June 2006	-	-	-
September 2006	-	68	67
December 2006	-	588	-
March 2007	-	649	-
June 2007	2,236	-	-
September 2007	1,314*	-	-
	<b>3,550</b>	<b>1,305</b>	<b>67</b>
Equalisation income	(635)	(750)	-
Equalisation expense	-	52	-
	<b>2,915</b>	<b>607</b>	<b>67</b>

\*Outstanding at period end

# iSHARES DJ ASIA/PACIFIC SELECT DIVIDEND

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's net currency exposure at 31 August 2007 and comparatives for 28 February 2007 and 31 August 2006

Currency	31 August 2007 Net Currency exposure \$	28 February 2007 Net Currency exposure \$	31 August 2006 Net Currency exposure \$
AUD	90,722,887	62,778,188	6,962,236
EUR	(1,094)	(1,042)	-
GBP	(3,362)	(164,648)	-
HKD	24,612,721	18,802,434	3,272,432
JPY	2,685,879	2,884,630	-
NZD	7,174,667	5,899,598	277,968
SGD	10,811,606	2,960,782	-
	<b>136,003,304</b>	<b>93,159,942</b>	<b>10,512,636</b>

#### Fair value and cash flow interest rate risk

The Fund does not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

# iSHARES DJ EURO STOXX GROWTH

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Operating income	2	1,425	1,579	1,209
Net gains/(losses) on financial assets at fair value through profit or loss		4,462	4,414	(1,401)
<b>Total Investment income</b>		<b>5,887</b>	<b>5,993</b>	<b>(192)</b>
Operating expenses	3	(175)	(252)	(106)
<b>Net income</b>		<b>5,712</b>	<b>5,741</b>	<b>(298)</b>
<b>Finance Costs</b>				
Distributions to Redeemable Participating Shareholders	9	(1,208)	(994)	(845)
<b>Profit/(loss) before tax</b>		<b>4,504</b>	<b>4,747</b>	<b>(1,143)</b>
Non-reclaimable withholding tax		(64)	(334)	(277)
Adjustment from bid market prices to last traded market prices		50	(37)	-
<b>Increase/(decrease) in net assets attributable to Redeemable Participating Shareholders</b>		<b>4,490</b>	<b>4,376</b>	<b>(1,420)</b>

There are no recognised gains or losses arising in the period other than the decrease in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Net Assets attributable to Redeemable Participating Shareholders at the beginning of the period		86,454	26,359	26,343*
Increase/(decrease) in net assets attributable to Redeemable Participating Shareholders from Operations		4,490	4,376	(1,420)
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		6,297	74,417	43,824
Payment on redemption of Redeemable Participating Shares		(8,469)	(18,698)	(7,834)
<b>Net Assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>88,772</b>	<b>86,454</b>	<b>60,913</b>

# iSHARES DJ EURO STOXX GROWTH

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	88,714	86,433	60,464
Debtors	5	5	6,074	2
Cash and bank balances		804	198	788
<b>Total current assets</b>		<b>89,523</b>	<b>92,705</b>	<b>61,254</b>
<b>Current Liabilities</b>				
Creditors	6	(35)	(6,078)	(24)
Distributions to Redeemable Participating Shareholders payable	9	(745)	(152)	(317)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(780)</b>	<b>(6,230)</b>	<b>(341)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>88,743</b>	<b>86,475</b>	-
Adjustment from bid market prices to last traded market prices		29	(21)	-
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period (at last traded market prices)</b>		<b>88,772</b>	<b>86,454</b>	<b>60,913</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>2,900,000</b>	<b>3,000,000</b>	<b>2,300,000</b>
<b>Net asset value per Redeemable Participating Share</b>		<b>€30.61</b>	<b>€28.82</b>	<b>€26.48</b>

The accompanying notes form an integral part of these financial statements.

\* The opening figure for Net assets attributable to Redeemable participating Shareholders has been restated by €16,000 to account for assets at fair value in accordance with applicable accounting standards. (See Note 1 (a)).

# iSHARES DJ EURO STOXX GROWTH

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>EUROPEAN UNION</b>				<b>Electricity</b>		
	<b>Aerospace</b>			17,666	Electricite De France Com EUR0.50	1,309,227	1.47
19,445	Safran Com EUR0.20	336,982	0.38	5,046	Oest Elektrizitats Class 'A' Com NPV	183,826	0.21
	<b>Apparel Retailers</b>				<b>Electronic Equipment</b>		
19,364	Inditex SA Com EUR0.15	832,846	0.94	64,210	Siemens AG Com NPV (Regd)	5,901,541	6.65
	<b>Automobiles</b>				<b>Fixed Line Telecommunications</b>		
3,814	Bayer Motoren Werk Non-Voting Pref EUR1.00	138,029	0.16	328,767	Telefonica SA Com EUR1.00	5,986,847	6.74
24,516	Bayerische Motoren Werke Com EUR1.00	1,092,678	1.23	25,616	Telekom Austria Ta Com NPV (Bearer)	483,886	0.55
	<b>Banks</b>				<b>Food Products</b>		
55,384	Anglo Irish Bank Corporation Ord EUR0.16	755,992	0.85	36,709	Groupe Danone Com EUR0.25	2,052,400	2.31
48,707	Banca Popolare United Com EUR2.50	912,769	1.03		<b>Food Retailers &amp; Wholesalers</b>		
74,566	Banco De Sabadell SA Com EUR0.125	532,401	0.60	41,454	Carrefour Com EUR2.50	2,129,492	2.40
6,099	Banco Espana De Credito Com EUR0.79	87,216	0.10		<b>Full Line Insurance</b>		
20,867	EFG Eurobank Ergasias Com EUR2.75 (Nil Paid Rights)	13,911	0.02	92,027	Assic Generali SPA Com EUR1.00	2,753,448	3.10
20,867	EFG Eurobank Ergasias Com EUR2.75	521,675	0.59		<b>Health Care Providers</b>		
16,675	Erste Bank Der Ost Com NPV	886,943	1.00	14,043	Fresenius Medical Care AG Com NPV	506,391	0.57
3,226	Raiffeisen International Bank Holding Com NPV (Regd)	340,343	0.38		<b>Heavy Construction</b>		
794,446	Unicredito Italiano SPA Com EUR0.50	5,005,010	5.64	1,948	Acciona SA Com EUR1.00	358,529	0.40
	<b>Brewers</b>			15,273	ACS Actividades Company Com EUR 0.50	615,807	0.69
15,295	Inbev Com NPV	919,077	1.04	20,897	Bouygues Com EUR1.00	1,208,056	1.36
	<b>Broadcasting &amp; Entertainment</b>			4,388	Grupo Ferrovial Com EUR1.00	282,368	0.32
1,098	RTL Group Com NPV	86,226	0.10	8,962	Sacyr Vallehermoso SA Com EUR 1.00	259,898	0.29
88,137	Vivendi Com EUR5.50	2,644,991	2.98	36,965	Vinci Com EUR2.50	1,931,052	2.18
	<b>Broadline Retailers</b>				<b>Industrial Machinery</b>		
12,312	Metro AG Ord NPV	780,335	0.88	7,924	Alstom Com EUR14.00 (Post- Consolidation)	1,051,119	1.18
	<b>Building Materials &amp; Fixtures</b>			4,040	Vallourec (Usin A T) Com EUR4.00	791,961	0.89
41,420	CRH Ord EUR0.32	1,308,872	1.47		<b>Integrated Oil &amp; Gas</b>		
	<b>Clothing &amp; Accessories</b>			1,261	CIA Espanola De Petroleos SA Com EUR1.00	88,018	0.10
4,247	Christian Dior Com EUR2.00	378,535	0.43	172,691	Total SA Com EUR2.50	9,541,178	10.75
5,693	Hermes International Com NPV	448,836	0.51		<b>Investment Services</b>		
10,297	Luxottica Group Com EUR0.06	258,970	0.29	15,557	Deutsche Boerse Com NPV	1,260,273	1.42
19,612	LVMH Moet-Hennessy Com EUR0.30	1,607,400	1.81		<b>Nondurable Household Products</b>		
	<b>Commercial Vehicles &amp; Trucks</b>			13,581	Henkel KGAA Non-Voting Pref NPV	514,312	0.58
7,535	Man AG Ord NPV	793,134	0.89	8,304	Henkel KGAA Com NPV (Br)	286,488	0.32
	<b>Commodity Chemicals</b>				<b>Personal Products</b>		
18,488	Air Liquide Class 'L' Com EUR5.50	1,729,552	1.95	6,126	Beiersdorf AG Com NPV	302,073	0.34
	<b>Consumer Electronics</b>			19,981	L'Oreal SA Com EUR0.20	1,717,367	1.93
87,103	Philips Electronic (KON) Com EUR0.20	2,519,890	2.84		<b>Pharmaceuticals</b>		
	<b>Distillers &amp; Vintners</b>			729	Bayer Schering Pharmaceutical AG Com NPV	76,042	0.09
6,575	Pernod Ricard Com NPV	1,016,035	1.14	79,138	Sanofi-Aventis Com EUR2.00	4,741,949	5.34
	<b>Electrical Components &amp; Equipment</b>			9,470	Lagardere SCA Com EUR6.10 (Regd)	567,348	0.64
18409	Schneider Electric Com EUR8.00	1,791,380	2.02		<b>Real Estate Holding &amp; Development</b>		
				1,500	Metrovacesa Com EUR1.50	117,000	0.13
					<b>Semiconductors</b>		
				35,151	Asm Lithography Holding Com EUR0.02	763,831	0.86

# iSHARES DJ EURO STOXX GROWTH

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2006

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>EUROPEAN UNION (Continued)</b>		
50,340	Stmicroelectronics Com EUR1.04	642,841	0.72
	<b>Software</b>		
67,897	SAP AG Ord NPV	2,690,078	3.03
	<b>Steel</b>		
35,860	Tenaris SA Com USD 1.00	614,640	0.69
	<b>Telecommunications Equipment</b>		
299,145	Nokia OYJ Com EUR0.06	7,227,342	8.14
	<b>Tobacco</b>		
19,539	Altadis SA Com EUR0.60 (Regd)	951,940	1.07
	<b>Tyres</b>		
11,178	Continental AG Ord Com NPV	1,065,711	1.20
	<b>EUROPEAN UNION - TOTAL</b>	<b>88,714,307</b>	<b>99.93</b>
	<b>TOTAL VALUE OF INVESTMENTS</b>		
	<b>AT BID PRICES</b>	<b>88,714,307</b>	<b>99.93</b>
	<b>CASH *</b>	<b>803,944</b>	<b>0.91</b>
	<b>OTHER NET LIABILITIES</b>	<b>(775,302)</b>	<b>(0.87)</b>
	<b>TOTAL VALUE OF FUND AT BID</b>		
	<b>MARKET PRICES</b>	<b>88,742,949</b>	<b>99.97</b>
	Adjustment from bid market prices to last traded market prices	28,921	0.03
	<b>TOTAL VALUE OF FUNDS AT LAST TRADED MARKET PRICES</b>	<b>88,771,870</b>	<b>100.00</b>

\*All cash holdings held with The Governor & Company of the Bank of Ireland



# iSHARES DJ EURO STOXX GROWTH

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS EUR	LARGEST PURCHASES	COST EUR
Allianz AG Com NPV (Regd)	5,128,103	Banca Popolare United Com EUR2.50	1,021,692
Total SA Com EUR2.50	1,175,997	Anglo Irish Bank Corporation Ord EUR0.16	923,381
Nokia OYJ Com EUR0.06	1,010,099	Total SA Com EUR2.50	816,091
Unicredito Italiano SPA Com EUR0.50	691,447	Alstom Com EUR14.00 (Post-Consolidation)	741,251
Siemens AG Com NPV (Regd)	691,068	Man AG Ord NPV	655,901
Telefonica SA Com EUR1.00	678,372	Euronext Com EUR6.00	650,350
Euronext Com EUR6.00	672,568	Banco De Sabadell SA Com EUR0.125	618,413
Sanofi-Aventis Com EUR2.00	653,908	Tenaris SA Com USD1.00	584,006
Carrefour Com EUR2.50	578,958	Telekom Austria Ta Com NPV (Bearer)	561,265
Philips Electronic (KON) Com EUR0.20	339,636	Nokia OYJ Com EUR0.06	552,411
Assic Generali SPA Com EUR1.00	336,797	Siemens AG Com NPV (Regd)	543,083
Vivendi Com EUR5.50	334,617	Hermes International Com NPV	505,519
SAP AG Ord NPV	299,808	Fresenius Medical Care AG Com NPV	503,546
Groupe Danone Com EUR0.25	287,901	Sanofi-Aventis Com EUR2.00	489,237
L'Oreal SA Com EUR0.20	280,596	Unicredito Italiano SPA Com EUR0.50	482,499
Schneider Electric Com EUR8.00	215,126	Telefonica SA Com EUR1.00	474,236
Vinci Com EUR2.50	211,365	Acciona SA Com EUR1.00	404,039
Air Liquide Class 'L' Com EUR5.50	209,768	Vivendi Com EUR5.50	236,458
LVMH Moët-Hennessy Com EUR0.30	204,143	SAP AG Ord NPV	225,242
Pernod Ricard Com NPV	193,329	Assic Generali SPA Com EUR1.00	224,612

# iSHARES DJ EURO STOXX GROWTH

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Dividends	1,273	1,553	1,202
Securities lending income	143	12	-
Interest income	9	14	7
<b>Income</b>	<b>1,425</b>	<b>1,579</b>	<b>1,209</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Management fees	175	252	106
<b>Expenses</b>	<b>175</b>	<b>252</b>	<b>106</b>

Included in expenses are audit fees of €5,558 (February 2007: €10,939 August 2006: €9,548) and Directors fees of €2,191 (February 2007: €4,516 August 2006: €2,258).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Cost at beginning of period	80,526	24,734	24,734
Cost at end of period	79,680	80,526	60,454
Fair value at beginning of period	86,433	26,340	26,340
Fair value at end of period	<b>88,714</b>	<b>86,433</b>	<b>60,464</b>

### 5. DEBTORS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Securities lending income receivable	4	5	-
Interest income receivable	1	8	2
Subscriptions of units awaiting settlement	-	6,061	-
<b>Debtors</b>	<b>5</b>	<b>6,074</b>	<b>2</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Accrued expenses	35	32	24
Purchases of securities awaiting settlement	-	6,011	-
Redemptions awaiting settlement	-	35	-
<b>Creditors</b>	<b>35</b>	<b>6,078</b>	<b>24</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares '000s	28 February 2007 No. of Shares '000s	31 August 2006 No. of Shares '000s
Balance at beginning of period	3,000	1,000	1,000
Issued during the period	200	2,700	1,600
Redeemed during the period	(300)	(700)	(300)
<b>Balance at end of period</b>	<b>2,900</b>	<b>3,000</b>	<b>2,300</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The Fund did not hold any open futures at 28 February 2007 and 31 August 2006.

### 9. FINANCE COSTS – DIVIDENDS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year.

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
<b>Pay Date</b>			
June 2006	-	616	616
September 2006	-	319	317
December 2006	-	35	-
March 2007	-	152	-
June 2007	495	-	-
September 2007	745*	-	-
	<b>1,240</b>	<b>1,122</b>	<b>933</b>
Equalisation income	(32)	(177)	(88)
Equalisation expense	-	49	-
	<b>1,208</b>	<b>994</b>	<b>845</b>

\*Outstanding at period end

# iSHARES DJ EURO STOXX GROWTH

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to the risk that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's currency exposure at 31 August 2007 and comparatives for 28 February 2007. At 31 August 2006 all assets and liabilities were held in the functional currency EUR. The fund had no currency exposure at 31 August 2006.

	31 August 2007	28 February 2007	31 August 2006
	Net	Net	Net
	currency	currency	currency
	exposure	exposure	exposure
Currency	€	€	€
GBP	4,807	(10,046)	-
	<b>4,807</b>	<b>(10,046)</b>	-

#### Fair value and cash flow interest rate risk

The Fund does not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash accounts that earn interest are stated in note 13 on pages 17 and 18.

# iSHARES DJ EURO STOXX MIDCAP

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Operating income	2	3,410	3,721	2,856
Net (losses) /gains on financial assets at fair value through profit or Loss		(101)	25,667	4,335
<b>Total investment income</b>		<b>3,309</b>	<b>29,388</b>	<b>7,191</b>
Operating expenses	3	(431)	(570)	(292)
<b>Net income</b>		<b>2,878</b>	<b>28,818</b>	<b>6,899</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	9	(2,942)	(2,578)	(1,989)
Interest expense		(4)	-	-
<b>(Loss)/Profit before tax</b>		<b>(68)</b>	<b>26,240</b>	<b>4,910</b>
Non-reclaimable withholding tax		(168)	(522)	(605)
Adjustment from bid market prices to last traded market prices		117	(78)	-
<b>(Decrease)/Increase in net assets attributable to Redeemable Participating Shareholders</b>		<b>(119)</b>	<b>25,640</b>	<b>4,305</b>

There are no recognised gains or losses arising in the year other than the increase in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Net Assets attributable to Redeemable Participating Shareholders at the beginning of the period		181,114	128,173	128,042*
(Decrease)/Increase in net assets attributable to Redeemable Participating Shareholders from Operations		(119)	25,640	4,305
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		57,737	35,946	17,124
Payment on redemption of Redeemable Participating Shares		(4,790)	(8,645)	-
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>233,942</b>	<b>181,114</b>	<b>149,471</b>

# iSHARES DJ EURO STOXX MIDCAP

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	232,680	180,982	148,495
Debtors	5	36	89	10
Cash and bank balances		3,145	680	1,983
<b>Total current assets</b>		<b>235,861</b>	<b>181,751</b>	<b>150,488</b>
<b>Current liabilities</b>				
Creditors	6	(96)	(70)	(57)
Distributions to Redeemable Participating Shareholders payable	9	(1,993)	(620)	(960)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(2,089)</b>	<b>(690)</b>	<b>(1,017)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>233,772</b>	<b>181,061</b>	-
Adjustment from bid market prices to last traded market prices		170	53	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>233,942</b>	<b>181,114</b>	<b>149,471</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>4,700,000</b>	<b>3,700,000</b>	<b>3,500,000</b>
<b>Net asset value per Redeemable Participating share</b>		<b>€49.77</b>	<b>€48.95</b>	<b>€42.71</b>

The accompanying notes form an integral part of these financial statements.

\* The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by €131,000 to account for assets at fair value in accordance with applicable accounting standards. (See Note 1(a)).

# iSHARES DJ EURO STOXX MIDCAP

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>EUROPEAN UNION</b>				<b>Electricity</b>		
	<b>Aerospace</b>			54,040	Red Electrica De E Com EUR2.00	1,784,401	0.76
129,384	Safran Com EUR0.20	2,242,225	0.96	653,776	Terna SPA Com EUR0.22	1,690,011	0.72
	<b>Airlines</b>			60,478	Union Fenosa Com EUR3.00	2,422,144	1.04
97,129	Air France-KLM Com EUR8.50	2,951,750	1.26		<b>Electronic Office Equipment</b>		
114,911	Deutsche Lufthansa Ord NPV (Regd)	2,459,095	1.05	16,152	Neopost Com EUR1.00	1,813,708	0.78
	<b>Banks</b>				<b>Fixed Line Telecommunications</b>		
209,080	Banca Popolare Di Milano Com EUR4.00	2,222,520	0.95	78,892	Belgacom SA Com NPV	2,527,700	1.08
123,434	Banco Espirito Santo SA Com EUR5.00 (Regd)	1,956,429	0.84	75,041	Elisa Corporation Com EUR0.50	1,527,835	0.65
136,497	Bank of Piraeus Com EUR 4.77	3,426,075	1.46	150,338	Hellenic Telecom Org SA (OTE) Com EUR2.39	3,608,112	1.54
132,886	Bank of Piraeus Com EUR4.77 (Nil Paid Rights)	144,846	0.06	167,835	Telekom Austria Ta Com NPV (Bearer)	3,170,403	1.36
125,664	Bankinter SA Com EUR1.50 (Regd)	1,413,720	0.60	89,519	<b>Food Products</b>		
628,752	BCA MPS Com EUR0.67	2,929,984	1.25	783,589	Numico (KON) NV Com EUR0.25	4,825,969	2.07
176,736	Depfa Bank Com EUR0.30	2,460,165	1.05		Parmalat SPA Com EUR2.00	2,066,716	0.89
41,027	DT Postbank AG Com NPV (Regd)	2,180,995	0.93		<b>Food Retailers &amp; Wholesalers</b>		
137,117	EFG Eurobank Ergasias Com EUR2.75 (Nil Paid Rights)	91,411	0.04	24,083	Casino Guich-Perr Com EUR1.53	1,805,262	0.77
137,117	EFG Eurobank Ergasias Com EUR2.75	3,427,925	1.47	48,635	Delhaize Group Com NPV	3,488,102	1.49
194,140	Mediobanca SPA Com EUR0.50	3,067,412	1.31		<b>Footwear</b>		
189,967	Natexis Banques Populaires Com EUR16.00	2,967,285	1.27	5,850	Puma AG Com DEM5.00	1,728,032	0.74
21,431	Raiffeisen International Bank Holding Com NPV (Regd)	2,260,971	0.97		<b>Gambling</b>		
	<b>Brewers</b>			105,141	OPAP Com EUR0.30	2,824,087	1.21
53,076	Heineken Holding Com EUR1.60	2,133,655	0.91		<b>Gas Distribution</b>		
	<b>Broadcasting &amp; Entertainment</b>			90,133	Enagas SA Com EUR1.50	1,505,221	0.64
360,603	Mediaset Com EUR0.52	2,809,097	1.20	58,290	Gas Natural SDG Com EUR1.00	2,277,390	0.98
178,581	SES FDR Com NPV	2,878,726	1.23	97,891	Gaz De France Com EUR1.00	3,602,389	1.54
61,586	TF1-TV Francaise Com EUR0.21	1,317,940	0.56	414,181	Snam Rete Gas SPA Com EUR1.00	1,782,014	0.76
136,721	Thomson Com EUR3.75	1,642,019	0.70		<b>Health Care Providers</b>		
	<b>Building Materials &amp; Fixtures</b>			38,751	Fresenius AG Non-Voting Pref NPV	2,085,191	0.89
37,185	Wienerberger AG Com NPV	1,947,378	0.83	92,595	Fresenius Medical Care AG Com NPV	3,338,976	1.43
	<b>Business Training &amp; Employment Agencies</b>				<b>Heavy Construction</b>		
32,013	Randstad Holdings NV Com EUR0.10	1,314,774	0.56	12,835	Acciona SA Com EUR1.00	2,362,282	1.01
	<b>Clothing &amp; Accessories</b>			27,224	Eiffage Com EUR4.00	2,341,264	1.00
28,177	Christian Dior Com EUR2.00	2,511,416	1.07	21,348	Fomento de Construcciones y Contratas Com EUR1.00	1,363,070	0.58
37,520	Hermes International Com NPV	2,958,077	1.26	29,255	Grupo Ferrovial EUR1.00	1,882,559	0.80
69,286	Luxottica Group Com EUR0.06	1,742,543	0.74	24,246	Hochtief AG Com NPV	1,779,414	0.76
	<b>Commodity Chemicals</b>			58,541	Sacyr Vallehermoso SA Com EUR1.00	1,697,689	0.73
42,413	Lanxess AG Com NPV	1,556,557	0.67		<b>Industrial Machinery</b>		
	<b>Computer Services</b>			76,949	Gamesa Corporation techno Com EUR0.17	2,249,989	0.96
34,713	Atos Origin Com EUR1.00	1,430,870	0.61	47,171	Kone Corporation Class 'B' Ord NPV	2,259,491	0.97
72,257	Cap Gemini Sogeti Com EUR8.00	3,432,208	1.47	63,296	Metso Oyj Com EUR1.70	2,976,178	1.27
	<b>Defence</b>				<b>Integrated Oil &amp; Gas</b>		
144,278	Finmeccanica Ord EUR4.40	3,096,206	1.33	63,849	Neste Oil Oyj Com NPV	1,619,211	0.69
46,613	Thales Com EUR3.00	1,941,431	0.83	76,743	OMV AG Com NPV	3,484,132	1.49
	<b>Distillers &amp; Vintners</b>				<b>Life Insurance</b>		
162,386	C&C Group Ord EUR0.01	868,765	0.37	212,120	Alleanza Assicuraz EUR0.50	2,001,352	0.86
	<b>Drug Retailers</b>			20,100	CNP Assurance Com EUR4.00	1,878,948	0.80
40,170	Celesio AG Com NPV (Regd)	1,843,803	0.79	138,122	Irish Life & Permanent Ord EUR0.32	2,515,202	1.08
					<b>Media Agencies</b>		
				68,868	Publicis Groupe SA Com EUR0.40	2,183,804	0.94

# iSHARES DJ EURO STOXX MIDCAP

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>EUROPEAN UNION (Continued)</b>				<b>TOTAL VALUE OF INVESTMENTS AT BID PRICES</b>	<b>232,680,126</b>	<b>99.47</b>
	<b>Mortgage Finance</b>				<b>CASH*</b>	<b>3,144,565</b>	<b>1.34</b>
67,357	Hypo Real Estate Com NPV	2,711,119	1.16		<b>OTHER NET LIABILITIES</b>	<b>(2,052,081)</b>	<b>(0.88)</b>
	<b>Nondurable Household Products</b>				<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>233,772,610</b>	<b>99.93</b>
89,527	Henkel KGAA Non-Voting Pref NPV	3,390,387	1.45		Adjustment from bid market prices to last traded market prices	169,798	0.07
	<b>Oil Equipment &amp; Services</b>				<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>233,942,408</b>	<b>100.00</b>
13,688	Compagnie Generale De Geophysique- Veritas Com EUR2.00	2,570,196	1.10				
1,473	Groupe Bruxelles Lambert VVPR Strips	15	-				
125,947	Saipem Com EUR100	3,454,726	1.48				
70,739	Sbm Offshore Com EUR0.25	1,946,030	0.83				
53,570	Technip Com NPV	3,126,345	1.34				
	<b>Personal Products</b>						
40,079	Beiersdorf AG Series 'A B C' Com NPV	1,976,295	0.84				
	<b>Pharmaceuticals</b>						
35,351	Altana AG Com NPV	592,129	0.25				
234,900	Elan Corporation Ord EUR0.05	3,260,412	1.40				
32,451	Merck KGAA Ord NPV	3,043,579	1.30				
49,577	UCB SA Com NPV	2,041,581	0.87				
	<b>Publishing</b>						
154,424	Wolters Kluwer Com EUR0.12	3,300,041	1.41				
	<b>Real Estate Holding &amp; Development</b>						
229,542	Immofinanz AG Com NPV	2,100,309	0.90				
150,694	Meinl European Land Com EUR5.00	2,013,272	0.86				
	<b>Real Estate Investment Trusts</b>						
33,713	Corio NV Com EUR10.00	1,923,664	0.82				
	<b>Restaurants &amp; Bars</b>						
50,431	Sodexo Alliance Com EUR4.00	2,431,783	1.04				
	<b>Semiconductors</b>						
375,237	Infineon Technologies Ord NPV (Regd)	4,288,959	1.83				
	<b>Soft Drinks</b>						
55,360	Coca-Cola Hellenic Bottling Company SA Com EUR0.50	1,935,386	0.83				
	<b>Speciality Chemicals</b>						
101,507	Koninklijke DSM NV Com EUR1.00	3,809,558	1.63				
50,037	Rhoda SA Com EUR12.00	1,510,117	0.65				
29,792	Solvay SA Com NPV	3,241,072	1.39				
13,102	Umicore Com NPV	2,202,053	0.94				
	<b>Speciality Finance</b>						
42,066	Groupe Bruxelles Lambert SA Com NPV	3,634,502	1.55				
14,870	Wendel Com EUR4.00	1,845,218	0.79				
	<b>Steel</b>						
20,907	Salzgitter AG Ord NPV	3,021,480	1.29				
53,849	Voest-Alpine AG Com NPV	3,241,710	1.38				
	<b>Transportation Services</b>						
119,364	Abertis Infraestructuras SA Com EUR3.00	2,649,881	1.13				
142,758	Atlantia SPA Com EUR1.00	3,483,295	1.49				
179,324	Brisa (Auto-Estrada) Com EUR1.00	1,691,025	0.72				
113,263	TUI AG Com NPV (Regd)	2,147,466	0.92				
	<b>EUROPEAN UNION – TOTAL</b>	<b>232,680,126</b>	<b>99.47</b>				

\* All cash holdings are held with The Governor & Company of the Bank of Ireland.

# iSHARES DJ EURO STOXX MIDCAP

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS EUR	LARGEST PURCHASES	COST EUR
Rodamco Europe NV Com EUR8.00	4,286,311	Koninklijke DSM NV Com EUR1.00	3,792,527
Unibail Holding Com EUR5.00	4,209,669	OMV AG Com NPV	3,414,038
Porsche AG Non-Voting Pref NPV	4,040,315	Hermes International Com NPV	2,988,128
Ryanair Holdings Com EUR0.00635	3,918,163	Beiersdorf AG Series 'A B C' Com NPV	2,186,879
Banca Popolare SPA Com EUR3.60	3,503,681	Compagnie Generale De Geophysique-Veritas Com EUR2.00	2,148,630
Assurance Generale De France FRF20 (Bearer)	3,299,563	Hochtief AG Com NPV	2,019,455
Banca Popolare United Com EUR2.50	1,222,196	Atlantia SPA Com EUR1.00	1,741,732
Legrand SA Com EUR4.00	972,237	Rhodia SA Com EUR12.00	1,655,269
CIA Espanola De Petroleos SA Com EUR1.00	962,454	Elisa Corporation Com EUR0.50	1,639,975
Oest Elektrizitats Class 'A' Com NPV	825,156	Fomento de Construcciones y Contratas Com EUR1.00	1,601,170
Atlantia SPA Com EUR1.00	781,314	BCA MPS Com EUR0.67	1,339,987
Pagesjaunes Groupe Com EUR0.20	740,440	Infineon Technologies Ord NPV (Regd)	1,282,128
Gas Natural SDG Com EUR1.00	726,374	Air France-KLM Com EUR8.50	1,198,811
Union Fenosa Com EUR3.00	718,573	Cap Gemini Sogeti Com EUR8.00	1,193,045
Voest-Alpine AG Com NPV	574,419	Rodamco Europe NV Com EUR8.00	1,146,091
Telekom Austria Ta Com NPV (Bearer)	500,206	Elan Corporation Ord EUR0.05	1,140,793
Banca Popolare Italiana Com EUR3.00	387,242	Merck KGAA Ord NPV	1,135,738
Abertis Infraestructuras SA Com EUR3.00	338,940	Numico (KON) NV Com EUR0.25	1,113,146
Snam Rete Gas SPA Com EUR1.00	307,737	Bank of Piraeus Com EUR4.77	1,106,460
Thales Com EUR3.00	214,832	Telekom Austria Ta Com NPV (Bearer)	1,062,644



# iSHARES DJ EURO STOXX MIDCAP

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Dividends	3,133	3,475	2,786
Securities lending income	244	236	70
Interest income	33	10	-
<b>Income</b>	<b>3,410</b>	<b>3,721</b>	<b>2,856</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Management fees	431	570	292
<b>Expenses</b>	<b>431</b>	<b>570</b>	<b>292</b>

Included in expenses are audit fees of €5,558 (February 2007: €10,939 August 2006: €9,548) and directors fees of €2,191 (February 2007: €4,516 August 2006: €2,258).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Cost at beginning of period	147,453	105,981	105,981
Cost at end of period	208,726	147,453	128,941
Fair value at beginning of period	180,982	128,021	128,021
Fair value at end of period	<b>232,680</b>	<b>180,982</b>	<b>148,495</b>

### 5. DEBTORS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Dividends receivable	10	23	-
Securities lending income receivable	20	53	8
Interest income receivable	6	13	2
<b>Debtors</b>	<b>36</b>	<b>89</b>	<b>10</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Accrued expenses	96	70	57
<b>Creditors</b>	<b>96</b>	<b>70</b>	<b>57</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares '000s	28 February 2007 No. of Shares '000s	31 August 2006 No. of Shares '000s
Balance at beginning of period	3,700	3,100	3,100
Issued during the period	1,100	800	400
Redeemed during the period	(100)	(200)	-
<b>Balance at end of period</b>	<b>4,700</b>	<b>3,700</b>	<b>3,500</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007 and did not hold any open futures at 28 February 2007 or 31 August 2007.

### 9. FINANCE COSTS – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year.

Pay date	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
June 2006	-	1,048	1,047
September 2006	-	962	960
December 2006	-	-	-
March 2007	-	620	-
June 2007	1,256	-	-
September 2007	1,993*	-	-
	<b>3,249</b>	<b>2,630</b>	<b>2,007</b>
Equalisation income	(308)	(54)	(18)
Equalisation expense	1	2	-
	<b>2,942</b>	<b>2,578</b>	<b>1,989</b>

\*Outstanding at period end

# iSHARES DJ EURO STOXX MIDCAP

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect of the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's currency exposure at 31 August 2007 and comparatives for 28 February 2007. At 31 August 2006 all assets and liabilities were held in the functional currency EUR. The funds had no currency exposure at 31 August 2006.

Currency	31 August 2007	28 February 2007	31 August 2006
	Net currency exposure €	Net currency exposure €	Net currency exposure €
GBP	257	52,857	-
	257	52,857	-

#### Fair value and cash flow interest rate risk

The Fund does not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

# iSHARES DJ EURO STOXX SELECT DIVIDEND

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Operating income	2	31,138	4,847	4,088
Net (losses)/gains on financial assets at fair value through profit or loss		(11,010)	43,302	4,425
<b>Total investment income</b>		<b>20,128</b>	<b>48,149</b>	<b>8,513</b>
Operating expenses	3	(1,833)	(807)	(262)
<b>Net income</b>		<b>18,295</b>	<b>47,342</b>	<b>8,251</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	9	(27,470)	(3,441)	(2,973)
Interest expense		-	-	-
<b>(Loss)/Profit before tax</b>		<b>(9,175)</b>	<b>43,901</b>	<b>5,278</b>
Non-reclaimable withholding tax		(2,263)	(435)	(903)
Adjustment from bid market prices to last traded market prices		(415)	937	-
<b>(Decrease)/Increase in net assets attributable to Redeemable Participating Shareholders</b>		<b>(11,853)</b>	<b>44,403</b>	<b>4,375</b>

There are no recognised gains or losses arising in the period other than the increase in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Net Assets attributable to Redeemable Participating Shareholders at the beginning of the period		605,682	101,655	101,562*
(Decrease)/Increase in net assets attributable to Redeemable Participating Shareholders from Operations		(11,853)	44,403	4,375
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		408,805	506,765	66,358
Payment on redemption of Redeemable Participating Shares		(153,064)	(47,141)	(41,269)
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>849,570</b>	<b>605,682</b>	<b>131,026</b>

# iSHARES DJ EURO STOXX SELECT DIVIDEND

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	816,946	604,277	130,151
Debtors	5	1,117	14,512	128
Cash and bank balances		43,594	843	8,899
<b>Total current assets</b>		<b>861,657</b>	<b>619,632</b>	<b>139,178</b>
<b>Current liabilities</b>				
Creditors	6	(357)	(14,423)	(6,509)
Distributions to Redeemable Participating Shareholders payable	9	(12,344)	(556)	(1,643)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(12,701)</b>	<b>(14,979)</b>	<b>(8,152)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>848,956</b>	<b>604,653</b>	-
Adjustment from bid market prices to last traded market prices		614	1,029	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>849,570</b>	<b>605,682</b>	<b>131,026</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>23,900,000</b>	<b>17,100,000</b>	<b>4,400,000</b>
<b>Net asset value per Redeemable Participating share</b>		<b>€35.55</b>	<b>€35.42</b>	<b>€29.78</b>

The accompanying notes form an integral part of these financial statements.

\* The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by €93,000 to account for assets at fair value in accordance with applicable accounting standards. (See Note 1(a))

# iSHARES DJ EURO STOXX SELECT DIVIDEND

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>EUROPEAN UNION</b>		
	<b>Banks</b>		
1,142,612	ABN-Amro Holdings Com NPV	38,997,348	4.59
1,002,022	Allied Irish Banks Ord EUR 0.32	18,667,670	2.20
1,360,746	Bank of Ireland (Governor & Company of) Ord EUR 0.64	18,233,996	2.15
343,502	BNP Paribas Com EUR 2.00	26,593,925	3.13
316,885	Deutsche Bank AG Com NPV (Regd)	28,608,378	3.37
1,061,881	Fortis Com EUR 0.42	28,553,980	3.36
227,572	Societe Generale Com EUR 1.25	26,933,146	3.17
3,194,845	Unicredito Italiano SPA Com EUR 0.50	20,127,524	2.37
	<b>Broadcasting &amp; Entertainment</b>		
916,586	Metropole Television-(M6) Com EUR 0.40	20,302,380	2.39
	<b>Building Materials &amp; Fixtures</b>		
400,740	Wienerberger AG Com NPV	20,986,754	2.47
	<b>Commercial Vehicles &amp; Trucks</b>		
192,476	Man AG Ord NPV	20,260,024	2.38
	<b>Commodity Chemicals</b>		
349,789	Basf AG Com NPV	33,915,541	3.99
	<b>Diversified Industrials</b>		
532,731	Thyssenkrupp AG Com NPV	22,848,833	2.69
	<b>Electricity</b>		
616,063	Endesa SA Com EUR 1.20	24,568,592	2.89
	<b>Fixed Line Telecommunications</b>		
1,171,563	Belgacom SA Com NPV	37,536,879	4.42
3,218,701	Deutsche Telekom Com NPV (Regd)	43,838,708	5.16
2,108,834	France Telecom Com EUR 4.00	46,689,585	5.50
	<b>Food Retailers &amp; Wholesalers</b>		
475,786	Casino Guichard-Perrachon SA EUR 1.53 Pref	34,484,969	4.06
628,651	Kesko Oyj Series 'B' Com EUR 2.00	27,031,993	3.18

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>Gas Distribution</b>		
5,994,332	Snam Rete Gas SPA Com EUR 1.00	25,790,613	3.04
	<b>Industrial Machinery</b>		
112,754	Vallourec (Usin A T) Com EUR 4.00	22,103,167	2.60
	<b>Integrated Oil &amp; Gas</b>		
1,480,644	ENI SPA Com EUR 1.00 (Regd)	37,489,906	4.41
	<b>Life Insurance</b>		
1,142,928	Irish Life & Permanent Ord EUR 0.32	20,812,719	2.45
	<b>Multiutilities</b>		
238,250	E.On AG Com NPV	29,338,105	3.45
513,719	Rwe AG Non-Voting Pref NPV	38,164,185	4.49
575,909	Suez Com EUR 2.00	24,038,442	2.83
	<b>Publishing</b>		
7,801,578	Independent News & Media Ord EUR 0.30	26,603,380	3.13
	<b>Real Estate Investment Trusts</b>		
424,028	Corio NV Com EUR 10.00	24,195,037	2.85
332,573	Wereldhave NV Com EUR 10.00	29,229,840	3.44
	<b>EUROPEAN UNION - TOTAL</b>	<b>816,945,619</b>	<b>96.16</b>
	<b>TOTAL VALUE OF INVESTMENTS AT BID PRICES</b>	<b>816,945,619</b>	<b>96.16</b>
	<b>CASH*</b>	<b>43,594,128</b>	<b>5.13</b>
	<b>OTHER NET LIABILITIES</b>	<b>(11,583,814)</b>	<b>(1.36)</b>
	<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>848,955,933</b>	<b>99.93</b>
	Adjustment from bid market prices to last traded market prices	614,136	0.07
	<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>849,570,069</b>	<b>100.00</b>

\* All cash holdings are held with The Governor & Company of the Bank of Ireland.

# iSHARES DJ EURO STOXX SELECT DIVIDEND

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS EUR	LARGEST PURCHASES	COST EUR
Arcelor Mittal Steel Company NV Ord EUR0.01	37,300,277	Belgacom SA Com NPV	46,037,280
Boehler-Uddeholm Com EUR1.00 (Assented Line)	32,269,650	Wereldhave NV Com EUR10.00	43,161,019
Volkswagen Pref NPV	25,539,791	Casino Guichard-Perrachon SA EUR1.53 Pref	40,029,872
TUI AG Com NPV (Regd)	24,403,971	Deutsche Bank AG Com NPV (Regd)	36,932,831
Klepierre Com EUR1.40	18,552,736	Boehler Uddeholm AG Com NPV	30,495,937
Endesa SA Com EUR1.20	16,442,677	Rwe AG Non-Voting Pref NPV	30,377,385
Thyssenkrupp AG Com NPV	15,990,082	Vallourec (Usin A T) Com EUR4.00	28,412,392
Assurance Generale De France FRF20.00 (Bearer) (Assented line)	15,019,429	Deutsche Telekom Com NPV (Regd)	25,464,923
Kesko Oyj Series 'B' Com EUR2.00	12,889,865	France Telecom Com EUR4.00	24,534,293
Man AG Ord NPV	10,933,245	ENI SPA Com EUR1.00 (Regd)	20,597,685
Snam Rete Gas SPA Com EUR1.00	10,086,359	Societe Generale Com EUR1.25	18,012,207
Sudzucker AG Com NPV	8,771,856	ABN-Amro Holdings Com NPV	17,906,239
France Telecom Com EUR4.00	7,860,340	BNP Paribas Com EUR2.00	17,252,554
Deutsche Telekom Com NPV (Regd)	7,783,625	Fortis Com EUR0.42	15,825,575
Independent News & Media Ord EUR0.30	7,702,903	Basf AG Com NPV	14,977,679
ABN-Amro Holdings Com NPV	7,681,137	E.On AG Com NPV	14,216,932
Assurance Generale De France FRF20.00 (Bearer)	7,642,076	Kesko Oyj Series 'B' Com EUR2.00	13,759,248
Corio NV Com EUR10.00	7,456,837	Metropole Television-(M6) Com EUR0.40	13,355,169
ENI SPA Com EUR1.00 (Regd)	7,158,608	Snam Rete Gas SPA Com EUR1.00	13,340,645
Rwe AG Non-Voting Pref NPV	6,990,457	Corio NV Com EUR10.00	13,298,066

# iSHARES DJ EURO STOXX SELECT DIVIDEND

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Dividends	28,292	4,507	3,891
Securities lending income	2,230	309	192
Interest income	520	31	5
Other income	96	-	-
<b>Income</b>	<b>31,138</b>	<b>4,847</b>	<b>4,088</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Management fees	1,833	807	262
<b>Expenses</b>	<b>1,833</b>	<b>807</b>	<b>262</b>

Included in expenses are audit fees of €5,558 (February 2007: €10,939 August 2006: €4,780) and directors fees of €2,191 (February 2007: €4,516 August 2006: €2,258).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Cost at beginning of the period	555,197	86,105	86,105
Cost at end of the period	804,331	555,197	119,186
Fair value at beginning of the period	604,277	101,532	101,532
Fair value at end of the period	<b>816,946</b>	<b>604,277</b>	<b>130,151</b>

### 5. DEBTORS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Dividends receivable	891	183	121
Securities lending income receivable	135	42	-
Interest income receivable	91	32	7
Subscriptions of units awaiting settlement	-	14,255	-
<b>Debtors</b>	<b>1,117</b>	<b>14,512</b>	<b>128</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Accrued expenses	357	192	44
Purchases of securities awaiting settlement	-	14,230	6,465
Redemptions awaiting settlement	-	1	-
<b>Creditors</b>	<b>357</b>	<b>14,423</b>	<b>6,509</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	Six months ended 31 August 2007 '000s	Year ended 28 February 2007 '000s	Six months ended 31 August 2006 '000s
Balance at beginning of the period	17,100	3,500	3,500
Issued during the period	11,100	15,200	2,300
Redeemed during the period	(4,300)	(1,600)	(1,400)
<b>Balance at end of the period</b>	<b>23,900</b>	<b>17,100</b>	<b>4,400</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The fund did not hold any open futures at 28 February 2007 and 31 August 2006.

### 9. FINANCE COSTS – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to their being paid in March, June, September and December of each year.

Pay Date	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
June 2006	-	1,630	1,628
September 2006	-	1,647	1,643
December 2006	-	114	-
March 2007	-	556	-
June 2007	15,775	-	-
September 2007	12,344*	-	-
	<b>28,119</b>	<b>3,947</b>	<b>3,271</b>
Equalisation income	(2,499)	(565)	(298)
Equalisation expense	1,850	59	-
	<b>27,470</b>	<b>3,441</b>	<b>2,973</b>

\*Outstanding at period end

# iSHARES DJ EURO STOXX SELECT DIVIDEND

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's currency exposure at 31 August 2007 and comparatives for 28 February 2007. At 31 August 2006 all assets and liabilities were held in the functional currency EUR. The fund had no currency exposure at 31 August 2006.

Currency	31 August 2007 Net Currency exposure €	28 February 2007 Net Currency exposure €	31 August 2006 Net Currency exposure €
CHF	-	34	-
GBP	137,483	29,020	-
USD	-	183,586	-
	<b>137,483</b>	<b>212,640</b>	-

#### Fair value and cash flow interest rate risk

The Fund did not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.



# iSHARES DJ EURO STOXX SMALLCAP

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Operating income	2	5,546	3,725	3,189
Net gains/(losses) on financial assets at fair value through profit or loss		20,076	27,157	(3,081)
<b>Total investment income</b>		<b>25,622</b>	<b>30,882</b>	<b>108</b>
Operating expenses	3	(592)	(707)	(308)
<b>Net income</b>		<b>25,030</b>	<b>30,175</b>	<b>(200)</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	9	(4,614)	(2,389)	(1,136)
<b>Profit/(loss) before tax</b>		<b>20,416</b>	<b>27,786</b>	<b>(1,336)</b>
Non-reclaimable withholding tax		(354)	(601)	(672)
Adjustment from bid market prices to last traded market prices		47	99	-
<b>Increase/(decrease) in net assets attributable to Redeemable Participating Shareholders</b>		<b>20,109</b>	<b>27,284</b>	<b>(2,008)</b>

There are no recognised gains or losses arising in the period other than the decrease in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		264,669	120,445	120,356*
Increase/decrease in net assets attributable to Redeemable Participating Shareholders from Operations		20,109	27,284	(2,008)
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		50,446	131,019	49,933
Payment on redemption of Redeemable Participating Shares		(59,439)	(14,079)	(166)
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>275,785</b>	<b>264,669</b>	<b>168,115</b>

# iSHARES DJ EURO STOXX SMALLCAP

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	272,934	263,849	166,951
Debtors	5	81	98	4
Cash and bank balances		4,245	842	1,221
<b>Total current assets</b>		<b>277,260</b>	<b>264,789</b>	<b>168,176</b>
<b>Current liabilities</b>				
Creditors	6	(115)	(101)	(61)
Distributions to Redeemable Participating Shareholders payable	9	(1,595)	(207)	-
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(1,710)</b>	<b>(308)</b>	<b>(61)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>275,550</b>	<b>264,481</b>	<b>-</b>
Adjustment from bid market prices to last traded market prices		235	188	-
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period (at last traded market prices)</b>		<b>275,785</b>	<b>264,669</b>	<b>168,115</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>8,850,000</b>	<b>8,400,000</b>	<b>6,300,000</b>
<b>Net asset value per Redeemable Participating Share</b>		<b>€31.16</b>	<b>€31.51</b>	<b>€26.68</b>

The accompanying notes form an integral part of these financial statements.

\* The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by €89,000 to account for assets at fair value in accordance with applicable accounting standards. (See Note 1(a)).

# iSHARES DJ EURO STOXX SMALLCAP

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>EUROPEAN UNION</b>				<b>Diversified Industrials</b>		
	<b>Aerospace</b>			186,873	GEA Group AG Com NPV	4,436,365	1.61
64,489	MTU Aero Engines Holding AG Com NPV	3,020,665	1.10		<b>Electrical Components &amp; Equipment</b>		
51,427	Zodiac Com NPV	2,725,631	0.99	110,672	Legrand SA Com EUR4.00	2,877,472	1.04
	<b>Airlines</b>			29,815	Nexans SA Com EUR1.00	3,538,444	1.28
688,740	Iberia Lineas Aereas de Espana Series 'A' Com EUR0.78	2,300,392	0.83	64,503	Q-Cells AG Com NPV	4,197,855	1.52
	<b>Auto Parts &amp; Equipment</b>				<b>Electricity</b>		
120,049	Nokian Renkaat Oyj Com EUR0.20	3,096,064	1.12	1,197,407	AEM Com EUR0.52	3,194,083	1.16
42,207	Rheinmetall AG Com NPV	2,574,627	0.93	79,493	Oest Elektrizitats Class 'A' Com NPV	2,895,930	1.05
85,090	Valeo Com EUR3.00	3,026,651	1.10	132,966	Public Power Corporation Com EUR4.60	3,044,921	1.10
	<b>Banks</b>			96,983	Solarworld AG Com NPV	3,500,116	1.27
566,066	Banca Carige SPA Com EUR1.00	1,971,325	0.71		<b>Electronic Equipment</b>		
371,738	Banco BPI SA Com EUR1.00	2,393,993	0.87	151,104	AGFA Gevaert NV Com NPV	2,298,292	0.83
69,634	Banco De Valencia SA Com EUR1.00	2,820,177	1.02		<b>Fixed Line Telecommunications</b>		
135,941	Banco Pastor Com EUR0.33	1,836,563	0.67	16,275	Fastweb SPA Com EUR0.52	606,732	0.22
17,408	Bank of Greece Com EUR5.60	1,605,888	0.58		<b>Food Products</b>		
160,784	Okobank Osuuspankkien Series 'A' Com NPV	2,344,231	0.85	66,737	CSM NV Com EUR0.25	1,625,046	0.59
	<b>Biotechnology</b>			101,260	Ebro Puleva SA Com EUR0.60	1,633,324	0.59
218,396	Qiagen NV Ord EUR0.01	2,749,606	1.00	148,476	IAWS Group 'A' Ord EUR0.30	2,133,600	0.77
	<b>Broadcasting &amp; Entertainment</b>			158,139	Kerry Group Series 'A' Ord EUR0.125	2,829,107	1.03
106,632	Gestevison Telecinco SA Com EUR0.50	2,077,191	0.75		<b>Food Retailers &amp; Wholesalers</b>		
71,827	Metropole Television-(M6) Com EUR0.40	1,590,968	0.58	17,426	Colruyt SA Com NPV	2,719,850	0.99
96,195	Prosiebensat1 Medi Pref NPV	2,423,152	0.88	77,204	Kesko Oyj Series 'B' Com EUR2.00	3,319,772	1.20
65,693	Sogecable SA Com EUR2.00	1,824,295	0.66		<b>Full Line Insurance</b>		
	<b>Broadline Retailers</b>			758,231	Mapfre SA Com EUR0.10	2,449,086	0.89
92,502	Arcandor AG Com NPV	1,864,840	0.68	1,054,834	Unipol Com NPV	2,447,215	0.89
	<b>Building Materials &amp; Fixtures</b>				<b>Gambling</b>		
361,824	Cimpor Cimentos De Com EUR1.00 (Regd)	2,489,349	0.90	71,148	Lottomatica SPA Com EUR1.00	1,875,461	0.68
20,898	Heidelberg Cement Com NPV	2,286,241	0.83		<b>Health Care Providers</b>		
34,640	Imerys Com EUR2.00	2,328,154	0.84	102,107	Rhon-Klinikum AG Ord NPV	2,293,323	0.83
84,970	Italcementi Com EUR1.00	1,543,055	0.56		<b>Heavy Construction</b>		
158,578	Kingspan Group Ord EUR0.13	2,965,409	1.08	43,611	Bilfinger Berger Com NPV	2,627,127	0.95
70,428	Titan Cement Company Com EUR2.00	2,550,902	0.92	126,669	Koninklijke Bam Groep NV Com EUR0.10	2,518,180	0.91
	<b>Business Training &amp; Employment Agencies</b>			140,219	YIT Oyj Com EUR0.50	3,098,840	1.12
203,635	Vedior NV-CVA Com EUR0.05	3,394,595	1.23		<b>Industrial Machinery</b>		
	<b>Clothing &amp; Accessories</b>			66,143	Heidelberger Druck Ord NPV	2,192,640	0.80
184,162	Bulgari SPA Com EUR0.07	1,900,552	0.69	74,495	SGL Carbon AG Ord NPV	2,613,285	0.95
	<b>Commercial Vehicles &amp; Trucks</b>			129,422	Zardoya-Otis Com EUR0.10	2,987,060	1.08
46,433	Cargotec Corporation Class 'B' Ord NPV	1,652,086	0.60		<b>Industrial Suppliers</b>		
76,231	Wartsila Oyj ABP Series 'B' Com EUR3.50	3,475,371	1.26	197,838	Corporate Express Com EUR1.20	1,630,185	0.59
	<b>Commodity Chemicals</b>			94,035	DCC Ord EUR0.25	1,796,069	0.65
63,383	Arkema Com EUR10.00	2,888,997	1.05	261,038	Grafton Group Units (Ord & 1 'C' Ord & 3 'A')	2,552,952	0.93
	<b>Computer Services</b>			691,567	Hagemeyer NV Com EUR1.20	2,150,773	0.78
134,672	Indra Sistemas SA Com EUR0.20	2,580,316	0.94		<b>Integrated Oil &amp; Gas</b>		
86,895	Tietoanator Oyj Ord NPV	1,474,608	0.53	255,890	Galp Energia Com EUR1.00	2,804,554	1.02
38,787	Wincor Nixdorg AG Com NPV	2,440,090	0.88		<b>Internet</b>		
				162,973	United Internet AG Reg Share Com NPV	2,284,881	0.83

# iSHARES DJ EURO STOXX SMALLCAP

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>EUROPEAN UNION (Continued)</b>				<b>Reinsurance</b>		
	<b>Investment</b>			70,412	Hannover Rueckversicheru Ord NPV (Reg)	2,398,233	0.87
78,057	Bolsas Y Mercados Espanoles Com EUR3.23	3,167,553	1.15	197,455	Scor Regroupe Com EUR7.8769	3,548,266	1.29
	<b>Life Insurance</b>				<b>Software</b>		
55,568	Cattolica Assicurazioni Com EUR3.00	2,413,318	0.88	114,944	Business Objects Com EUR1.00 (Regd)	3,711,542	1.35
258,834	Mediolanum Com EUR0.10	1,388,644	0.50	66,268	Dassault Systemes Com EUR1.00	2,859,464	1.04
	<b>Media Agencies</b>				<b>Specialty Chemicals</b>		
77,419	JC Decaux SA Com NPV	1,732,637	0.63	43,382	Kali Und Salz AG Com NPV	4,578,970	1.66
5,524,141	Seat Pagine Gialle Com EUR0.03	2,231,753	0.81	20,485	Wacker Chemie AG Com NPV	3,269,611	1.19
	<b>Mobile Telecommunications</b>				<b>Specialty Finance</b>		
129,526	Cosmote Mobile Telephone Com EUR0.47	2,955,783	1.07	58,693	Banca Italease Com EUR5.16	981,347	0.36
36,973	Mobistar Com NPV	2,198,045	0.80	37,608	Corporation Financiaere Alba Com EUR1.00	1,820,227	0.66
	<b>Oil Equipment &amp; Services</b>			38,646	Eurazeo Com NPV	3,762,188	1.36
49,210	Bourbon SA Com NPV	2,374,875	0.86	352,402	Ifil Investments Com EUR1.00	2,512,626	0.91
68,307	Fugro NV-CVA Com EUR0.05	3,483,657	1.26		<b>Steel</b>		
	<b>Pharmaceuticals</b>			159,904	Acerinox SA Com EUR0.25	2,951,828	1.07
165,164	Faes Farma SA Com EUR0.10	2,361,845	0.86	54,521	Kloeckner & Company AG Com NPV	2,443,086	0.88
165,958	Grifols SA Com EUR0.50	2,547,455	0.92	127,570	Outokumpu Oyj Class 'A' Com NPV	2,821,848	1.02
68,401	Stada Arzneimittel Com NPV (Regd) (Vinkuliert)	3,228,527	1.17	98,537	Rautaruukki Oyj Class 'K' Com NPV	3,936,553	1.43
	<b>Property &amp; Casualty Insurance</b>				<b>Telecommunications Equipment</b>		
79,428	Fonditaria-Sai SPA Com EUR1.00	2,724,380	0.99	55,474	TomTom NV Com EUR0.20	2,648,329	0.96
	<b>Publishing</b>				<b>Transportation Services</b>		
535,844	Independent News & Media Ord EUR0.30	1,827,228	0.66	36,778	ADP Com EUR3.00	3,075,009	1.12
148,675	Pagesjaunes Groupe Com EUR0.20	2,212,284	0.80	229,579	Cintra Concesiones De Infrastructure Com EUR0.20	2,647,047	0.96
120,734	Sanoma Wsoy Oyj Com NPV	2,702,027	0.98	33,892	Fraport AG Com NPV	1,695,279	0.61
	<b>Real Estate Holding &amp; Development</b>				<b>Tyres</b>		
17,357	Fadesa Inmobiliaria SA Com EUR1.00	462,043	0.17	3,301,332	Pirelli & Company Com EUR0.52	2,718,647	0.99
15,612	Gecina Com EUR7.50	1,872,503	0.68		<b>EUROPEAN UNION - TOTAL</b>	<b>272,933,968</b>	<b>98.96</b>
479,116	Immoeast Immobilien Anlagen AG Com NPV (Br)	4,307,253	1.56		<b>TOTAL VALUE OF INVESTMENTS</b>		
108,697	IVG Immobilien AG Com NPV	2,836,992	1.03		<b>AT BID PRICES</b>	<b>272,933,968</b>	<b>98.96</b>
26,977	Klepierre Com EUR1.40	3,118,541	1.13		<b>CASH*</b>	<b>4,245,212</b>	<b>1.54</b>
23,673	Metrovacesa Com EUR1.50	1,846,494	0.67		<b>OTHER NET LIABILITIES</b>	<b>(1,628,922)</b>	<b>(0.59)</b>
	<b>Real Estate Investment Trusts</b>				<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>275,550,258</b>	<b>99.91</b>
26,455	Fonciere Des Regions Com EUR3.00	3,029,891	1.10		Adjustment from bid market prices to last traded prices	234,714	0.09
24,367	Wereldhave NV Com EUR10.00	2,141,616	0.77		<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>275,784,972</b>	<b>100.00</b>

\*All cash holdings are held with The Governor & Company of the Bank of Ireland.

# iSHARES DJ EURO STOXX SMALLCAP

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE PERIOD ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS EUR	LARGEST PURCHASES	COST EUR
Hermes International Com NPV	8,196,115	Hermes International Com NPV	7,005,187
Hochtief AG Com NPV	5,903,532	Fonciere Des Regions Com EUR3.00	4,677,751
Beiersdorf AG Series 'A B C' Com NPV	5,326,576	Legrand SA Com EUR4.00	3,484,935
Rhodia Com EUR1.00	4,326,070	Nokian Renkaat OYJ Com EUR0.20	3,405,658
Compagnie Generale De Geophysique-Veritas Com EUR2.00	4,031,572	Oest Elektrizitats Class 'A' Com NPV	3,403,941
Elisa Corporation Com EUR0.50	4,007,312	Kloekner & Company AG Com NPV	3,335,635
Fomento de Construcciones y Contratas Com EUR1.00	3,941,461	Faes Farma SA Com EUR0.10	3,333,638
Boehler-Uddeholm Com EUR1.00	3,389,186	Wacker Chemie AG Com NPV	3,331,174
Fastweb SPA Com EUR0.52	3,278,948	ADP Com EUR3.00	3,285,416
Fadesa Inmobiliaria SA Com EUR1.00	2,071,243	Iberia Lineas Aereas de Espana Series 'A' Com EUR0.78	3,267,712
Marfin Popular Bank Com CYP0.50	1,728,063	Immoeast Immobilien Anlagen AG Com NPV(Br)	3,087,969
CIA Espanola De Petroleos SA Com EUR1.00	1,650,920	Grifols SA Com EUR0.50	2,995,476
Eutelsat Communications Com EUR1.01	1,625,696	Pagesjaunes Groupe Com EUR0.20	2,968,222
BIC Com EUR3.82	1,615,407	United Internet AG Reg Share Com NPV	2,877,849
Societe Des Autoroutes Paris Com EUR0.30	1,555,720	SGL Carbon AG Ord NPV	2,818,744
Antena 3 Television Com EUR0.75	1,525,104	Galp Energia Com EUR1.00	2,767,823
Autogrill SPA Com EUR0.52	1,488,428	Arcandor AG Com NPV	2,702,925
Banco BPI SA Com EUR1.00	1,461,876	Rhon-Klinikum AG Ord NPV	2,576,258
Bolsas Y Mercados Espanoles Com EUR3.23	1,414,826	Scor Regroupee Com EUR7.8769	2,521,632
Etablisements Maurel Et Prom Com EUR0.77	1,410,519	TomTom NV Com EUR0.20	2,439,724

# iSHARES DJ EURO STOXX SMALLCAP

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Dividends	5,026	3,455	3,094
Securities lending income	398	226	74
Interest income	78	43	19
Other income	44	1	2
<b>Income</b>	<b>5,546</b>	<b>3,725</b>	<b>3,189</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Management fees	592	707	307
Refund of in specie transaction charges	-	-	1
<b>Expenses</b>	<b>592</b>	<b>707</b>	<b>308</b>

Included in expenses are audit fees of €5,558 (February 2007: €10,939 August 2006: €9,548) and directors fees of €2,191 (February 2007: €4,516 August 2006: €2,258).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Cost at beginning of period	233,692	102,906	102,906
Cost at end of period	263,045	233,692	157,886
Fair value at beginning of period	263,849	119,751	119,751
Fair value at end of period	272,934	263,849	166,951

### 5. DEBTORS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Dividends receivable	24	32	-
Securities lending income receivable	43	37	-
Interest income receivable	14	29	4
<b>Debtors</b>	<b>81</b>	<b>98</b>	<b>4</b>

### 6. CREDITORS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Accrued expenses	115	101	61
<b>Creditors</b>	<b>115</b>	<b>101</b>	<b>61</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares '000s	28 February 2007 No. of Shares '000s	31 August 2006 No. of Shares '000s
Balance at beginning of period	8,400	4,500	4,500
Issued during the period	2,250	4,350	1,800
Redeemed during the period	(1,800)	(450)	-
<b>Balance at end of period</b>	<b>8,850</b>	<b>8,400</b>	<b>6,300</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The Fund did not hold any open futures at 28 February 2007 and 31 August 2006.

### 9. FINANCE COST – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to their being paid in March, June, September and December of each year.

Pay Date	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
June 2006	-	1,280	1,280
September 2006	-	1,118	-
December 2006	-	-	-
March 2007	-	207	-
June 2007	2,876	-	-
September 2007	1,595*	-	-
	<b>4,471</b>	<b>2,605</b>	<b>1,280</b>
Equalisation income	(231)	(226)	(144)
Equalisation expense	374	10	-
	<b>4,614</b>	<b>2,389</b>	<b>1,280</b>

\*Outstanding at period end

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

# iSHARES DJ EURO STOXX SMALLCAP

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS (continued)

#### Currency Risk

The table below shows the Fund's currency exposure at 31 August 2007. The fund had no currency exposure at 28 February 2007 and 31 August 2006.

	31 August 2007 Net currency exposure €	28 February 2007 Net currency exposure €	31 August 2006 Net currency exposure €
Currency			
GBP	63,911	-	-
	63,911	-	-

#### Fair Value and Cash Flow Interest Rate Risk

The Fund does not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

# iSHARES DJ EURO STOXX VALUE

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Operating income	2	1,777	1,773	1,619
Net gains on financial assets at fair value through profit or loss		2,104	4,633	537
<b>Total investment loss/income</b>		<b>3,881</b>	<b>6,406</b>	<b>2,156</b>
Operating expenses	3	(121)	(176)	(97)
<b>Net (loss)/income</b>		<b>3,760</b>	<b>6,230</b>	<b>2,059</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	9	(1,562)	(1,177)	(1,101)
<b>Profit before tax</b>		<b>2,198</b>	<b>5,053</b>	<b>958</b>
Non-reclaimable withholding tax		(114)	(418)	(382)
Adjustment from bid market prices to last traded market prices		43	(19)	-
<b>Increase in net assets attributable to Redeemable Participating Shareholders</b>		<b>2,127</b>	<b>4,616</b>	<b>576</b>

There are no recognised gains or losses arising in the period other than the increase in net assets attributable to Redeemable Participating Shareholders dealt with in the Statement of Operations. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		48,274	34,235	34,235
Increase in net assets attributable to Redeemable Participating Shareholders from Operations		2,127	4,616	576
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		14,099	17,573	14,271
Payment on redemption of Redeemable Participating Shares		-	(8,150)	(8,235)
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>64,500</b>	<b>48,274</b>	<b>40,847</b>



# iSHARES DJ EURO STOXX VALUE

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	64,496	48,288	40,841
Debtors	5	65	8	36
Cash and bank balances		872	30	475
<b>Total current assets</b>		<b>65,433</b>	<b>48,326</b>	<b>41,352</b>
<b>Current liabilities</b>				
Creditors	6	(27)	(19)	(28)
Distributions to redeemable Participating Shareholders payable	9	(930)	(14)	(477)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(957)</b>	<b>(33)</b>	<b>(505)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>64,476</b>	<b>48,293</b>	-
Adjustment from bid market prices to last traded market prices		24	(19)	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>64,500</b>	<b>48,274</b>	<b>40,847</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>1,900,000</b>	<b>1,500,000</b>	<b>1,400,000</b>
<b>Net asset value per Redeemable Participating Share</b>		<b>€33.95</b>	<b>€32.18</b>	<b>€29.18</b>

The accompanying notes form an integral part of these financial statements.

# iSHARES DJ EURO STOXX VALUE

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	VALUE EUR	% OF FUND	HOLDING	INVESTMENT	VALUE EUR	% OF FUND
	<b>EUROPEAN UNION</b>						
	<b>Automobiles</b>						
38,551	Daimlerchrysler AG Ord NPV (Regd)	2,513,911	3.90	239,486	Telecom Italia Di Risp Com EUR 0.55	392,757	0.61
28,088	Fiat SPA Com EUR 5.00	546,873	0.85	439,424	Telecom Italia SPA Com EUR 0.55	909,608	1.41
2,945	Fiat SPA Di Risp (Non Convertible) Com EUR 5.00	49,034	0.08		<b>Food Products</b>		
2,485	Fiat SPA Privilegiata Com EUR 5.00	41,723	0.06	68,608	Unilever NV CVA Com EUR 0.16	1,538,191	2.38
6,535	Peugeot SA Com EUR 1.00	408,438	0.63		<b>Full Line Insurance</b>		
349	Porsche AG Non-Voting Pref NPV	455,448	0.71	17,953	Allianz AG Com NPV (Regd)	2,817,903	4.37
7,984	Renault SA Com EUR 3.81	790,416	1.23	71,896	AXA Com EUR 2.29	2,114,461	3.28
5,633	Volkswagen AG Com NPV	855,033	1.32		<b>Gambling</b>		
4,132	Volkswagen Pref NPV	378,161	0.59	8,184	OPAP Com EUR 0.30	219,822	0.34
	<b>Banks</b>				<b>Gas Distribution</b>		
76,395	ABN-Amro Holdings Com NPV	2,607,361	4.04	31,766	Snam Rete Gas SPA Com EUR 1.00	136,673	0.21
36,795	Allied Irish Banks Ord EUR 0.32	685,491	1.06		<b>Integrated Oil &amp; Gas</b>		
133,906	Banco Comercial Portugues Com EUR 1.00 (Regd)	457,959	0.71	98,385	ENI SPA Com EUR 1.00 (Regd)	2,491,108	3.86
39,378	Bank of Ireland (Governor & Company of) Ord EUR 0.64	527,665	0.82	6,003	OMV AG Com NPV	272,536	0.42
35,098	BNP Paribas Com EUR 2.00	2,717,287	4.21		<b>Life Insurance</b>		
24,103	Commerzbank AG Ord NPV	723,331	1.12	58,113	Aegon NV Com EUR 0.12	778,133	1.21
29,872	Credit Agricole SA Com EUR 3.00	827,454	1.28	17,073	Alleanza Assicuraz Com EUR 0.50	161,084	0.25
21,023	Deutsche Bank AG Com NPV (Regd)	1,897,956	2.94	1,519	CNP Assurance Com EUR 4.00	141,996	0.22
22,276	Dexia Com NPV	450,198	0.70	83,612	ING Groep NV CVA Com EUR 0.24	2,468,226	3.83
3,228	DT Postbank AG Com NPV (Regd)	171,600	0.27		<b>Mobile Telecommunications</b>		
52,141	Fortis Com EUR 0.42	1,402,071	2.17	4,860	Linde AG Com NPV	418,592	0.65
15,008	Natexis Banques Populaires Com EUR 16.00	234,425	0.36		<b>Mutiutilities</b>		
18,454	Societe Generale Com EUR 1.25	2,184,031	3.39	27,675	E.On AG Com NPV	3,407,900	5.28
	<b>Broadcasting &amp; Entertainment</b>			18,615	RWE AG (New) Series 'A' Com NPV	1,532,759	2.38
28,786	Mediaset Com EUR 0.52	224,243	0.35	1,479	RWE AG Non-Voting Pref NPV	109,875	0.17
	<b>Building Materials &amp; Fixtures</b>			46,312	Suez Com EUR 2.00	1,933,063	3.00
14,803	CIE De St Gobain Com EUR 4.00	1,182,020	1.83		<b>Paper</b>		
5,866	Lafarge Com EUR 4.00	668,665	1.04	22,847	Stora Enso Oyj Series 'R' Com NPV	297,696	0.46
	<b>Commodity Chemicals</b>			1,707	Storaenso Oyj NPV Series 'A' Com	22,208	0.03
19,991	Basf AG Com NPV	1,938,327	3.01	20,875	Unipapel SA Com EUR 1.50	346,943	0.54
	<b>Diversified Industrials</b>				<b>Property &amp; Casualty Insurance</b>		
15,342	Thyssenkrupp AG Com NPV	658,018	1.02	19,903	Sampo Oyj Com NPV	417,366	0.65
	<b>Electricity</b>				<b>Publishing</b>		
90,120	EDP Energias Portugal Com EUR 1.00 (Regd)	362,282	0.56	24,935	Reed Elsevier NV Com EUR 0.06	329,890	0.51
18,687	Endesa SA Com EUR 1.20	745,238	1.16		<b>Reinsurance</b>		
167,807	Enel Com EUR 1.00	1,269,460	1.97	8,866	Muenchener Rueckversicherung AG Com NPV (Regd)	1,121,549	1.74
17,423	Fortum Oyj Com EUR 3.40	422,159	0.65		<b>Specialty Chemicals</b>		
38,074	Iberdrola SA Com EUR 3.00	1,548,850	2.40	10,684	Akzo Nobel NV Com EUR 2.00	617,002	0.96
	<b>Fixed Line Telecommunications</b>			30,600	Bayer AG Ord NPV	1,768,069	2.74
6,284	Belgacom SA Com NPV	201,339	0.31		<b>Steel</b>		
120,007	Deutsche Telekom Com NPV (Regd)	1,634,495	2.53	30,753	Arcelor Mittal Steel Company NV Ord EUR 0.01	1,483,833	2.30
70,484	France Telecom Com EUR 4.00	1,560,516	2.42		<b>Tyres</b>		
12,243	Hellenic Telecom Org SA (OTE) Com EUR 2.39	293,832	0.45	5,745	Michelin (CGDE) Com EUR 2.00	531,241	0.82
72,610	Kon KPN NV Com EUR 0.24	830,658	1.29		<b>Water</b>		
37,082	Portugal Telecom SGPS Com EUR 0.03	372,303	0.58	15,587	Veolia Environment Com EUR 5.00	877,237	1.36
					<b>EUROPEAN UNION - TOTAL</b>	<b>64,495,992</b>	<b>99.99</b>

# iSHARES DJ EURO STOXX VALUE

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2006

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	VALUE EUR	% OF FUND
	<b>TOTAL VALUE OF INVESTMENTS</b>		
	AT BID PRICES	64,495,992	99.99
	CASH*	872,607	1.35
	OTHER NET LIABILITIES	(892,327)	(1.38)
	<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>64,476,272</b>	<b>99.96</b>
	Adjustment from bid market prices to last traded market prices	24,062	0.04
	<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>64,500,334</b>	<b>100.00</b>

\*All cash holdings are held with The Governor & Company of the Bank of Ireland.

# iSHARES DJ EURO STOXX VALUE

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE PERIOD ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS EUR	LARGEST PURCHASES	COST EUR
Endesa SA Com EUR1.20	394,345	Allianz AG Com NPV (Regd)	2,760,103
Assurance Generale De France NPV	247,129	E.On AG Com NPV	690,773
E.On AG Com NPV	191,952	BNP Paribas Com EUR2.00	664,513
ENI SPA Com EUR1.00 (Regd)	191,944	ING Groep NV CVA Com EUR0.24	607,376
BNP Paribas Com EUR2.00	185,272	Michelin (CGDE) Com EUR2.00	587,410
ING Groep NV CVA Com EUR0.24	171,852	Societe Generale Com EUR1.25	576,189
Societe Generale Com EUR1.25	155,775	Iberdrola SA Com EUR3.00	574,942
AXA Com EUR2.29	140,433	ABN-Amro Holdings Com NPV	566,338
Suez Com EUR2.00	137,416	ENI SPA Com EUR1.00 (Regd)	566,160
Allianz AG Com NPV (Regd)	134,668	Daimlerchrysler AG Ord NPV (Regd)	525,630
ABN-Amro Holdings Com NPV	130,247	AXA Com EUR2.29	522,196
Basf AG Com NPV	119,656	Deutsche Bank AG Com NPV (Regd)	507,777
Deutsche Bank AG Com NPV (Regd)	119,057	Banco Comercial Portugues Com EUR1.00 (Regd)	495,176
Fortis Com EUR0.42	110,509	Porsche AG Non-Voting Pref NPV	479,577
Deutsche Telekom Com NPV (Regd)	107,874	Suez Com EUR2.00	429,565
Unilever NV CVA Com EUR0.16	107,587	Basf AG Com NPV	409,152
Daimlerchrysler AG Ord NPV (Regd)	92,678	Fortis Com EUR0.42	384,985
Arcelor Mittal Steel Company NV Ord EUR0.01	90,519	Deutsche Telekom Com NPV (Regd)	364,285
RWE AG (New) Series 'A' Com NPV	84,496	Bayer AG Ord NPV	359,031
Enel Com EUR1.00	82,964	Unilever NV CVA Com EUR0.16	349,571

# iSHARES DJ EURO STOXX VALUE

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Dividends	1,624	1,765	1,613
Securities lending income	136	-	-
Interest income	14	8	6
Other income	3	-	-
<b>Income</b>	<b>1,777</b>	<b>1,773</b>	<b>1,619</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Management fees	121	176	97
<b>Expenses</b>	<b>121</b>	<b>176</b>	<b>97</b>

Included in expenses are audit fees of €5,558 (February 2007: €10,939 August 2006: €4,780) and directors' fees of €2,191 (February 2007: €4,516 August 2006: €2,258).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Cost at beginning of period	40,934	30,026	30,026
Cost at end of period	55,859	40,934	36,871
Fair value at beginning of period	48,288	34,232	34,232
Fair value at end of period	<b>64,496</b>	<b>48,288</b>	<b>40,841</b>

### 5. DEBTORS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Dividends receivable	60	5	35
Securities lending income receivable	3	-	-
Interest income receivable	2	3	1
<b>Debtors</b>	<b>65</b>	<b>8</b>	<b>36</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Accrued expenses	27	19	28
<b>Creditors</b>	<b>27</b>	<b>19</b>	<b>28</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares '000s	28 February 2007 No. of Shares '000s	31 August 2006 No. of Shares '000s
Balance at beginning of period	1,500	1,200	1,200
Issued during the period	400	600	500
Redeemed during the period	-	(300)	(300)
<b>Balance at end of period</b>	<b>1,900</b>	<b>1,500</b>	<b>1,400</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The fund did not hold any open futures at 28 February 2007 and 31 August 2007.

### 9. FINANCE COSTS – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year.

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
June 2006	-	623	624
September 2006	-	480	477
December 2006	-	14	-
March 2007	-	14	-
June 2007	718	-	-
September 2007	930*	-	-
	<b>1,648</b>	<b>1,131</b>	<b>1,101</b>
Equalisation income	(86)	(39)	-
Equalisation expense	-	(85)	-
	<b>1,562</b>	<b>1,177</b>	<b>1,101</b>

\*Outstanding at period end

# iSHARES DJ EURO STOXX VALUE

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's currency exposure at 31 August 2007 and comparatives for 28 February 2007. At 31 August 2006 all assets and liabilities were held in functional currency GBP. The Fund had no currency exposure as at 31 August 2006.

	31 August 2007	28 February 2007	31 August 2006
	Net currency exposure	Net currency exposure	Net currency exposure
Currency	€	€	€
GBP	10,751	(3,914)	-
USD	6,232	5,408	-
	<b>16,983</b>	<b>1,494</b>	-

#### Fair Value and Cash Flow Interest Rate Risk

The Fund does not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

# iSHARES FTSE 100

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Operating income	2	36,824	42,812	30,765
Net gains on financial assets at fair value through profit or loss		32,288	86,916	26,614
<b>Total investment income</b>		<b>69,112</b>	<b>129,728</b>	<b>57,379</b>
Operating expenses	3	(3,164)	(5,524)	(2,629)
<b>Net income</b>		<b>65,948</b>	<b>124,204</b>	<b>54,750</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	9	(30,458)	(36,487)	(28,033)
Interest expense		-	-	(21)
<b>Profit before tax</b>		<b>35,490</b>	<b>87,717</b>	<b>26,696</b>
Non-reclaimable withholding tax		(402)	(437)	(3,544)
Adjustment from bid market prices to last traded market prices		150	187	-
<b>Increase in Net Assets Attributable to Redeemable Participating Shareholders</b>		<b>35,238</b>	<b>87,467</b>	<b>23,152</b>

There are no recognised gains or losses arising in the year other than the increase in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		1,486,973	1,048,677	1,048,307*
Increase in net assets attributable to Redeemable Participating Shareholders from Operations		35,238	87,467	23,152
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		135,772	350,829	285,026
Payment on redemption of Redeemable Participating Shares		(32,301)	-	-
<b>Net Assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>1,625,682</b>	<b>1,486,973</b>	<b>1,356,485</b>

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## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	1,582,750	1,444,489	1,310,814
Debtors	5	10,563	5,562	9,292
Cash and bank balances		44,304	42,000	49,331
<b>Total current assets</b>	4	<b>1,637,617</b>	<b>1,492,051</b>	<b>1,369,437</b>
<b>Current liabilities</b>				
Creditors	6	(651)	(585)	(901)
Distributions to Redeemable Participating Shareholders payable	9	(11,991)	(5,050)	(12,051)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(12,642)</b>	<b>(5,635)</b>	<b>(12,952)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>1,624,975</b>	<b>1,486,416</b>	-
Adjustment from bid market prices to last traded market prices		707	557	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>1,625,682</b>	<b>1,486,973</b>	<b>1,356,485</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>258,419,707</b>	<b>241,619,707</b>	<b>230,420,000</b>
<b>Net asset value per Redeemable Participating Share</b>		<b>£6.29</b>	<b>£6.15</b>	<b>£5.89</b>

The accompanying notes form an integral part of these financial statements.

\*The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by £370,000 to account for assets at fair value in accordance with applicable accounting standards. (See Note 1(a))



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## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE GBP	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE GBP	% OF FUND
	<b>UNITED KINGDOM</b>				<b>Food Products</b>		
	<b>Aerospace</b>			418,929	Associated British Foods Ord GBP 0.0568	3,617,452	0.22
1,908,334	Rolls Royce Group Ord GBP0.20	9,751,587	0.60	2,220,355	Cadbury Schweppes Ord GBP0.125	13,000,179	0.80
	<b>Airlines</b>			513,579	Tate & Lyle Ord GBP0.25	2,896,586	0.18
1,214,976	British Airways Ord GBP0.25	5,151,498	0.32	1,383,938	Unilever Ord GBP0.0311	21,603,272	1.33
	<b>Apparel Retailers</b>				<b>Food Retailers &amp; Wholesalers</b>		
240,088	NEXT Group Ord GBP0.10	4,636,099	0.29	2,802,863	Morrison (WM.) Supermarkets Ord GBP0.10	8,016,188	0.49
	<b>Asset Managers</b>			1,835,129	Sainsbury (J) Ord GBP0.28571428	10,157,439	0.62
886,173	Invesco Ord USD0.10	5,330,331	0.33	8,408,703	Tesco Ord GBP0.05	35,715,966	2.20
2,005,379	Man Group Ord USD0.03	9,896,545	0.61		<b>Full Line Insurance</b>		
179,763	Schroders Ord GBP1.00	2,374,669	0.15	3,132,474	Royal & Sun Alliance Ord GBP0.275	4,426,186	0.27
72,014	Schroders Ord Non-Voting GBP1.00	822,400	0.05		<b>Gas Distribution</b>		
	<b>Banks</b>			3,877,312	Centrica Ord GBP0.061728395	14,927,651	0.92
462,936	Alliance & Leicester Ord GBP0.50	4,870,087	0.30		<b>General Mining</b>		
6,912,730	Barclays Ord GBP0.25	42,375,035	2.61	1,428,632	Anglo American Ord USD0.54945	40,573,149	2.50
3,959,990	HBOS Ord GBP0.25	34,808,312	2.14	418,096	Antofagasta Holdings Ord GBP0.05	2,970,572	0.18
12,364,424	HSBC Holdings Ord USD0.50 (UK Regd)	110,847,061	6.82	2,448,422	BHP Billiton Ord USD0.50	35,624,540	2.19
5,948,537	Lloyds TSB Group Ord GBP0.25	32,419,527	1.99	197,781	Kazakhmys Ord GBP0.20	2,509,841	0.15
444,633	Northern Rock Ord GBP0.25	3,272,499	0.20	1,058,043	Rio Tinto Ord GBP0.10 (Regd)	36,237,973	2.23
10,049,144	Royal Bank of Scotland Group Ord GBP0.25	57,682,087	3.55	151,487	Vedanta Resources Ord USD0.10	2,663,141	0.16
1,478,224	Standard Chartered Ord USD0.50	22,602,045	1.39	769,843	Xstrata Ord USD0.50	22,348,542	1.37
	<b>Brewers</b>				<b>Home Construction</b>		
1,185,630	SabMiller Ord USD0.10	16,100,855	0.99	362,092	Barratt Developments Ord GBP0.10	3,360,214	0.21
989,166	Scottish & Newcastle Ord GBP0.20	6,117,992	0.38	320,254	Persimmon Ord GBP0.10	3,705,339	0.23
	<b>Broadcasting &amp; Entertainment</b>				<b>Home Improvement Retailers</b>		
1,388,935	British Sky Broadcasting Group Com GBP0.50	9,375,311	0.58	2,474,273	Kingfisher Ord GBP0.157142857	5,152,674	0.32
4,106,767	ITV Ord GBP0.10	4,496,910	0.28		<b>Hotels</b>		
	<b>Broadline Retailers</b>			316,200	Intercontinental Hotels Ord GBP 0.13617	3,278,994	0.20
927,448	Home Retail Group Com NPV	3,834,997	0.24		<b>Industrial Suppliers</b>		
1,778,943	Marks & Spencer GP New Ord GBP 0.25	11,109,499	0.68	694,338	Wolseley Ord GBP0.25	7,200,285	0.44
	<b>Business Support Services</b>				<b>Integrated Oil &amp; Gas</b>		
657,175	Capita Group Ord GBP0.02	4,928,813	0.30	3,605,100	BG Group Ord GBP0.10	28,606,469	1.76
1,077,300	Experian Group Ord USD0.10	5,628,893	0.35	20,305,798	BP Ord USD0.25	113,204,824	6.96
1,908,553	Rentokil Initial Ord GBP0.01	3,305,614	0.20	2,922,850	Royal Dutch Shell Class 'B' Ord EUR 0.07	56,527,919	3.48
	<b>Containers &amp; Packaging</b>			3,889,650	Royal Dutch Shell Class 'A' Ord EUR 0.07	74,836,866	4.60
677,859	Rexam Ord GBP64.285714	3,541,813	0.22		<b>Investment Services</b>		
	<b>Defence</b>			509,929	ICAP Ord GBP0.10	2,488,454	0.15
3,562,209	BAE Systems Ord GBP0.025	16,457,406	1.01		<b>Life Insurance</b>		
	<b>Distillers &amp; Vintners</b>			2,741,617	Aviva Ord GBP0.25	19,396,940	1.19
2,815,410	Diageo Ord GBP28.935185	29,787,038	1.83	2,258,717	Friends Provident Ord GBP0.10	4,038,586	0.25
	<b>Diversified Industrials</b>			6,850,125	Legal & General Group Ord GBP 0.025	9,932,681	0.61
404,507	Smiths Group Ord GBP0.375	3,988,439	0.25	5,788,594	Old Mutual Ord GBP0.10	9,227,019	0.57
	<b>Electricity</b>			2,598,940	Prudential Ord GBP0.05	18,257,554	1.12
1,084,005	British Energy Group Ord GBP0.10	5,013,523	0.31	728,575	Resolution Ord GBP0.05	4,506,236	0.28
371,974	Drax Group Ord GBP0.1155172	2,471,767	0.15	2,224,287	Standard Life Ord GBP0.10	6,672,861	0.41
1,569,666	International Power Ord GBP0.50	6,349,299	0.39		<b>Media Agencies</b>		
904,313	Scottish & Southern Energy Ord GBP 0.50	12,805,072	0.79	1,289,206	WPP Group Ord GBP0.10	9,101,794	0.56
	<b>Fixed Line Telecommunications</b>				<b>Medical Equipment</b>		
8,690,781	BT Group Ord GBP0.05	27,419,414	1.69	991,521	Smith & Nephew Ord USD0.20	5,790,483	0.36
2,519,797	Cable & Wireless Ord GBP0.25	4,311,373	0.27				

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## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE GBP	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE GBP	% OF FUND
	<b>UNITED KINGDOM (Continued)</b>				<b>Software</b>		
	<b>Mobile Telecommunications</b>			1,366,646	Sage Group Ord GBP0.01	3,221,868	0.20
55,604,693	Vodafone Group Ord USD 0.11428571	88,800,695	5.46		<b>Specialty Chemicals</b>		
	<b>Multiutilities</b>			1,258,506	Imperial Chemical Industries Ord GBP1.00	7,972,636	0.49
2,866,084	National Grid Ord GBP0.11395	21,266,343	1.31	229,051	Johnson Matthey Ord GBP1.00	3,676,269	0.23
	<b>Nondurable Household Products</b>				<b>Specialty Finance</b>		
756,114	Reckitt Benckiser Ord GBP0.10	20,399,956	1.25	413,673	3i Group Ord GBP0.62784	4,364,250	0.27
	<b>Pharmaceuticals</b>				<b>Specialty Retailers</b>		
1,586,004	Astrazeneca Ord USD0.25	38,761,938	2.38	1,935,501	DSG International Ord GBP0.025	2,998,091	0.18
6,002,462	GlaxoSmithKline Ord GBP0.25	77,671,858	4.78		<b>Tobacco</b>		
581,822	Shire Ord GBP0.50	7,517,140	0.46	1,623,840	British American Tobacco Ord GBP 0.25	26,695,930	1.64
	<b>Platinum &amp; Precious Metals</b>			716,053	Imperial Tobacco Ord GBP0.10	16,032,426	0.99
163,545	Lonmin Ord USD1.00	5,081,343	0.31		<b>Water</b>		
	<b>Publishing</b>			291,570	Kelda Group Ord GBP0.2022222	2,541,032	0.16
294,208	Daily Mail & General Trust 'A' Ord Non-Voting GBP0.12	1,996,201	0.12	246,065	Severn Trent Ord GBP0.9789	3,351,404	0.20
849,758	Pearson Ord GBP0.25	6,330,697	0.39	922,829	United Utilities Ord GBP1.00	6,381,361	0.39
1,345,278	Reed Elsevier Ord GBP0.125	8,051,489	0.50		<b>UNITED KINGDOM - TOTAL</b>	<b>1,583,940,603</b>	<b>97.43</b>
1,328,334	Reuters Group Ord GBP0.25	8,488,054	0.52		<b>FUTURES CONTRACTS</b>		
819,021	Yell Group Ord GBP0.01	3,689,690	0.23	<b>No. of Contracts</b>	<b>Futures</b>	<b>Unrealised Gain/ (Loss)</b>	<b>% of Fund</b>
	<b>Real Estate Investment Trusts</b>			662	FTSE 100 Index Future September 2007	(1,190,645)	(0.07)
547,285	British Land Company Ord GBP0.25	7,065,449	0.43		<b>FUTURES CONTRACTS - TOTAL</b>	<b>(1,190,645)</b>	<b>(0.07)</b>
306,933	Hammerson Ord GBP0.25	4,076,070	0.25		<b>TOTAL VALUE OF INVESTMENTS</b>		
496,944	Land Securities Ord GBP0.10	9,004,625	0.55		<b>AT BID PRICES</b>	<b>1,582,749,958</b>	<b>97.36</b>
383,672	Liberty International Ord GBP0.50	4,600,227	0.28		<b>CASH*</b>	<b>44,303,508</b>	<b>2.73</b>
458,563	Segro Ord GBP0.27083	2,508,340	0.15		<b>OTHER NET LIABILITIES</b>	<b>(2,078,693)</b>	<b>(0.13)</b>
	<b>Recreational Services</b>				<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>1,624,974,773</b>	<b>99.96</b>
224,456	Carnival Ord USD1.66	4,926,809	0.30		Adjustment from bid market prices to last traded market prices	706,883	0.04
	<b>Restaurants &amp; Bars</b>				<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>1,625,681,656</b>	<b>100.00</b>
2,104,437	Compass Group Ord GBP0.10	6,828,898	0.42				
568,389	Enterprise Inns Ord GBP0.025	3,660,425	0.23				
424,862	Mitchells & Butlers Ord GBP 0.085416	3,027,142	0.19				
280,670	Punch Taverns Ord GBP0.004786	3,078,950	0.19				
207,810	Whitbread Ord GBP0.76797385	3,414,318	0.21				

\*£38,496,000 is held with The Governor & Company of the Bank of Ireland.  
£5,807,000 is held with Barclays Bank PLC.

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## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS GBP	LARGEST PURCHASES	COST GBP
Scottish Power Ord GBP0.42	11,364,506	HSBC Holdings Ord USD0.50 (UK Regd)	13,300,484
Alliance Boots Group Ord GBP0.37179482	10,943,725	BP Ord USD0.25	12,342,092
Hanson Ord GBP0.10	7,921,031	Vodafone Group Ord USD0.11428571	9,250,497
Gallaher Group Ord GBP0.10	7,244,779	GlaxoSmithKline Ord GBP0.25	8,719,429
Bradford & Bingley Ord GBP0.25	5,331,086	Royal Dutch Shell Class 'A' Ord EUR0.07	7,766,361
Corus Group Ord GBP0.50	5,301,322	Royal Bank of Scotland Group Ord GBP0.25	6,701,827
BP Ord USD0.25	3,231,918	Royal Dutch Shell Class 'B' Ord EUR0.07	5,935,151
GlaxoSmithKline Ord GBP0.25	2,804,557	British Energy Group Ord GBP0.10	5,910,607
Cairn Energy Ord GBP0.10	2,343,108	Barclays Ord GBP0.25	5,697,183
HSBC Holdings Ord USD0.50 (UK Regd)	2,268,721	Astrazeneca Ord USD0.25	4,474,537
Royal Dutch Shell Class 'A' Ord EUR0.07	2,035,638	HBOS Ord GBP0.25	4,158,915
Smiths Group 'B' Shares Ord GBP0.01	2,024,378	Tesco Ord GBP0.05	3,883,956
Astrazeneca Ord USD0.25	1,839,827	Barratt Developments Ord GBP0.10	3,870,716
Mondi Ord EUR0.20	1,780,949	Rio Tinto Ord GBP0.10 (Regd)	3,738,455
Vodafone Group Ord USD0.11428571	1,592,899	Punch Taverns Ord GBP0.004786	3,642,824
Rio Tinto Ord GBP0.10 (Regd)	1,416,356	Lloyds TSB Group Ord GBP0.25	3,604,158
BHP Billiton Ord USD0.50	1,406,852	BHP Billiton Ord USD0.50	3,473,019
Royal Bank of Scotland Group Ord GBP0.25	1,349,877	Mitchells & Butlers Ord GBP0.085416	3,438,816
HBOS Ord GBP0.25	1,345,929	Rentokil Initial Ord GBP0.01	3,301,797
Anglo American Ord USD0.50	1,242,248	Diageo Ord GBP28.935	3,123,045

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Dividends	35,650	41,024	29,884
Bond income	-	-	47
Securities lending income	19	4	-
Interest income	1,155	1,784	806
Other income	-	-	28
<b>Income</b>	<b>36,824</b>	<b>42,812</b>	<b>30,765</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Management fees	3,164	5,524	2,629
<b>Expenses</b>	<b>3,164</b>	<b>5,524</b>	<b>2,629</b>

Included in expenses are audit fees of £4,647 (February 2007: £7,373 August 2006: £6,500) and directors fees of £1,486 (February 2007: £3,044 August 2006: £1,522)

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
Cost at beginning of period	1,164,574	813,224	813,224
Cost at end of period	1,301,754	1,164,574	1,079,524
Fair value at beginning of period	1,444,489	1,020,780	1,020,780
Fair value at end of period	<b>1,582,750</b>	<b>1,444,489</b>	<b>1,310,814</b>

### 5. DEBTORS

	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
Dividends receivable	10,448	4,447	8
Bond income receivable	-	-	47
Interest income receivable	115	1,115	9,237
<b>Debtors</b>	<b>10,563</b>	<b>5,562</b>	<b>9,292</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
Accrued expenses	651	585	901
<b>Creditors</b>	<b>651</b>	<b>585</b>	<b>901</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares '000s	28 February 2007 No. of Shares '000s	31 August 2006 No. of Shares '000s
Balance at beginning of period	241,620	181,220	181,220
Issued during the period	21,800	60,400	49,200
Redeemed during the period	(5,000)	-	-
<b>Balance at end of period</b>	<b>258,420</b>	<b>241,620</b>	<b>230,420</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Company enters into futures contracts with Barclays Bank PLC, for the purpose of efficient portfolio management. These derivatives will normally be traded on a recognised market.

The net unrealised gain on open futures contracts at 31 August 2007 comprised:

No. of Contracts	Futures	Unrealised Loss GBP
662	FTSE 100 Index Future September 2007	(1,190,645)

The net unrealised gain on open futures contracts at 28 February 2007 comprised:

No. of Contracts	Futures	Unrealised Loss GBP
671	FTSE 100 Index March 2007	(216,415)

The net unrealised gain on open futures contracts at 31 August 2006 comprised:

No. of Contracts	Futures	Unrealised Gain GBP
803	FTSE 100 Index September 2006	1,627,675

# NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

## 9. FINANCE COST – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year.

Pay date	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
June 2006	-	14,879	14,880
September 2006	-	12,035	12,051
December 2006	-	6,348	-
March 2007	-	5,050	-
June 2007	19,096	-	-
September 2007	11,991*	-	-
	<b>31,087</b>	<b>38,312</b>	<b>26,931</b>
Equalisation income	(937)	(1,856)	-
Equalisation expense	308	31	1,102
	<b>30,458</b>	<b>36,487</b>	<b>28,033</b>

\*Outstanding at period end

## Fair value and cash flow interest rate risk

The Fund does not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

## 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risk that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect of the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's currency exposure at 31 August 2007 and the comparatives for 28 February 2007 and 31 August 2006:

Currency	31 August 2007 Net currency exposure £	28 February 2007 Net currency exposure £	31 August 2006 Net currency exposure £
EUR	554,766	1,161,009	649,146
USD	1,883,209	922,800	-
	<b>2,437,975</b>	<b>2,083,809</b>	<b>649,146</b>

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## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Operating income	2	4,664	5,105	2,894
Net gains on financial assets at fair value through profit or loss		6,697	41,957	5,354
<b>Total investment income</b>		<b>11,361</b>	<b>47,062</b>	<b>8,248</b>
Operating expenses	3	(656)	(905)	(361)
<b>Net income</b>		<b>10,705</b>	<b>46,157</b>	<b>7,887</b>
<b>Finance Costs</b>				
Distributions to Redeemable Participating Shareholders	9	(3,857)	(4,058)	(2,116)
Interest expense		(20)	-	-
<b>Profit before tax</b>		<b>6,828</b>	<b>42,099</b>	<b>5,771</b>
Non-reclaimable withholding tax		(1)	-	(286)
Adjustment from bid market prices to last traded market prices		(115)	217	-
<b>Increase in net assets attributable to Redeemable Participating Shareholders</b>		<b>6,712</b>	<b>42,316</b>	<b>5,485</b>

There are no recognised gains or losses arising in the period other than the increase in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		320,616	142,730	142,599*
Increase in net assets attributable to Redeemable Participating Shareholders from Operations		6,712	42,316	5,485
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		5,745	145,943	84,457
Payment on redemption of Redeemable Participating Shares		(34,082)	(10,373)	(4,690)
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>298,991</b>	<b>320,616</b>	<b>227,851</b>

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## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	298,126	319,995	227,074
Debtors	5	11,583	320	559
Cash and bank balances		1,760	746	1,455
<b>Total current assets</b>		<b>311,469</b>	<b>321,061</b>	<b>229,088</b>
<b>Current liabilities</b>				
Creditors	6	(11,210)	(127)	(89)
Distributions to Redeemable participating Shareholders payable	9	(1,601)	(766)	(1,248)
<b>Total current liabilities (excluding net assets attributable to redeemable Participating Shareholders)</b>		<b>(12,811)</b>	<b>(893)</b>	<b>(1,337)</b>
<b>Net assets attributable to redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>298,658</b>	<b>320,168</b>	<b>-</b>
Adjustment from bid market prices to last traded market prices		333	448	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>298,991</b>	<b>320,616</b>	<b>227,751</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>26,750,000</b>	<b>29,250,000</b>	<b>24,000,000</b>
<b>Net asset value per Redeemable Participating Share</b>		<b>£11.18</b>	<b>£10.96</b>	<b>£9.49</b>

The accompanying notes form an integral part of these financial statements.

\*The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by £131,000 to account for assets at fair value in accordance with applicable accounting standards. (See note 1 (a)).

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## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE GBP	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE GBP	% OF FUND
	<b>UNITED KINGDOM</b>			380,414	Michael Page International Ord GBP0.01	1,821,232	0.61
	<b>Aerospace</b>			118,218	STHREE (WI) Ord GBP0.01	408,443	0.14
1,298,742	Cobham Ord GBP0.025	2,610,471	0.87		<b>Clothing &amp; Accessories</b>		
744,067	Meggitt Ord GBP0.05	2,364,273	0.79	501,260	Burberry Group Ord GBP0.0005	3,060,192	1.02
	<b>Airlines</b>				<b>Coal</b>		
356,729	Easyjet Ord GBP0.25	2,058,326	0.69	178,379	UK Coal Ord GBP0.01	929,355	0.31
	<b>Apparel Retailers</b>				<b>Computer Services</b>		
231,085	Brown (N) Group Ord GBP0.1105263	648,193	0.22	51,366	Axon Group Ord GBP0.01	380,879	0.13
205,910	JJJ Sports Ord GBP0.05	431,381	0.14	96,789	Detica Group Ord GBP0.02	304,401	0.10
1,960,908	Signet Group Ord USD0.009	1,848,156	0.62	1,768,844	Dimension Data Holdings Ord USD0.01	990,553	0.33
411,361	Sports Direct International Ord GBP0.10	584,133	0.20	1,758,572	Logicacmg Ord GBP0.10	2,866,472	0.96
	<b>Asset Managers</b>			607,857	Northgate Information Solution Ord GBP0.10	439,177	0.15
716,899	Aberdeen Asset Management Ord GBP0.10	1,272,496	0.43		<b>Consumer Finance</b>		
325,300	Ashmore Group Limited Ord GBP0.0001	722,166	0.24	414,790	Cattles Ord GBP0.10	1,512,947	0.51
88,341	Bluebay Asset Management Ord GBP0.0001	374,124	0.13	293,164	International Personal Finance Ord GBP1.70	570,937	0.19
1,027,740	Henderson Group Ord GBP0.10	1,559,595	0.52	134,332	Paragon Group of Companies Ord GBP0.10	558,149	0.19
48,736	Rathbone Brothers Ord GBP0.05	652,575	0.22	145,453	Provident Financial Ord GBP20.727	1,264,714	0.42
	<b>Auto Parts &amp; Equipment</b>				<b>Containers &amp; Packaging</b>		
807,019	GKN (New) Ord GBP0.50	2,953,690	0.99	452,398	Smith (David S) (Holdings) Ord GBP0.10	1,022,419	0.34
	<b>Banks</b>				<b>Defence</b>		
727,068	Bradford & Bingley Ord GBP0.25	2,755,588	0.92	37,344	Chemring Group Ord GBP0.05	749,121	0.25
	<b>Broadline Retailers</b>			559,963	QINETIQ Ord NPV	996,734	0.33
737,572	Debenhams Ord GBP0001	886,930	0.30	77,104	Ultra Electronic Ord GBP0.05	905,972	0.30
	<b>Building Materials &amp; Fixtures</b>			201,544	VT Group Ord GBP0.05	1,154,847	0.39
165,570	Marshall's Group Ord GBP0.25	527,340	0.18		<b>Diversified Industrials</b>		
	<b>Business Support Services</b>			220,771	Cookson Group Ord GBP0.10	1,693,314	0.57
306,236	Aggreko Ord GBP0.20	1,623,051	0.54	1,004,843	Tomkins Ord GBP0.05	2,391,526	0.80
384,526	AMEC Ord GBP0.50	2,507,110	0.84		<b>Durable Household Products</b>		
639,927	Ashtead Group Ord GBP0.10	820,706	0.27	131,731	AGA Foodservice Group Ord GBP0.28125	562,162	0.19
119,842	Atkins WS Ord GBP0.005	1,281,111	0.43		<b>Electrical Components &amp; Equipment</b>		
262,136	Babcock International Group Ord GBP0.60	1,429,952	0.48	201,296	Laird Group Ord GBP0.28125	1,163,491	0.39
385,511	Bunzl Ord GBP0.3214857	2,656,171	0.89	324,839	Morgan Crucible Company Ord GBP0.25	999,692	0.33
194,059	Davis Service Group Ord GBP0.30	1,145,918	0.38	141,232	Spectris Ord GBP0.05	1,257,671	0.42
171,168	De La Rue Ord GBP0.29761	1,271,778	0.43		<b>Electronic Equipment</b>		
1,463,820	G4S Ord GBP0.25	2,902,023	0.97	424,883	Halma Ord GBP0.10	923,058	0.31
73,956	Homeserve Ord GBP0.125	1,263,908	0.42	911,717	Invensys Ord GBP0.10	3,108,955	1.04
141,944	Interserve Ord GBP0.10	657,910	0.22	42,201	Renishaw Ord GBP0.20	298,150	0.10
179,831	Intertek Group Ord GBP0.01	1,765,940	0.59		<b>Equity Investment Instruments</b>		
117,608	Mcalpine (Alfred) Ord GBP0.25	559,520	0.19	113,205	Aberforth Smaller Companies Trust Ord GBP0.01	811,114	0.27
358,102	Mitie Group Ord GBP0.025	928,379	0.31	769,374	Alliance Trust Ord GBP0.025	2,717,814	0.91
125,077	Mouchel Parkman Ord GBP0.0025	514,066	0.17	132,884	Bankers Investment Trust Ord GBP0.25	550,804	0.18
848,519	Regus Group Ord GBP0.05	1,134,894	0.38	351,549	British Assets Trust Limited Ord GBP0.25	492,169	0.16
234,704	Rps Group Ord GBP0.03	896,569	0.30	183,307	British Empire Securities & General Trust Ord GBP0.10	846,420	0.28
544,656	Serco Group Ord GBP2.00	2,299,810	0.77	50,536	Caledonia Investments Ord GBP0.05	1,043,568	0.35
57,551	Speedy Hire Ord GBP0.05	679,677	0.23				
70,728	WSP Group Ord GBP0.05	498,632	0.17				
117,914	Xchanging Limited Ord GBP0.05	333,697	0.11				
	<b>Business Training &amp; Employment Agencies</b>						
1,673,646	Hays Ord GBP0.01	2,661,097	0.89				



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## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE GBP	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE GBP	% OF FUND
	<b>UNITED KINGDOM (Continued)</b>						
25,057	Candover Investments Ord GBP0.25	504,899	0.17	12,832	Greggs Ord GBP0.20	679,198	0.23
239,535	City of London Investment Ord GBP0.25	718,605	0.24	566,032	Northern Foods Ord GBP0.25	578,768	0.19
476,744	Dexion Absolute Ord GBP NPV	728,226	0.24	966,240	Premier Foods Ord GBP1.00	2,328,638	0.78
175,207	Dunedin Income Growth Investment Trust Ord GBP0.25	455,538	0.15		<b>Furnishings</b>		
243,982	Edinburgh Investment Trust Ord GBP0.25	1,152,815	0.39	100,120	Headlam Group Ord GBP0.05	578,694	0.19
80,560	Edinburgh US Track Ord GBP0.25	467,248	0.16	720,873	Ladbrokes Ord GBP0.28333	3,139,402	1.05
43,066	Electra Private Equity Ord GBP0.25	697,669	0.23	1,363,473	Partygaming Ord GBP0.000015	385,181	0.13
71,212	Fidelity European Values Ord GBP0.25	907,953	0.30	405,632	William Hill Ord GBP10.00	2,494,637	0.83
128,861	Fleming Mercantile Investment Trust Ord GBP0.25	1,575,970	0.53		<b>Gold Mining</b>		
833,676	Foreign & Colonial Investment Trust Ord GBP0.25	2,471,849	0.83	78,731	Randgold Resources Ord USD0.05	937,686	0.31
175,204	JP Morgan European Investment Trust Growth Shares Ord GBP0.05	397,713	0.13		<b>Health Care Providers</b>		
211,931	JPMorgan Japanese Investment Trust Ord GBP0.25	446,645	0.15	216,665	Southern Cross Healthcare Ord GBP0.01	1,098,492	0.37
118,616	Merchants Trust Ord GBP0.25	612,059	0.20		<b>Heavy Construction</b>		
182,512	Merrill Lynch World Mining Trust Ord GBP0.25	1,033,018	0.35	490,481	Balfour Beatty Ord GBP0.50	2,318,749	0.78
322,544	Monks Investment Trust Ord GBP0.05	1,025,690	0.34	321,302	Carillion Ord GBP0.50	1,291,634	0.43
74,991	Murray Income Trust Ord GBP0.25	531,311	0.18	432,750	Galliford TRY Ord GBP0.05	631,815	0.21
99,822	Murray International Trust Ord GBP0.25	648,843	0.22	74,994	Keller Group Ord GBP0.10	827,934	0.28
237,636	Perpetual Income & Growth Investment Trust Ord GBP0.10	597,655	0.20	41,807	Kier Group Ord GBP0.01	803,531	0.27
179,500	RIT Capital Partners Ord GBP1.00	1,996,040	0.67	36,259	Morgan Sindall Ord GBP0.05	637,796	0.21
158,980	Schroder Ventures International Investment Trust Ord GBP1.00	1,343,381	0.45		<b>Home Construction</b>		
159,567	Scottish Investment Trust Ord GBP0.25	777,091	0.26	130,962	Bellway Ord GBP0.125	1,659,289	0.55
322,287	Scottish Mortgage & Trust Ord GBP0.25	1,888,602	0.63	137,592	Berkeley GP Holdings Units (New Ord & 2006 2008 & 2010 'B' Shares)	2,211,103	0.74
66,488	Temple Bar Investment Trust Ord GBP0.25	549,191	0.18	137,774	Bovis Homes Group Ord GBP0.50	1,058,104	0.35
613,578	Templeton Emerging Markets Ord GBP0.25	2,340,800	0.78	183,436	Redrow Ord GBP0.10	943,778	0.32
285,399	Witan Investment Company Ord GBP0.25	1,329,959	0.44	1,313,068	Taylor Wimpey Ord GBP0.255	4,543,215	1.52
	<b>Exploration &amp; Production</b>				<b>Home Improvement Retailers</b>		
160,531	Burren Energy Ord GBP0.20	1,301,104	0.44	58,411	Carpetright Ord GBP0.01	696,843	0.23
149,379	Cairn Energy Ord GBP0.10	2,684,341	0.90		<b>Hotels</b>		
99,401	Dana Petroleum Ord GBP0.15	960,214	0.32	170,742	Millennium & Copthorne Ord GBP0.30	915,177	0.31
131,867	JXX Oil & Gas Ord GBP0.10	511,644	0.17		<b>Industrial Machinery</b>		
94,963	Premier Oil Ord GBP0.50	963,874	0.32	366,885	Bodycote International Ord GBP0.10	974,997	0.33
83,282	Soco International Ord GBP0.20	1,662,309	0.56	189,134	Charter Ord GBP0.20 (Regd)	2,106,953	0.70
821,256	Tullow Oil Ord GBP0.10	4,204,831	1.41	446,137	Enodis Ord GBP0.10	814,200	0.27
153,087	Venture Production Ord GBP0.004	1,139,733	0.38	667,892	FKI Ord GBP0.10	704,626	0.24
	<b>Fixed Line Telecommunications</b>			380,812	IMI Ord GBP0.25	2,145,876	0.72
311,856	Colt Telecom Group SA Ord EUR1.25	486,495	0.16	149,308	Melrose Ord GBP0.002	284,058	0.10
	<b>Food Products</b>			98,586	Rotork Ord GBP0.05	991,775	0.33
152,072	Dairy Crest Group Ord GBP0.25	1,096,439	0.37	23,431	Severfield-Rowen Ord GBP0.10	551,097	0.18
				87,364	Spirax-Sarco Engineering Ord GBP0.25	851,799	0.28
				237,607	Weir Group Ord GBP0.125	1,960,258	0.66
					<b>Industrial Suppliers</b>		
				139,112	Bss Group Ord GBP0.05	685,474	0.23
				497,468	Electrocomponents Ord GBP0.10	1,258,594	0.42
				249,998	Filtrona Ord GBP0.25	596,870	0.20
				728,830	MFI Furniture Group Ord GBP0.10	947,479	0.32
				417,760	Premier Farnell Ord GBP0.05	759,279	0.25
				140,820	SIG Ord GBP0.10	1,794,047	0.60
				140,002	Travis Perkins Ord GBP0.10	2,499,036	0.84

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## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE GBP	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE GBP	% OF FUND
	<b>UNITED KINGDOM (Continued)</b>				<b>Publishing</b>		
	<b>Insurance Brokers</b>			244,858	EMAP Ord GBP0.30	2,213,516	0.74
224,290	Admiral Group Ord GBP0.001	1,891,886	0.63	35,529	Euromoney Institutional Investor Ord GBP0.0025	191,679	0.06
195,523	Benfield Group Ord GBP0.01	597,323	0.20	481,737	Informa Ord GBP0.10	2,755,536	0.92
182,688	Lloyd Thompson Group Ord GBP0.05	694,214	0.23	329,789	Johnston Press Ord GBP0.10	1,270,512	0.42
	<b>Investment Services</b>			335,581	Trinity Mirror Ord GBP0.10	1,572,197	0.53
168,821	Close Bros Group Ord GBP0.25	1,302,454	0.44	290,428	United Business Media Ord GBP0.33806	2,197,088	0.73
284,779	Collins Stewart Ord GBP1.50	521,146	0.17		<b>Real Estate Holding &amp; Development</b>		
479,130	Investec Ord GBP0.0002	2,589,698	0.87	82,616	Capital & Regional Ord GBP0.10	773,699	0.26
173,375	London Stock Exchange Ord GBP4.44767441	2,364,835	0.79	61,829	CLS Holdings Ord GBP0.25	341,296	0.11
45,425	Primback Entitlement Units			5,481	Daejan Holdings Ord GBP0.25	192,164	0.06
240,136	Tullet Prebon Ord GBP0.25	1,003,168	0.34	115,128	Derwent London Ord GBP0.05	2,065,396	0.69
	<b>Life Insurance</b>			111,250	Grainger Ord GBP0.05	580,169	0.19
221,117	F&C Asset Management Ord GBP0.001	430,625	0.14	13,591	Mapeley Ord NPV	342,493	0.11
216,722	St James Place Capital Ord GBP0.15	838,172	0.28	184,150	Minerva Ord GBP0.25	511,477	0.17
	<b>Media Agencies</b>			148,270	Quintain Estates & Development Ord GBP0.25	1,199,504	0.40
1,309,431	Aegis Group Ord GBP0.05	1,725,175	0.58	151,096	Savills Ord GBP0.025	742,637	0.25
299,794	ITE Group Ord GBP0.01	506,652	0.17	104,533	St. Modwen Properties Ord GBP0.10	545,662	0.18
75,238	Rightmove Ord GBP0.01	436,380	0.15	141,732	Unite Group Ord GBP0.25	572,952	0.19
494,814	Taylor Nelson Sofres Ord GBP0.05	1,135,598	0.38		<b>Real Estate Investment Trusts</b>		
	<b>Medical Equipment</b>			266,816	Assura Group Limited Ord GBP0.10	460,925	0.15
168,697	Gyrus Group Ord GBP0.01	750,702	0.25	97,528	Big Yellow Group Ord GBP0.10	522,750	0.17
	<b>Mobile Telecommunications</b>			307,873	Brixton Ord GBP25.00	1,216,868	0.41
523,152	Inmarsat Limited Ord EUR0.0005	2,127,921	0.71	337,236	F&C Commercial Products Ord GBP0.90	435,034	0.15
	<b>Oil Equipment &amp; Services</b>			207,261	Great Portland Estates Ord GBP0.125	1,339,942	0.45
266,584	Abbot Group Ord GBP0.15	768,428	0.26	408,120	Invista Fund Property Trust Ord NPV	488,724	0.16
124,547	Expro International Group Ord GBP0.10	1,255,434	0.42	153,797	Shaftesbury Ord GBP0.25	895,099	0.30
147,952	Hunting Ord GBP0.25	1,074,871	0.36	304,120	TR Property Investment Trust Ord GBP0.25	641,693	0.21
199,236	Petrofac Ord USD0.025	920,968	0.31	148,256	TR Property Investment Trust Sigma Ord GBP0.125	152,704	0.05
448,121	Wood Group (John) Ord GBP0.033333	1,617,717	0.54	299,216	UK Commercial Property Trust Limited Ord GBP0.25	269,294	0.09
	<b>Paper</b>			198,928	Workspace Group Ord GBP0.10	722,109	0.24
425,485	Mondi Ord EUR0.20	2,082,749	0.70	446,485	<b>Recreational Services</b>		
	<b>Personal Products</b>				Rank Group Ord GBP0.1388888	748,979	0.25
248,268	PZ Cussons Ord GBP0.01	418,952	0.14		<b>Restaurants &amp; Bars</b>		
217,229	SSL International Ord GBP0.10	957,980	0.32	169,716	Greene King Ord GBP0.125	1,698,857	0.57
	<b>Pharmaceuticals</b>			80,176	Luminar Ord GBP0.25	568,047	0.19
145,852	Hikma Pharmaceuticals Ord GBP0.10	600,181	0.20	343,488	Marstons Ord GBP0.07375	1,279,493	0.43
	<b>Platinum &amp; Precious Metals</b>			225,505	Restaurant Group Ord GBP0.28125	684,408	0.23
98,024	Aquarius Platinum Com USD0.15	1,488,004	0.50	163,399	Wetherspoon (J.D) Ord GBP0.02	955,884	0.32
105,797	Hochschild Mining Ord GBP0.50	345,163	0.12		<b>Semiconductors</b>		
	<b>Property &amp; Casualty Insurance</b>			1,540,927	Arm Holdings Ord GBP0.0005	2,265,163	0.76
610,806	Amlin Ord GBP0.25	1,862,958	0.62	149,757	CSR Ord GBP0.10	971,923	0.33
419,399	Beazley Group Ord GBP0.05	746,530	0.25		<b>Soft Drinks</b>		
370,908	Brit Insurance Holdings Ord GBP0.75	1,308,378	0.44	248,406	Britvic Ord GBP0.20	824,087	0.28
289,267	Catlin Group Limited Ord USD0.01	1,404,391	0.47				
41,642	Domestic & General Group Ord GBP0.10	491,376	0.16				
451,549	Hiscox Ord GBP0.05	1,218,053	0.41				

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## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE GBP	% OF FUND
	<b>UNITED KINGDOM (Continued)</b>		
	<b>Software</b>		
225,684	Autonomy Corporation Ord GBP0.003333	2,089,834	0.70
76,349	Aveva Group Ord GBP0.0333	708,900	0.24
172,861	Micro Focus International Ord GBP0.10	503,026	0.17
571,999	Misys Ord GBP0.01	1,319,888	0.44
	<b>Specialized Consumer Services</b>		
24,168	OXL Ricardo Ord GBP0.05	269,473	0.09
	<b>Specialty Chemicals</b>		
156,599	Croda International Ord GBP0.10	1,033,553	0.35
94,180	Victrex Ord GBP0.02	658,789	0.22
	<b>Specialty Finance</b>		
158,805	Helphire Group Ord GBP0.05	600,680	0.20
375,736	IG Group Holdings Ord GBP0.00005	1,176,993	0.39
80,630	Intermediate Capital Group Ord GBP0.20	1,198,162	0.40
	<b>Specialty Retailers</b>		
411,168	Carphone Warehouse Ord GBP0.001	1,402,083	0.47
97,163	Findel Ord GBP0.05	695,687	0.23
389,551	Game Group Ord GBP0.05	740,147	0.25
251,606	Halfords Group Ord GBP0.01	1,020,891	0.34
461,214	HMV Group Ord GBP0.01	567,293	0.19
533,346	Inchcape Ord GBP0.25	2,514,726	0.84
606,151	Kesa Electricals Ord GBP0.25	1,871,491	0.63
749,813	Pendragon Ord GBP0.05	567,983	0.19
210,845	WH Smith Ord GBP0.20	861,302	0.29
	<b>Telecommunications Equipment</b>		
1,018,458	Spirent Communications Ord GBP3.333	667,090	0.22
	<b>Transportation Services</b>		
473,239	BBA Aviation Ord GBP0.2976	1,139,323	0.38
52,120	Forth Ports Ord GBP0.50	934,512	0.31
137,545	Wincanton Ord GBP10.00	526,797	0.18

HOLDING	INVESTMENT	FAIR VALUE GBP	% OF FUND
	<b>Travel &amp; Tourism</b>		
226,480	Arriva Ord GBP0.05	1,713,321	0.57
526,942	Avis Europe Ord GBP0.01	252,932	0.08
617,919	First Choice Holidays Ord GBP0.03	1,827,495	0.61
498,011	Firstgroup Ord GBP0.05	3,242,052	1.08
53,260	Go-Ahead Group Ord GBP0.10	1,461,987	0.49
174,590	National Express Group Ord GBP0.05	2,189,359	0.73
807,383	Stagecoach Group Ord GBP0.009824	1,786,335	0.60
560,251	Thomas Cook Group Ord GBP0.10	1,596,715	0.53
	<b>Trucking</b>		
80,862	Northgate Ord GBP0.05	900,803	0.30
	<b>Waste &amp; Disposal Services</b>		
399,335	Biffa Ord GBP0.10	1,002,332	0.34
267,786	Shanks Group Ord GBP0.10	633,314	0.21
	<b>Water</b>		
445,462	Northumbrian Water Group Ord GBP0.10	1,540,186	0.52
407,512	Pennon Group Ord GBP0.4071	2,449,148	0.82
	<b>UNITED KINGDOM - TOTAL</b>	<b>298,126,288</b>	<b>99.71</b>
	<b>TOTAL VALUE OF INVESTMENTS AT BID PRICES</b>	<b>298,126,288</b>	<b>99.71</b>
	<b>CASH*</b>	<b>1,759,945</b>	<b>0.59</b>
	<b>OTHER NET LIABILITIES</b>	<b>(1,228,316)</b>	<b>(0.41)</b>
	<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>298,657,917</b>	<b>98.89</b>
	Adjustment from bid market prices to last traded market prices	332,776	0.11
	<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>298,990,693</b>	<b>100.00</b>

\* All cash holdings are held with The Governor & Company of the Bank of Ireland

# iSHARES FTSE 250

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS GBP	LARGEST PURCHASES	COST GBP
British Energy Group Ord GBP0.10	6,865,352	Bradford & Bingley Ord GBP0.25	3,353,890
Barratt Developments Ord GBP0.10	4,560,410	British Energy Group Ord GBP0.10	3,176,284
Punch Taverns Ord GBP0.004786	4,060,870	Cairn Energy Ord GBP0.10	2,877,317
Rentokil Initial Ord GBP0.01	3,997,477	Mondi Ord EUR0.20	2,202,420
Mitchells & Butlers Com GBP0.085416	3,876,796	Sports Direct International Ord GBP0.10	914,836
Daily Mail & General Trust Class 'A' Ord Non-Voting GBP0.12	2,728,184	Galliford TRY Ord GBP0.05	780,083
EMI Group Ord GBP0.14	2,703,506	Game Group Ord GBP0.05	637,557
Schroders Ord GBP1.00	2,575,765	Investec Ord GBP0.0002	603,936
London Stock Exchange Ord GBP4.448	1,222,923	Severfield-Rowen Ord GBP0.10	581,494
Countrywide Ord GBP0.05	1,104,304	Candover Investments Ord GBP0.25	578,186
Schroders Ord Non-Voting GBP1.00	982,875	Wincanton Ord GBP10.00	569,477
Wilson Bowden Ord GBP0.10	848,889	Barratt Developments Ord GBP0.10	565,284
Crest Nicholson Ord GBP0.10	844,269	ITE Group Ord GBP0.01	532,623
Stagecoach Group Unlisted 'B' Shares Ord GBP0.63	807,637	Domestic & General Group Ord GBP0.10	515,043
GKN (New) Ord GBP0.50	610,231	GKN (New) Ord GBP0.50	509,656
Enterprise Com GBP0.05	579,920	WSP Group Ord GBP0.05	468,685
Cairn Energy Class 'B' (Assented Purchase)	540,081	Micro Focus International Ord GBP0.10	444,744
Helical Bar Ord GBP0.01	528,466	Southern Cross Healthcare Ord GBP0.01	436,208
Taylor Wimpey Ord GBP0.255	526,480	Axon Group Ord GBP0.01	430,449
Burberry Group Ord GBP0.0005	490,509	Bluebay Asset Management Com GBP0.0001	415,704

# iSHARES FTSE 250

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Dividends	4,630	5,089	2,886
Securities lending income	5	1	-
Interest income	29	15	8
<b>Income</b>	<b>4,664</b>	<b>5,105</b>	<b>2,894</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Management fees	656	905	361
<b>Expenses</b>	<b>656</b>	<b>905</b>	<b>361</b>

Included in expenses are audit fees of £3,757 (February 2007: £7,373 August 2006: £6,500) and directors fees of £1,486 (February 2007: £3,044 August 2006: £1,522).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
Cost at beginning of period	262,166	112,311	112,311
Cost at end of year	249,416	262,166	197,908
Fair value at beginning of period	319,995	142,750	142,750
Fair value at end of period	<b>298,126</b>	<b>319,995</b>	<b>227,074</b>

### 5. DEBTORS

	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
Dividends receivable	561	308	554
Securities lending income receivable	1	-	-
Interest income receivable	-	12	5
Sales of securities awaiting settlement	11,021	-	-
<b>Debtors</b>	<b>11,583</b>	<b>320</b>	<b>559</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
Accrued expenses	126	127	89
Redemptions awaiting settlement	11,084	-	-
<b>Creditors</b>	<b>11,210</b>	<b>127</b>	<b>89</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares '000s	28 February 2007 No. of Shares '000s	31 August 2006 No. of Shares '000s
Balance at beginning of period	29,250	15,250	15,250
Issued during the period	500	15,000	9,250
Redeemed during the period	(3,000)	(1,000)	(500)
<b>Balance at end of period</b>	<b>(26,750)</b>	<b>(29,250)</b>	<b>24,000</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The fund did not hold any open futures at 28 February 2007 and 31 August 2006.

### 9. FINANCE COSTS – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year.

Pay date	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
June 2006	-	1,147	1,147
September 2006	-	1,248	1,248
December 2006	-	1,296	-
March 2007	-	766	-
June 2007	2,204	-	-
September 2007	1,601*	-	-
	<b>3,805</b>	<b>4,457</b>	<b>2,395</b>
Equalisation income	(13)	(427)	(279)
Equalisation expense	65	28	-
	<b>3,857</b>	<b>4,058</b>	<b>2,116</b>

\*Outstanding at period end

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other

# NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

## 10. FINANCIAL INSTRUMENTS AND RISKS (continued)

### Currency Risk (continued)

currencies may change in a manner which has an adverse affect on the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's net currency exposures at 31 August 2007 and comparatives for 28 February 2007. At 31 August 2006 all assets and liabilities were held in the functional currency GBP. The Fund had no currency exposure at 31 August 2006.

	31 August 2007	28 February 2007	31 August 2006
	Net currency exposure	Net currency exposure	Net currency exposure
Currency	£	£	£
EUR	22	(325)	-
USD	-	19,413	-
	22	19,088	-

### Fair Value and Cash Flow Interest Rate Risk

The Fund does not hold any interest bearing securities at 31 August 2007 and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006 and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are sated in note 13 on pages 17 and 18.

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## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Operating income	2	4,208	5,464	5,354
Net gains on financial assets at fair value through profit or loss		8,548	18,765	2,489
<b>Total investment income</b>		<b>12,756</b>	<b>24,229</b>	<b>7,843</b>
Operating expenses	3	(353)	(730)	(724)
<b>Net income</b>		<b>12,403</b>	<b>23,499</b>	<b>7,119</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	9	(1,899)	(4,510)	2,458
<b>Profit before tax</b>		<b>10,504</b>	<b>18,989</b>	<b>4,661</b>
Non-reclaimable withholding tax		(134)	(184)	(1,193)
Adjustment from bid market prices to last traded market prices		127	(135)	-
<b>Increase in Net Assets Attributable to Redeemable Participating Shareholders</b>		<b>10,497</b>	<b>18,670</b>	<b>3,468</b>

There are no recognised gains or losses arising in the period other than the increase in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Net Assets attributable to Redeemable Participating Shareholders at the beginning of the period		170,700	181,334	181,277
Increase in net assets attributable to Redeemable Participating Shareholders from Operations		10,497	18,670	3,468
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		1,813	1,707	-
Payment on redemption of Redeemable Participating Shares		(12,097)	(31,011)	(5,537)
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>170,913</b>	<b>170,700</b>	<b>179,208</b>

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## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	166,489	167,712	174,607
Debtors	5	98	99	77
Cash and bank balances		4,347	3,035	4,603
<b>Total current assets</b>		<b>170,934</b>	<b>170,846</b>	<b>179,287</b>
<b>Current liabilities</b>				
Creditors	6	(70)	(68)	(79)
Distributions to Redeemable Participating Shareholders payable	9	-	-	-
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(70)</b>	<b>(68)</b>	<b>(79)</b>
<b>Net Assets Attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>170,864</b>	<b>170,778</b>	-
Adjustment from bid market prices to last traded market prices		49	(78)	-
<b>Net assets attributable to Redeemable Participating Shareholders at at end of the period (at last traded market prices)</b>		<b>170,913</b>	<b>170,700</b>	<b>179,208</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>12,651,769</b>	<b>13,431,769</b>	<b>15,252,000</b>
<b>Net asset value per Redeemable Participating Share</b>		<b>€13.51</b>	<b>€12.71</b>	<b>€11.75</b>

The accompanying notes form an integral part of these financial statements.



# iSHARES FTSEUROFIRST 80

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>EUROPEAN UNION</b>			275,247	Enel Com EUR1.00	2,082,244	1.22
	<b>Automobiles</b>			74,530	Iberdrola SA Com EUR3.00	3,031,880	1.77
18,098	Bayerische Motoren Werke Com EUR1.00	806,628	0.47		<b>Electronic Equipment</b>		
61,440	Daimlerchrysler AG Ord NPV (Regd)	4,006,502	2.34	53,502	Siemens AG Com NPV (Regd)	4,917,369	2.88
10,346	Peugeot SA Com EUR1.00	646,625	0.38		<b>Fixed Line Telecommunications</b>		
12,295	Renault SA Com EUR3.81	1,217,205	0.71	195,315	Deutsche Telekom Com NPV (Regd)	2,660,190	1.56
12,716	Volkswagen AG Com NPV	1,930,162	1.13	116,370	France Telecom Com EUR4.00	2,576,432	1.51
	<b>Banks</b>			114,943	Kon KPN NV Com EUR0.24	1,314,948	0.77
114,014	ABN-Amro Holdings Com NPV	3,891,298	2.28	68,142	Portugal Telecom SA Com EUR0.03 (Regd)	684,146	0.40
213,396	Banco Bilbao Vizcaya Argentaria Com EUR0.49	3,604,258	2.11	359,689	Telecom Italia Di Risp Com EUR0.55	589,890	0.35
72,986	Banco Popular Espanol Com EUR0.10	975,093	0.57	797,530	Telecom Italia SPA Com EUR0.55	1,650,887	0.97
376,621	Banco Santander Com EUR0.50 (Regd)	5,042,955	2.95	285,324	Telefonica SA Com EUR1.00	5,195,750	3.04
55,148	BNP Paribas Com EUR2.00	4,269,558	2.50		<b>Food Products</b>		
39,323	Commerzbank AG Ord NPV	1,180,083	0.69	31,123	Groupe Danone Com EUR0.25	1,740,087	1.02
39,339	Credit Agricole SA Com EUR3.00	1,089,690	0.64	98,495	Unilever NV CVA Com EUR0.16	2,208,258	1.29
31,121	Deutsche Bank AG Com NPV (Regd)	2,809,604	1.64		<b>Food Retailers &amp; Wholesalers</b>		
51,968	Dexia Com NPV	1,050,273	0.61	42,015	Carrefour Com EUR2.50	2,158,311	1.26
38,543	Fortis Com EUR0.42 (NET)	1,036,421	0.61		<b>Full Line Insurance</b>		
38,545	Fortis Com NPV (Bel)	1,036,090	0.61	26,743	Allianz AG Com NPV (Regd)	4,197,581	2.45
530,292	Intesa Sanpaolo SPA EUR0.52	2,919,257	1.71	83,718	Assic Generali SPA Com EUR1.00	2,504,843	1.47
10,990	KBC Group Com NPV	1,011,300	0.59	124,524	AXA Com EUR2.29	3,662,251	2.14
27,497	Societe Generale Com EUR1.25	3,254,270	1.90		<b>Heavy Construction</b>		
464,133	Unicredito Italiano SPA Com EUR0.50	2,924,038	1.71	15,264	Bouygues Com EUR1.00	882,412	0.52
	<b>Broadcasting &amp; Entertainment</b>			28,408	Vinci Com EUR2.50	1,484,034	0.87
53,722	Mediaset Com EUR0.52	418,494	0.24		<b>Hotels</b>		
68,635	Vivendi Com EUR5.50	2,059,736	1.21	13,392	Accor Com EUR3.00	843,562	0.49
	<b>Broadline Retailers</b>				<b>Integrated Oil &amp; Gas</b>		
9,658	Metro AG Ord NPV	612,124	0.36	165,873	ENI SPA Com EUR1.00 (Regd)	4,199,904	2.46
5,738	PPR Com EUR4.00	728,152	0.43	72,828	Repsol YPF SA Com EUR1.00	1,928,485	1.13
	<b>Building Materials &amp; Fixtures</b>			143,228	Total SA Com EUR2.50	7,913,347	4.63
22,002	CIE De St Gobain Com EUR4.00	1,756,860	1.03		<b>Life Insurance</b>		
10,470	Lafarge Com EUR4.00	1,193,475	0.70	97,172	Aegon NV Com EUR0.12	1,301,133	0.76
	<b>Clothing &amp; Accessories</b>			131,581	ING Groep NV CVA Com EUR0.24	3,884,271	2.27
21,958	LVMH Moet-Hennessy Com EUR0.30	1,799,678	1.05	7,156	Linde AG Com NPV	616,346	0.36
	<b>Commodity Chemicals</b>				<b>Multiutilities</b>		
14,525	Air Liquide Class 'L' Com EUR5.50	1,358,814	0.80	39,558	E.On AG Com NPV	4,871,172	2.85
29,540	Basf AG Com NPV	2,864,198	1.68	23,421	RWE AG Series 'A' Com NPV (New)	1,928,485	1.13
	<b>Consumer Electronics</b>			75,873	Suez Com EUR2.00	3,166,939	1.85
68,265	Philips Electronic (KON) Com EUR0.20	1,974,906	1.16		<b>Paper</b>		
	<b>Delivery Services</b>			37,059	Stora Enso Oyj Series 'R' Com NPV	482,879	0.28
53,836	Deutsche Post AG Com NPV	1,146,707	0.67	31,065	Unipapel SA Com EUR1.50	516,300	0.30
25,196	TNT NV Com EUR0.48	781,076	0.46		<b>Personal Products</b>		
	<b>Distillers &amp; Vintners</b>			18,711	L'Oreal SA Com EUR0.20	1,608,210	0.94
6,576	Pernod Ricard Com NPV	1,016,189	0.59		<b>Pharmaceuticals</b>		
	<b>Electrical Components &amp; Equipment</b>			61,007	Sanofi-Aventis Com EUR2.00	3,655,539	2.14
14,292	Schneider Electric Com EUR8.00	1,390,755	0.81		<b>Publishing</b>		
	<b>Electricity</b>			8,009	Lagardere SCA Com EUR6.10 (Regd)	479,819	0.28
31,611	Endesa SA Com EUR1.20	1,260,647	0.74	44,931	Reed Elsevier NV Com EUR0.06	594,437	0.35
					<b>Reinsurance</b>		
				13,229	Muenchener Rueckversicherung AG Com NPV (Regd)	1,673,469	0.98

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## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>EUROPEAN UNION (Continued)</b>		
	<b>Semiconductors</b>		
40,661	tmicroelectronics Com EUR1.04	519,648	0.30
	<b>Software</b>		
56,541	SAP AG Ord NPV	2,240,154	1.31
	<b>Specialty Chemicals</b>		
17,124	Akzo Nobel NV Com EUR2.00	988,911	0.58
45,603	Bayer AG Ord NPV	2,634,941	1.54
	<b>Steel</b>		
60,310	Arcelor Mittal Steel Company NV Ord EUR0.01	2,909,958	1.70
	<b>Telecommunications Equipment</b>		
133,589	Alcatel Series 'A' Com EUR2.01	1,071,384	0.62
234,061	Nokia OYJ Com EUR0.06	5,654,914	3.31
	<b>Tobacco</b>		
15,256	Altadis SA Com EUR0.60 (Regd)	743,273	0.43
	<b>Water</b>		
27,446	Veolia Environment Com EUR5.00	1,544,662	0.90

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>FUTURES CONTRACTS</b>		
<b>No. of Contracts</b>	<b>Futures</b>	<b>Unrealised Gain/(loss)</b>	<b>% of Fund</b>
78	FTS Eurofirst 80 Future September 2007	(87,630)	(0.05)
	<b>FUTURES CONTRACTS - TOTAL</b>	<b>(87,630)</b>	<b>(0.05)</b>
	<b>TOTAL VALUE OF INVESTMENTS AT BID PRICES</b>	<b>166,489,146</b>	<b>97.41</b>
	<b>CASH*</b>	<b>4,346,888</b>	<b>2.54</b>
	<b>OTHER NET ASSETS</b>	<b>27,876</b>	<b>0.02</b>
	<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>170,863,910</b>	<b>99.97</b>
	Adjustment from bid market prices to last traded market prices	49,363	0.03
	<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>170,913,273</b>	<b>100.00</b>

\*3,681,090 is held with The Governor & Company of the Bank of Ireland.  
665,798 is held with Barclay Bank PLC.

# iSHARES FTSEUROFIRST 80

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE PERIOD ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS EUR	LARGEST PURCHASES	COST EUR
Endesa SA Com EUR1.20	1,456,218	Iberdrola SA Com EUR3.00	823,429
Total SA Com EUR2.50	600,177	Arcelor Mittal Steel Company NV Ord EUR0.01	822,138
Telefonica SA Com EUR1.00	576,985	Allianz AG Com NPV (Regd)	247,092
Nokia OYJ Com EUR0.06	534,171	Total SA Com EUR2.50	184,581
Banco Santander Com EUR0.50 (Regd)	409,129	BNP Paribas Com EUR2.00	151,738
Siemens AG Com NPV (Regd)	357,422	Bayer AG Ord NPV	143,001
BNP Paribas Com EUR2.00	350,517	Siemens AG Com NPV (Regd)	131,198
E.On AG Com NPV	343,752	Daimlerchrysler AG Ord NPV (Regd)	129,132
ING Groep NV CVA Com EUR0.24	341,250	Banco Santander Com EUR0.50 (Regd)	122,167
Allianz AG Com NPV (Regd)	327,577	E.On AG Com NPV	113,770
ENI SPA Com EUR1.00 (Regd)	323,942	CIE De St Gobain Com EUR4.00	109,111
AXA Com EUR2.29	323,192	Sanofi-Aventis Com EUR2.00	98,354
Sanofi-Aventis Com EUR2.00	320,454	Banco Bilbao Vizcaya Argentaria Com EUR0.49	97,323
Banco Bilbao Vizcaya Argentaria Com EUR0.49	319,304	L'Oreal SA Com EUR0.20	94,795
ABN-Amro Holdings Com NPV	313,633	Telefonica SA Com EUR1.00	94,031
Daimlerchrysler AG Ord NPV (Regd)	290,236	Nokia OYJ Com EUR0.06	92,218
Societe Generale Com EUR1.25	288,687	ABN-Amro Holdings Com NPV	85,009
Unilever NV CVA Com EUR0.16	271,059	ENI SPA Com EUR1.00 (Regd)	84,285
Unicredito Italiano SPA Com EUR0.50	265,020	ING Groep NV CVA Com EUR0.24	78,929
		Societe Generale Com EUR1.25	77,084

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## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Dividends	3,755	4,897	5,170
Securities lending income	358	466	147
Interest income	95	101	37
<b>Income</b>	<b>4,208</b>	<b>5,464</b>	<b>5,354</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Management fees	353	730	724
<b>Expenses</b>	<b>353</b>	<b>730</b>	<b>724</b>

Included in expenses are audit fees of €6,988 (February 2007: €10,939 August 2006:€4,733) and directors fees of €2,191 (February 2007: €4,516 August 2006:€2,258)

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Cost at beginning of period	119,576	137,607	137,607
Cost at end of period	115,253	119,576	133,323
Fair value at beginning of period*	167,712	179,624	179,624
Fair value at end of period*	<b>166,489</b>	<b>167,712</b>	<b>174,607</b>

### 5. DEBTORS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Dividends receivable	83	9	62
Securities lending income receivable	8	24	7
Interest income receivable	7	66	8
<b>Debtors</b>	<b>98</b>	<b>99</b>	<b>77</b>

### 6. CREDITORS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Accrued expenses	70	68	79
<b>Creditors</b>	<b>70</b>	<b>68</b>	<b>79</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares '000s	28 February 2007 No. of Shares '000s	31 August 2006 No. of Shares '000s
Balance at beginning of period	13,432	15,772	15,772
Issued during the period	130	130	-
Redeemed during the period	(910)	(2,470)	(520)
<b>Balance at end of period</b>	<b>12,652</b>	<b>13,432</b>	<b>15,252</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Company enters into future contracts with Barclays Bank plc, for the purpose of efficient portfolio management. These derivatives will normally be traded on a recognised market.

The net unrealised gain on open futures contracts at 31 August 2007 comprised:

No. of Contracts	Futures	Unrealised Loss EUR
78	FTSE Eurofirst 80 Future September 2007	(87.630)

The net unrealised gain on open futures contracts at 28 February 2007 comprised:

No. of Contracts	Futures	Unrealised Loss EUR
57	FTSE Eurofirst 80 Index Future March 2007	(11,315)

The net unrealised gain on open futures contracts at 31 August 2006 comprised:

No. of Contracts	Futures	Unrealised Loss EUR
103	FTSE Eurofirst 80 Index Future September 2006	355,230

# iSHARES FTSEUROFIRST 80

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 9. FINANCE COST – DISTRIBUTIONS TO REDEEMABLE

#### PARTICIPATING SHAREHOLDERS

Dividends will normally be declared semi-annually with a view to being paid in June and December of each year.

Pay date	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
June 2006	-	2,458	2,458
December 2006	-	1,956	-
June 2007	1,891	-	-
	<b>1,891</b>	<b>4,414</b>	<b>2,458</b>
Equalisation income	(15)	2	-
Equalisation Expense	23	(98)	-
	<b>1,899</b>	<b>4,510</b>	<b>2,458</b>

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect of the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's currency exposure at 31 August 2007 and comparatives for 28 February 2007 and 31 August 2006:

Currency	31 August 2007 Net currency exposure €	28 February 2007 Net currency exposure €	31 August 2006 Net currency exposure €
GBP	2,066	29,959	3,680
USD	-	11,956	-
	<b>2,066</b>	<b>41,915</b>	<b>3,680</b>

#### Fair Value and Cash Flow Interest Rate Risk

The Fund does not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

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## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Operating income	2	2,446	2,612	2,275
Net gains on financial assets at fair value through profit or loss		3,807	5,695	1,320
<b>Total investment income</b>		<b>6,253</b>	<b>8,307</b>	<b>3,595</b>
Operating expenses	3	(197)	(328)	(163)
<b>Net income</b>		<b>6,056</b>	<b>7,979</b>	<b>3,432</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	9	(1,225)	(2,219)	(1,249)
Interest expense		(1)	-	-
<b>Profit before tax</b>		<b>4,830</b>	<b>5,760</b>	<b>2,183</b>
Non-reclaimable withholding tax		(78)	(64)	(394)
Adjustment from bid market prices to last traded market prices		49	8	-
<b>Increase in net assets attributable to Redeemable Participating Shareholders</b>		<b>4,801</b>	<b>5,704</b>	<b>1,789</b>

There are no recognised gains or losses arising in the period other than the increase in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		88,657	77,108	77,131*
Increase in net assets attributable to Redeemable Participating Shareholders from Operations		4,801	5,704	1,789
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		20,495	5,845	3,840
Payment on redemption of Redeemable Participating Shares		(4,292)	-	-
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>109,661</b>	<b>88,657</b>	<b>82,760</b>

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## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	107,521	87,694	81,193
Debtors	5	407	166	349
Cash and bank balances		3,766	847	1,254
<b>Total current assets</b>		<b>111,694</b>	<b>88,707</b>	<b>82,796</b>
<b>Current liabilities</b>				
Creditors	6	(2,068)	(35)	(36)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(2,068)</b>	<b>(35)</b>	<b>(36)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>109,626</b>	<b>88,672</b>	-
Adjustment from bid market prices to last traded market prices		34	(15)	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>109,660</b>	<b>88,657</b>	<b>82,760</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>3,445,000</b>	<b>2,925,000</b>	<b>2,860,000</b>
<b>Net asset value per Redeemable Participating share</b>		<b>€31.83</b>	<b>€30.31</b>	<b>€28.94</b>

The accompanying notes form an integral part of these financial statements.

\*The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by €23,000 to account for assets as fair value in accordance with applicable accounting standards. (See note 1 (a)).

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## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>EUROPEAN UNION</b>				<b>Distillers &amp; Vintners</b>		
	<b>Automobiles</b>			69,037	Diageo Ord GBP28.935185	1,080,137	0.98
26,667	Daimlerchrysler AG Ord NPV (Regd)	1,738,955	1.59	2,802	Pernod Ricard Com NPV	432,993	0.39
5,319	Renault SA Com EUR3.81	526,581	0.48		<b>Electricity</b>		
	<b>Banks</b>			13,647	Endesa SA Com EUR1.20	544,242	0.50
49,451	ABN-Amro Holdings Com NPV	1,687,763	1.54	120,248	Enel Com EUR1.00	909,676	0.83
92,121	Banco Bilbao Vizcaya Argentaria Com EUR0.49	1,555,924	1.42	32,294	Iberdrola SA Com EUR3.00	1,313,720	1.20
162,621	Banco Santander Com EUR0.50 (Regd)	2,177,495	1.99		<b>Electronic Equipment</b>		
169,182	Barclays Ord GBP0.25	1,533,649	1.40	23,075	Siemens AG Com NPV (Regd)	2,120,823	1.93
23,945	BNP Paribas Com EUR2.00	1,853,822	1.69		<b>Fixed Line Telecommunications</b>		
13,435	Deutsche Bank AG Com NPV (Regd)	1,212,912	1.11	212,621	BT Group Ord GBP0.05	992,012	0.90
15,121	Fortis Com EUR0.42 (NET)	406,604	0.37	84,755	Deutsche Telekom Com NPV (Regd)	1,154,363	1.05
15,123	Fortis Com NPV	406,506	0.37	50,326	France Telecom Com EUR4.00	1,114,218	1.02
97,206	HBOS Ord GBP0.25	1,263,552	1.15	345,348	Telecom Italia SPA Com EUR0.55	714,870	0.65
303,288	HSBC Holdings Ord USD0.50 (UK Regd)	4,020,840	3.67	123,593	Telefonica SA Com EUR1.00	2,250,629	2.05
229,691	Intesa Sanpaolo SPA EUR0.52	1,264,449	1.15		<b>Food Products</b>		
145,020	Lloyds TSB Group Ord GBP0.25	1,168,788	1.07	54,758	Cadbury Schweppes Ord GBP0.125	474,117	0.43
246,268	Royal Bank of Scotland Group Ord GBP0.25	2,090,408	1.91	13,408	Groupe Danone Com EUR0.25	749,641	0.68
11,934	Societe Generale Com EUR1.25	1,412,389	1.29	42,799	Unilever NV CVA Com EUR0.16	959,554	0.88
36,029	Standard Chartered Ord USD0.50	814,650	0.74	33,744	Unilever Ord GBP0.0311	778,952	0.71
200,624	Unicredito Italiano SPA Com EUR0.50	1,263,931	1.15		<b>Food Retailers &amp; Wholesalers</b>		
	<b>Brewers</b>			18,298	Carrefour Com EUR2.50	939,968	0.86
6,349	Heineken NV Com EUR1.60	295,102	0.27	206,469	Tesco Ord GBP0.05	1,296,879	1.18
28,916	Sabmiller Ord USD0.10	580,696	0.53		<b>Full Line Insurance</b>		
	<b>Broadcasting &amp; Entertainment</b>			11,537	Allianz AG Com NPV (Regd)	1,810,848	1.65
34,514	British Sky Broadcasting Group Com GBP0.50	344,517	0.31	36,182	Assic Generali SPA Com EUR1.00	1,082,565	0.99
29,667	Vivendi Com EUR5.50	890,307	0.81	54,064	AXA Com EUR2.29	1,590,022	1.45
	<b>Broadline Retailers</b>				<b>General Mining</b>		
22,611	Home Retail Group Com NPV	138,263	0.13	34,923	Anglo American Com USD0.54945	1,466,699	1.34
44,059	Marks & Spencer Group New Ord GBP0.25	406,891	0.37	60,237	BHP Billiton Com USD0.50	1,296,097	1.18
2,471	PPR Com EUR4.00	313,570	0.29	25,999	Rio Tinto Ord GBP0.10 (Regd)	1,316,826	1.20
	<b>Building Materials &amp; Fixtures</b>				<b>Heavy Construction</b>		
9,595	CIE De St Gobain Com EUR4.00	766,161	0.70	6,693	Bouygues Com EUR1.00	386,922	0.35
4,533	Lafarge Com EUR4.00	516,717	0.47		<b>Home Improvement Retailers</b>		
	<b>Business Support Services</b>			60,481	Kingfisher Ord GBP0.157142857	186,258	0.17
26,316	Experian Group Com NPV	203,337	0.19		<b>Hotels</b>		
	<b>Clothing &amp; Accessories</b>			5,917	Accor Com EUR3.00	372,712	0.34
9,473	LVMH Moet-Hennessy Com EUR0.30	776,407	0.71		<b>Integrated Oil &amp; Gas</b>		
	<b>Commodity Chemicals</b>			88,418	BG Group Ord GBP0.10	1,037,526	0.95
6,319	Air Liquide Class 'L' Com EUR5.50	591,142	0.54	496,916	BP Com USD0.25	4,096,746	3.74
1,620	Arkema Com EUR10.00	73,840	0.07	71,990	ENI SPA Com EUR1.00 (Regd)	1,822,787	1.66
12,753	Basf AG Com NPV	1,236,531	1.13	31,478	Repsol YPF SA Com EUR1.00	833,537	0.76
	<b>Consumer Electronics</b>			71,723	Royal Dutch Shell Class 'B' Com EUR0.07	2,051,286	1.87
29,677	Philips Electronic (KON) Com EUR0.20	858,556	0.78		<b>Integrated Oil &amp; Gas (cont)</b>		
	<b>Delivery Services</b>			95,193	Royal Dutch Shell Class 'A' Com EUR0.07	2,709,193	2.47
23,463	Deutsche Post AG Com NPV	499,762	0.46	62,013	Total SA Com EUR2.50	3,426,218	3.12
10,846	TNT NV Com EUR0.48	336,226	0.31		<b>Life Insurance</b>		
				42,039	Aegon NV Com EUR0.12	562,902	0.51
				66,556	Aviva Ord GBP0.25	696,346	0.63
				57,147	ING Groep NV CVA Com EUR0.24	1,686,979	1.54
				63,635	Prudential Ord GBP0.05	661,079	0.60



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## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>EUROPEAN UNION (Continued)</b>				<b>Semiconductors</b>		
	<b>Media Agencies</b>			17,420	Stmicroelectronics Com EUR1.04	222,628	0.20
31,756	WPP Group Ord GBP0.10	331,544	0.30		<b>Software</b>		
	<b>Medical Equipment</b>			24,476	SAP AG Ord NPV	969,739	0.88
24,191	Smith & Nephew Ord USD0.20	208,919	0.19		<b>Specialty Chemicals</b>		
	<b>Mobile Telecommunications</b>			19,810	Bayer AG Ord NPV	1,144,622	1.04
1,364,709	Vodafone Group Ord USD0.11428571	3,222,969	2.94		<b>Telecommunications Equipment</b>		
	<b>Multiutilities</b>			101,497	Nokia OYJ Com EUR0.06	2,452,168	2.24
17,047	E.On AG Com NPV	2,099,168	1.91		<b>Tobacco</b>		
70,050	National Grid Ord GBP0.11395	768,641	0.70	6,647	Altadis SA Com EUR0.60 (Regd)	323,841	0.30
10,143	RWE AG Series 'A' Com NPV (New)	835,175	0.76	39,992	British American Tobacco Ord GBP0.25	972,267	0.89
32,995	Suez Com EUR2.00	1,377,211	1.26	17,448	Imperial Tobacco Ord GBP0.10	577,711	0.53
	<b>Nondurable Household Products</b>				<b>EUROPEAN UNION - TOTAL</b>	<b>107,544,022</b>	<b>98.07</b>
18,624	Reckitt Benckiser Ord GBP0.10	743,064	0.68		<b>FUTURES CONTRACTS</b>		
	<b>Paper</b>					<b>Unrealised Gain/ (Loss)</b>	<b>% of Fund</b>
9,595	Mondi Com EUR0.20	69,456	0.06	<b>No. of Contracts</b>	<b>Futures</b>		
15,830	Stora Enso Oyj Series 'R' Com NPV	206,265	0.19	41	FTSEurofirst 100 Future September 2007	(22,955)	(0.02)
13,463	Unipapel SA Com EUR1.50	223,755	0.20	26	Liffe Fortis Future September 2007	(124)	-
8,160	L'Oreal SA Com EUR0.20	701,352	0.64		<b>FUTURES CONTRACTS - TOTAL</b>	<b>(23,079)</b>	<b>(0.02)</b>
	<b>Pharmaceuticals</b>				<b>TOTAL VALUE OF INVESTMENTS</b>		
38,982	Astrazeneca Ord USD0.25	1,408,888	1.28		<b>AT BID PRICES</b>	<b>107,520,943</b>	<b>98.05</b>
147,140	GlaxoSmithKline Ord GBP0.25	2,815,634	2.57		<b>CASH *</b>	<b>3,766,005</b>	<b>3.43</b>
26,192	Sanofi-Aventis Com EUR2.00	1,569,425	1.43		<b>OTHER NET LIABILITIES</b>	<b>(1,660,437)</b>	<b>(1.51)</b>
	<b>Publishing</b>				<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>109,626,511</b>	<b>99.97</b>
3,460	Lagardere SCA Com EUR6.10 (Regd)	207,289	0.19		Adjustment from bid market prices to last traded market prices	34,431	0.03
20,774	Pearson Ord GBP0.25	228,869	0.21		<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>109,660,942</b>	<b>100.00</b>
19,763	Reed Elsevier NV Com EUR0.06	261,464	0.24				
32,888	Reed Elsevier Ord GBP0.125	291,080	0.26				
	<b>Recreational Services</b>						
5,452	Carnival Ord USD1.66	176,971	0.16				
	<b>Reinsurance</b>						
5,793	Muenchener Rueckversicherung AG Com NPV (Regd)	732,815	0.67				
	<b>Restaurants &amp; Bars</b>						
52,828	Compass Group Ord GBP0.10	253,507	0.23				

\*€3,100,207 is held with The Governor & Company of the Bank of Ireland.

\*€665,798 is held with Barclay Bank PLC.

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## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE 6 MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS EUR	LARGEST PURCHASES	COST EUR
Endesa SA Com EUR1.20	503,295	HSBC Holdings Ord USD0.50 (UK Regd)	845,988
Alliance Boots Group Ord GBP0.37179482	380,852	BP Com USD0.25	808,681
BP Com USD0.25	203,052	Total SA Com EUR2.50	678,084
HSBC Holdings Ord USD0.50 (UK Regd)	152,676	Vodafone Group Ord USD0.11428571	623,587
Telefonica SA Com EUR1.00	151,213	GlaxoSmithKline Ord GBP0.25	571,437
Nokia OYJ Com EUR0.06	150,793	Iberdrola SA Com EUR3.00	536,778
GlaxoSmithKline Ord GBP0.25	147,510	Royal Dutch Shell Class 'A' Com EUR0.07	512,759
Total SA Com EUR2.50	139,936	Banco Santander EUR0.50 (Regd)	435,742
Vodafone Group Ord USD0.11428571	133,427	Royal Bank of Scotland Group Ord GBP0.25	434,164
Royal Dutch Shell Class 'A' Com EUR0.07	133,191	Telefonica SA Com EUR1.00	428,791
Siemens AG Com NPV (Regd)	92,793	Nokia OYJ Com EUR0.06	427,029
Banco Santander Com EUR0.50 (Regd)	86,222	Siemens AG Com NPV (Regd)	420,081
Unilever NV CVA Com EUR0.16	85,467	Allianz AG Com NPV (Regd)	417,893
Royal Bank of Scotland Group Ord GBP0.25	84,490	BNP Paribas Com EUR2.00	413,386
Astrazeneca Ord USD0.25	82,650	E.On AG Com NPV	394,296
Royal Dutch Shell Class 'B' Com EUR0.07	82,635	Royal Dutch Shell Class 'B' Com EUR0.07	394,212
E.On AG Com NPV	78,571	Daimlerchrysler AG Ord NPV (Regd)	359,702
BNP Paribas Com EUR2.00	76,459	ENI SPA Com EUR1.00 (Regd)	358,730
Daimlerchrysler AG Ord NPV (Regd)	75,604	ING Groep NV CVA Com EUR0.24	352,269
ENI SPA Com EUR1.00 (Regd)	74,335	Barclays Ord GBP0.25	348,908

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## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Dividends	2,285	2,473	2,235
Securities lending income	132	100	31
Interest Income	26	28	9
Other income	3	11	-
<b>Income</b>	<b>2,446</b>	<b>2,612</b>	<b>2,275</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Management fees	197	328	163
<b>Expenses</b>	<b>197</b>	<b>328</b>	<b>163</b>

Included in expenses are audit fees of €6,988 (February 2007: €10,939 August 2006: €9,545) and directors fees of €2,191 (February 2007: €4,516 August 2006: €2,258).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Cost at beginning of period	66,217	59,911	59,911
Cost at end of period	84,085	66,217	63,420
Fair value at beginning of period*	87,694	76,681	76,681
Fair value at end of period*	<b>107,521</b>	<b>87,694</b>	<b>81,193</b>

\* Includes unrealised gain on futures

### 5. DEBTORS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Dividends receivable	358	140	344
Securities lending income receivable	2	4	1
Interest income receivable	3	22	4
Subscriptions of units awaiting settlement	44	-	-
<b>Debtors</b>	<b>407</b>	<b>166</b>	<b>349</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Accrued expenses	42	35	36
Purchases of securities awaiting settlement	2,026	-	-
<b>Creditors</b>	<b>2,068</b>	<b>35</b>	<b>36</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares '000s	28 February 2007 No. of Shares '000s	31 August 2006 No. of Shares '000s
Balance at beginning of period	2,925	2,730	2,730
Issued during the period	650	195	130
Redeemed during the period	(130)	-	-
<b>Balance at end of period</b>	<b>3,445</b>	<b>2,925</b>	<b>2,860</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Company enters into future contracts with Barclays Bank PLC, for the purpose of efficient portfolio management. These derivatives will normally be traded on a recognised market.

The net unrealised loss on open futures contracts at 31 August 2007 comprised:

No. of Contracts	Futures	Unrealised Loss EUR
41	FTSEurofirst 100 Future September 2007	(22,955)
26	Liffe Fortis Future September 2007	(124)
		<b>(23,079)</b>

The net unrealised loss on open futures contracts at 28 February 2007 comprised:

No. of Contracts	Futures	Unrealised Loss EUR
20	FTSEurofirst 100 Future March 2007	(18,270)

The net unrealised gain on open futures contracts at 28 February 2006 comprised:

No. of Contracts	Futures	Unrealised Gain EUR
35	FTSEurofirst 100 31 August 2006	53,085

# iSHARES FTSEUROFIRST 100

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 9. FINANCE COSTS – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared semi-annually with a view to being paid in June and December of each year.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
June 2006	-	1,249	1,249
December 2006	-	1,018	-
June 2007	1,317	-	-
	<b>1,317</b>	<b>2,267</b>	<b>1,249</b>
Equalisation income	(168)	(48)	-
Equalisation expense	76	-	-
	<b>1,225</b>	<b>2,219</b>	<b>1,249</b>

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect of the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's net currency exposure at 31 August 2007 and comparatives for 28 February 2007 and 31 August 2006:

	31 August 2007 Net Currency exposure €	28 February 2007 Net Currency exposure €	31 August 2006 Net Currency exposure €
GBP	43,363,666	35,314,197	34,779,419
	<b>43,363,666</b>	<b>35,314,197</b>	<b>34,779,419</b>

#### Fair value and cash flow interest rate risk

The Fund did not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

# iSHARES FTSE/EPRA EUROPEAN PROPERTY INDEX FUND

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Operating income	2	8,475	3,572	2,449
Net (losses)/gains on financial assets at fair value through profit or loss		(52,392)	49,155	1,434
<b>Total investment income</b>		<b>(43,917)</b>	<b>52,727</b>	<b>3,883</b>
Operating expenses	3	(582)	(583)	(192)
<b>Net income</b>		<b>(44,499)</b>	<b>52,144</b>	<b>3,691</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	9	(7,249)	(2,267)	(1,786)
<b>(Loss)/profit before tax</b>		<b>(51,748)</b>	<b>49,877</b>	<b>1,905</b>
Non-reclaimable withholding tax		(785)	(739)	(552)
Adjustment from bid market prices to last traded market prices		8	228	-
<b>(Decrease)/Increase in net assets attributable to Redeemable Participating Shareholders</b>		<b>(52,525)</b>	<b>49,366</b>	<b>1,353</b>

There are no recognised gains or losses arising in the year other than the decrease in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		289,324	41,348	41,295*
(Decrease)/increase in net assets attributable to Redeemable Participating Shareholders from Operations		(52,525)	49,366	1,353
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		91,590	204,300	83,441
Payment on redemption of Redeemable Participating Shares		(40,181)	(5,690)	-
<b>Net Assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>288,208</b>	<b>289,324</b>	<b>126,089</b>

# iSHARES FTSE/EPRA EUROPEAN PROPERTY INDEX FUND

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007

	Notes	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	287,813	289,076	125,812
Debtors	5	290	54	54
Cash and bank balances		2,275	304	901
<b>Total current assets</b>		<b>290,378</b>	<b>289,434</b>	<b>126,767</b>
<b>Current liabilities</b>				
Creditors	6	(118)	(109)	(49)
Distributions to Redeemable Participating Shareholders payable	9	(2,341)	(282)	(629)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(2,459)</b>	<b>(391)</b>	<b>(678)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>287,919</b>	<b>289,043</b>	-
Adjustment from bid market prices to last traded market prices		289	281	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>288,208</b>	<b>289,324</b>	<b>126,089</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>9,200,000</b>	<b>7,700,000</b>	<b>4,400,000</b>
<b>Net asset value per Redeemable Participating Share</b>		<b>€31.33</b>	<b>€37.57</b>	<b>€28.66</b>

The accompanying notes form an integral part of these financial statements.

\*The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by €53,000 to account for assets at fair value in accordance with applicable accounting standards. (See Note 1(a)).

# iSHARES FTSE/EPRA EUROPEAN PROPERTY INDEX FUND

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>EUROPEAN UNION</b>				<b>SWITZERLAND</b>		
	<b>Real Estate Holding &amp; Development</b>				<b>Real Estate Holding &amp; Development</b>		
246,722	Acanthe Development Com NPV	750,035	0.26	28,607	Allreal Holding AG Com CHF50.00	2,398,795	0.83
444,055	Aedes SPA Com EUR0.26	2,154,777	0.75	275,345	PSP Swiss Property AG Com CHF10.50	10,891,806	3.78
23,616	Affine Com NPV	1,029,185	0.36	112,952	Swiss Prime Site Com CHF25.60	4,601,871	1.60
4,096,224	Beni Stabili SPA Com EUR0.10	3,731,660	1.29	189,378	Zueblin Immobilien Holding Com CHF7.75	1,225,522	0.43
1,009,778	Castellum AB Com SEK2.00	9,193,908	3.19		<b>SWITZERLAND - TOTAL</b>	<b>19,117,994</b>	<b>6.64</b>
846,582	Citycon Oyj Com NPV	4,004,333	1.39		<b>TOTAL VALUE OF INVESTMENTS AT BID PRICES</b>	<b>287,813,251</b>	<b>99.86</b>
46,832	Cofinimmo Com NPV	5,902,237	2.05		<b>CASH *</b>	<b>2,275,426</b>	<b>0.79</b>
394,814	Corio NV Com EUR10.00	22,528,087	7.82		<b>OTHER NET LIABILITIES</b>	<b>(2,169,611)</b>	<b>(0.75)</b>
201,804	Deutsche Euroshop AG Com NPV	5,152,056	1.79		<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>287,919,066</b>	<b>99.90</b>
110,538	Deutsche Wohnen AG Com NPV (Br)	2,887,253	1.00		Adjustment from bid market prices to last traded market prices	288,909	0.10
207,103	Eurocommercial Properties CVA Com EUR0.50	7,985,892	2.77		<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>288,207,975</b>	<b>100.00</b>
1,047,546	Fabege AB Com NPV	8,645,357	3.00				
73,078	Gecina Com EUR7.50	8,764,975	3.04				
476,795	Hufvudstaden Fast Series 'A' Com NPV	3,427,233	1.19				
135,507	Klepierre Com EUR1.40	15,664,609	5.44				
732,505	Klovern AB Com NPV	2,074,915	0.72				
801,330	Kungsliden AB Com NPV	7,189,347	2.49				
11,764	Leasinvest Real Estate Com NPV	815,363	0.28				
644,215	Risanamento SPA Com EUR1.03	3,250,065	1.13				
76,348	SILIC EUR4.00	8,912,102	3.09				
13,158	Sparkassen Immobil Genusscheine Com NPV	1,250,010	0.43				
487,835	Sponda Oyj Com EUR1.00	4,853,958	1.68				
237,759	Technopolis Oyj Com NPV	1,412,288	0.49				
477,374	Unibail Holding Com EUR5.00	84,375,855	29.28				
123,555	Vastned Offices/In Com EUR5.00	2,983,853	1.04				
98,311	Vastned Retail NV Com EUR5.00	5,741,362	1.99				
37,789	Warehouses De Pauw Com NPV	1,827,476	0.64				
122,002	Wereldhave NV Com EUR10.00	10,722,756	3.72				
225,308	Wihlborgs Fastigheter AB SEK10.00	3,005,125	1.04				
	<b>Real Estate Investment Trusts</b>						
76,665	Befimmo Sicafi Com NPV	5,800,474	2.01				
122,061	Fonciere Des Regions Com EUR3.00	13,979,646	4.85				
40,702	Intervest Offices Com NPV	1,203,965	0.42				
210,017	Nieuwe Steen Investment Com EUR0.46	4,122,634	1.43				
29,805	Tour Eiffel Com EUR48.00	3,352,466	1.16				
	<b>EUROPEAN UNION - TOTAL</b>	<b>268,695,257</b>	<b>93.23</b>				

\* All cash holdings held with The Governor & Company of the Bank of Ireland.

# iSHARES FTSE/EPRA EUROPEAN PROPERTY INDEX FUND

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS EUR	LARGEST PURCHASES	COST EUR
Unibail Holding Com EUR5.00	19,365,071	Unibail Holding Com EUR5.00	30,766,558
Beni Stabili SPA Com EUR0.10	4,918,381	Rodamco Europe NV Com EUR8.00	8,969,150
Rodamco Europe NV Com EUR8.00	4,734,753	Corio NV Com EUR10.00	8,257,545
Corio NV Com EUR10.00	4,401,778	Fonciere Des Regions Com EUR3.00	7,586,270
Fabege AB Com NPV	3,357,983	Klepierre Com EUR1.40	6,009,648
Klepierre Com EUR1.40	3,256,411	Wereldhave NV Com EUR10.00	4,291,201
Wereldhave NV Com EUR10.00	2,289,536	PSP Swiss Property AG Com CHF10.50	3,906,420
PSP Swiss Property AG Com CHF10.50	2,088,203	Fabege AB Com NPV	3,844,010
Fonciere Des Regions Com EUR3.00	1,812,111	Castellum AB Com SEK2.00	3,262,519
Castellum AB Com SEK2.00	1,797,841	SILIC EUR4.00	3,252,013
SILIC EUR4.00	1,722,529	Gecina Com EUR7.50	3,181,784
Gecina Com EUR7.50	1,692,663	Beni Stabili SPA Com EUR0.10	3,007,241
Kungsleden AB Com NPV	1,597,029	Kungsleden AB Com NPV	2,926,357
Norgani Hotels ASA Com NOK25.00	1,588,325	Eurocommercial Properties CVA Com EUR0.50	2,776,495
Eurocommercial Properties CVA Com EUR0.50	1,498,158	Cofinimmo Com NPV	2,512,038
Vastned Retail NV Com EUR5.00	1,194,011	Vastned Retail NV Com EUR5.00	2,249,140
Cofinimmo Com NPV	1,121,539	Befimmo Sicafi Com NPV	1,954,991
Befimmo Sicafi Com NPV	1,017,235	Citycon Oyj Com NPV	1,936,400
Deutsche Euroshop AG Com NPV	994,838	Deutsche Euroshop AG Com NPV	1,889,920
Sponda Oyj Com EUR1.00	991,288	Sponda Oyj Com EUR1.00	1,829,584



# iSHARES FTSE/EPRA EUROPEAN PROPERTY INDEX FUND

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Dividends	7,967	3,471	2,436
Securities lending income	464	57	-
Interest income	44	44	13
<b>Income</b>	<b>8,475</b>	<b>3,572</b>	<b>2,449</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Management fees	582	583	192
<b>Expenses</b>	<b>582</b>	<b>583</b>	<b>192</b>

Included in expenses are audit fees of €5,558 (February 2007: €10,939 August 2006: €4,780) and directors fees of €2,191 (February 2007: €4,516 August 2006: €2,258).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Cost at beginning of period	243,760	36,381	36,381
Cost at end of period	300,497	243,760	119,690
Fair value at beginning of period	289,076	41,281	41,281
Fair value at end of period	<b>287,813</b>	<b>289,076</b>	<b>125,812</b>

### 5. DEBTORS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Dividends receivable	255	-	52
Securities lending income receivable	31	20	-
Interest income receivable	4	34	2
<b>Debtors</b>	<b>290</b>	<b>54</b>	<b>54</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Accrued expenses	118	109	49
<b>Creditors</b>	<b>118</b>	<b>109</b>	<b>49</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares €'000s	28 February 2007 No. of Shares €'000s	31 August 2006 No. of Shares €'000s
Balance at beginning of period	7,700	1,500	1,500
Issued during the period	2,600	6,400	2,900
Redeemed during the period	(1,100)	(200)	-
<b>Balance at end of period</b>	<b>9,200</b>	<b>7,700</b>	<b>4,400</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The Fund did not hold any open futures at 28 February 2007 and 31 August 2006.

### 9. FINANCE COSTS – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year. The Directors intend to maintain a dividend policy that enables the Company to qualify each financial year as a distributing fund under chapter V of part XVII of the Income and Corporation Taxes Act 1988, of the United Kingdom.

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
<b>Pay date</b>			
June 2006	-	1,436	1,436
September 2006	-	633	629
December 2006	-	416	-
March 2007	-	282	-
June 2007	4,991	-	-
September 2007	2,341*	-	-
	<b>7,332</b>	<b>2,767</b>	<b>2,065</b>
Equalisation income	(259)	(617)	(279)
Equalisation expense	176	117	-
	<b>7,249</b>	<b>2,267</b>	<b>1,786</b>

\*Outstanding at period end

# iSHARES FTSE/EPRA EUROPEAN PROPERTY INDEX FUND

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to the risk that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's net currency exposure at 31 August 2007 and the comparatives for 28 February 2007 and 31 August 2006:

	<b>31 August 2007</b>	<b>28 February 2007</b>	<b>31 August 2006</b>
	<b>Net</b>	<b>Net</b>	<b>Net</b>
	<b>currency</b>	<b>currency</b>	<b>currency</b>
	<b>exposure</b>	<b>exposure</b>	<b>exposure</b>
	€	€	€
CHF	19,096,930	17,517,697	86,663
DKK	-	188	22,045
GBP	35,262	14,732	1,124
NOK	-	1,729,495	-
SEK	34,535,975	35,251,555	210,289
	<b>53,668,167</b>	<b>54,513,667</b>	<b>320,121</b>

#### Fair Value and Cash Flow Interest Rate Risk

The Fund does not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

# iSHARES FTSE UK DIVIDEND PLUS

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Operating income	2	8,063	5,155	3,252
Net (losses)/gains on financial assets at Fair Value through Profit or Loss		(8,055)	14,075	(1,233)
<b>Total investment (loss)/income</b>		<b>8</b>	<b>19,230</b>	<b>2,019</b>
Operating expenses	3	(551)	(509)	(180)
<b>Net income</b>		<b>(543)</b>	<b>18,721</b>	<b>1,839</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	9	(6,249)	(4,556)	1,030
<b>(Loss)/Profit before tax</b>		<b>(6,792)</b>	<b>14,165</b>	<b>2,869</b>
Non-reclaimable withholding tax		(20)	-	(324)
Adjustment from bid market prices to last traded market prices		(6)	132	
<b>(Decrease)/Increase in net assets attributable to Redeemable Participating Shareholders</b>		<b>(6,818)</b>	<b>14,297</b>	<b>2,545</b>

There are no recognised gains or losses arising in the period other than the decrease in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		230,423	53,501	53,440
(Decrease)/Increase in net assets attributable to Redeemable Participating Shareholders from Operations		(6,818)	14,297	2,545
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		54,902	167,013	70,517
Payment on redemption of Redeemable Participating Shares		-	(4,388)	(6,784)
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>278,507</b>	<b>230,423</b>	<b>119,718</b>

# iSHARES FTSE UK DIVIDEND PLUS

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
<b>Current assets</b>				
Financial assets at fair value through profit of loss	4	276,963	229,996	118,077
Debtors	5	1,788	425	903
Cash and bank balances		2,637	1,314	2,567
<b>Total current assets</b>		<b>281,388</b>	<b>231,735</b>	<b>121,547</b>
<b>Current liabilities</b>				
Creditors	6	(114)	(85)	(41)
Distributions to Redeemable Participating shareholders payable	9	(2,954)	(1,420)	(1,788)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(3,068)</b>	<b>(1,505)</b>	<b>(1,829)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>278,320</b>	<b>230,230</b>	-
Adjustment from bid market prices to last traded market prices		187	193	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>278,507</b>	<b>230,423</b>	<b>119,718</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>22,600,000</b>	<b>18,400,000</b>	<b>10,800,000</b>
<b>Net asset value per Redeemable Participating Share</b>		<b>£12.32</b>	<b>£12.52</b>	<b>£11.09</b>

The accompanying notes form an integral part of these financial statements.

\*The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by £61,000 to account for assets as fair value in accordance with applicable accounting standards. (See Note 1(a))

# iSHARES FTSE UK DIVIDEND PLUS

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE GBP	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE GBP	% OF FUND
	<b>UNITED KINGDOM</b>				<b>Insurance Brokers</b>		
	<b>Apparel Retailers</b>			1,588,648	Jardine Lloyd Thompson Ord GBP 0.05	6,036,862	2.17
2,080,994	JB Sports Ord GBP 0.05	4,359,682	1.57		<b>Integrated Oil &amp; Gas</b>		
	<b>Auto Parts &amp; Equipment</b>			1,091,444	BP Ord USD 0.25	6,084,800	2.18
1,285,076	GKN Ord GBP 0.50	4,703,378	1.69	363,810	Royal Dutch Shell Class 'B' Ord EUR 0.07	7,036,085	2.53
	<b>Banks</b>				<b>Life Insurance</b>		
592,709	Alliance & Leicester Ord GBP 0.50	6,235,299	2.24	3,101,627	Legal & General Group Ord GBP 0.025	4,497,359	1.61
839,253	Barclays Ord GBP 0.25**	5,144,621	1.85		<b>Mobile Telecommunications</b>		
1,421,627	Bradford & Bingley Ord GBP 0.25	5,387,966	1.93	4,663,923	Vodafone Group Ord USD 0.11428571	7,448,285	2.67
690,232	HSBC Holdings Ord USD 0.50 (UK Regd)	6,187,930	2.22		<b>Multiutilities</b>		
1,444,042	Lloyds TSB Group Ord GBP 0.25	7,870,029	2.83	665,054	National Grid Ord GBP 0.11395	4,934,701	1.77
875,796	Royal Bank of Scotland Group Ord GBP 0.25	5,027,069	1.81		<b>Property &amp; Casualty Insurance</b>		
	<b>Brewers</b>			2,380,933	Brit Insurance Holdings Ord GBP 0.75	8,398,741	3.02
1,063,837	Scottish & Newcastle Ord GBP 0.20	6,579,832	2.36	1,261,720	Catlin Group Common Stock USD 0.01	6,125,651	2.20
	<b>Business Support Services</b>				<b>Publishing</b>		
4,394,349	Rentokil Initial Ord GBP 0.01	7,611,012	2.73	783,171	EMAP Ord GBP 0.30	7,079,866	2.54
	<b>Consumer Finance</b>			1,111,224	Trinity Mirror Ord GBP 0.10	5,206,084	1.87
1,443,219	Cattles Ord GBP 0.10	5,264,141	1.89		<b>Real Estate Holding &amp; Development</b>		
873,407	International Personal Finance Ord GBP 0.10	1,700,960	0.61	156,749	Mapeley Ord NPV	3,950,075	1.42
436,676	Provident Financial Ord GBP 20.727272	3,796,898	1.36		<b>Recreational Services</b>		
	<b>Containers &amp; Packaging</b>			1,110,412	Rank Group Ord GBP 0.1388888	1,862,716	0.67
2,729,519	Smith (David S) (Holdings) Ord GBP 0.10	6,168,713	2.21		<b>Restaurants &amp; Bars</b>		
	<b>Diversified Industrials</b>			1,441,622	Compass Group Ord GBP 0.10	4,678,063	1.68
2,988,144	Tomkins Ord GBP 0.05	7,111,783	2.55		<b>Specialty Retailers</b>		
	<b>Electricity</b>			4,048,143	DSG International Ord GBP 0.025	6,270,574	2.25
994,602	Drax Group Ord GBP 0.1155172	6,609,130	2.37	1,345,611	Halfords Group Ord GBP 0.01	5,459,817	1.96
355,099	Scottish & Southern Energy Ord GBP 0.50	5,028,202	1.81	5,047,662	HMV Group Ord GBP 0.01	6,208,624	2.23
	<b>Electronic Equipment</b>			1,514,632	Kesa Electricals Ord GBP 0.25	4,676,426	1.68
2,069,389	Halma Ord GBP 0.10	4,495,748	1.62		<b>Water</b>		
	<b>Fixed Line Telecommunications</b>			1,810,696	Northumbrian Water Group Ord GBP 0.10	6,260,481	2.25
2,167,510	BT Group Ord GBP 0.05	6,838,494	2.46	850,119	Pennon Group Ord GBP 0.4071	5,109,216	1.83
	<b>Food Products</b>			423,712	Severn Trent Ord GBP 0.9789	5,770,958	2.07
764,781	Dairy Crest Group Ord GBP 0.25	5,514,071	1.98	1,167,866	United Utilities Ord GBP 1.00	8,075,794	2.90
3,476,197	Northern Foods Ord GBP 0.25	3,554,411	1.28		<b>UNITED KINGDOM - TOTAL</b>	<b>276,963,433</b>	<b>99.44</b>
	<b>Full Line Insurance</b>				<b>TOTAL VALUE OF INVESTMENTS</b>		
2,764,069	Royal & Sun Alliance Ord GBP 0.275	3,905,630	1.40		<b>AT BID PRICES</b>	<b>276,963,433</b>	<b>99.44</b>
	<b>Gas Distribution</b>				<b>CASH*</b>	<b>2,637,082</b>	<b>0.95</b>
1,138,058	Centrica Ord GBP 0.061728395	4,381,523	1.57		<b>OTHER NET LIABILITIES</b>	<b>(1,280,056)</b>	<b>(0.46)</b>
	<b>Home Improvement Retailers</b>				<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>278,320,459</b>	<b>99.93</b>
485,341	Carpetright Ord GBP 0.01	5,790,118	2.08		Adjustment from bid market prices to last traded market prices	186,549	0.07
2,326,053	Kingfisher Ord GBP 0.157142857	4,844,005	1.74		<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>278,507,008</b>	<b>100.00</b>
	<b>Industrial Machinery</b>						
5,660,849	FKI Ord GBP 0.10	5,972,196	2.14				
	<b>Industrial Suppliers</b>						
3,534,289	Electrocomponents Ord GBP 0.10	8,941,751	3.21				
3,723,611	Premier Farnell Ord GBP 0.05	6,767,663	2.43				

\*All cash holdings are held with The Governor & Company of the Bank of Ireland.

\*\* Related party

# iSHARES FTSE UK DIVIDEND PLUS

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS USD	LARGEST PURCHASES	COST USD
Premier Foods Ord GBP1.00	16,989,774	Drax Group Ord GBP0.1155172	6,889,815
Alliance Boots Group Ord GBP0.37179482	15,009,748	Vodafone Group Ord USD0.11428571	6,734,092
Woolworths Group Ord GBP0.125	5,380,317	Catlin Group Common Stock USD0.01	6,522,506
Topps Tiles Ord GBP0.03334	4,473,709	HMV Group Ord GBP0.01	6,204,038
GCAP Media Ord GBP0.025	3,466,452	Royal Dutch Shell Class 'B' Ord EUR0.07	6,188,781
BBA Aviation Ord GBP0.2976	3,439,040	Trinity Mirror Ord GBP0.10	6,033,811
Northern Foods Ord GBP0.25	3,073,910	EMAP Ord GBP0.30	6,019,506
JJB Sports Ord GBP0.05	2,600,711	BP Ord USD0.25	5,872,675
RHM Ord GBP0.001	2,238,436	Royal Bank of Scotland Group Ord GBP0.25	5,844,813
Compass Group Ord GBP0.10	2,230,512	Mapeley Ord NPV	5,760,359
Dairy Crest Group Ord GBP0.25	2,006,424	Tomkins Ord GBP0.05	4,435,951
Pennon Group Ord GBP0.4071	1,836,034	Electrocomponents Ord GBP0.10	4,231,322
Provident Financial Ord GBP20.727272	1,752,053	Premier Farnell Ord GBP0.05	3,561,444
Rank Group Ord GBP0.1388888	1,450,128	FKI Ord GBP0.10	3,330,749
National Grid Ord GBP0.11395	1,401,822	Bradford & Bingley Ord GBP0.25	2,931,810
Biffa Ord GBP0.10	1,292,047	Severn Trent Ord GBP0.9789	2,651,038
Cattles Ord GBP0.10	1,230,937	DSG International Ord GBP0.025	2,643,234
BT Group Ord GBP0.05	1,158,560	Rentokil Initial Ord GBP0.01	2,633,430
Kesa Electricals Ord GBP0.25	1,091,653	HSBC Holdings Ord USD0.50 (UK Regd)	2,421,966
Scottish & Southern Energy Ord GBP0.50	1,034,348	Woolworths Group Ord GBP0.125	2,277,226

# iSHARES FTSE UK DIVIDEND PLUS

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Dividends	8,017	5,112	3,234
Securities lending income	1	-	-
Interest income	45	43	18
<b>Income</b>	<b>8,063</b>	<b>5,155</b>	<b>3,252</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
Management fees	551	509	180
<b>Expenses</b>	<b>551</b>	<b>509</b>	<b>180</b>

Included in expenses are audit fees of £3,757 (February 2007 £7,373 August 2006: £3,250) and directors fees of £1,486 (February 2007: £3,044 August 2006: £1,522)

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
Cost at beginning of period	217,691	50,328	50,328
Cost at end of period	273,723	217,691	117,621
Fair value at beginning of period	229,996	53,408	53,408
<b>Fair value at end of period</b>	<b>276,963</b>	<b>229,996</b>	<b>118,077</b>

### 5. DEBTORS

	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
Dividends receivable	1,781	391	894
Interest income receivable	7	34	9
<b>Debtors</b>	<b>1,788</b>	<b>425</b>	<b>903</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 £'000s	28 February 2007 £'000s	31 August 2006 £'000s
Accrued expenses	114	85	41
<b>Creditors</b>	<b>114</b>	<b>85</b>	<b>41</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares £'000s	28 February 2007 No. of Shares £'000s	31 August 2006 No. of Shares £'000s
Balance at beginning of period	18,400	4,800	4,800
Issued during the period	4,200	14,000	6,000
Redeemed during the period	-	(400)	-
<b>Balance at end of period</b>	<b>22,600</b>	<b>18,400</b>	<b>10,800</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The Fund did not hold any open futures at 28 February 2007 and 31 August 2006.

### 9. FINANCE COSTS – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year.

	Six months ended 31 August 2007 £'000s	Year ended 28 February 2007 £'000s	Six months ended 31 August 2006 £'000s
June 2006	-	1,182	1,182
September 2006	-	1,788	1,788
December 2006	-	1,237	-
March 2007	-	1,420	-
June 2007	3,704	-	-
September 2007	2,954*	-	-
	<b>6,658</b>	<b>5,627</b>	<b>2,970</b>
Equalisation Income	(409)	(1,203)	(4,000)
Equalisation Expense	-	132	-
	<b>6,249</b>	<b>4,556</b>	<b>(1,030)</b>

\*Outstanding at period end

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

# iSHARES FTSE UK DIVIDEND PLUS

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS (continued)

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's net currency exposure at 31 August 2007 and comparatives for 28 February 2007 and 31 August 2006:

	31 August 2007 Net currency exposure €	28 February 2007 Net currency exposure €	31 August 2006 Net currency exposure €
CHF	-	-	(34)
EUR	114	-	(207)
USD	57,675	-	0
	<b>57,789</b>	<b>-</b>	<b>(241)</b>

#### Fair Value and Cash Flow Interest Rate Risk

The Fund does not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.



# iSHARES FTSE / XINHUA CHINA 25

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Operating income	2	13,668	22,754	13,895
Net gains on financial assets at fair value through profit or loss		306,303	230,170	42,860
<b>Total investment income</b>		<b>319,971</b>	<b>252,924</b>	<b>56,755</b>
Operating expenses	3	(3,189)	(5,952)	(2,762)
<b>Net income</b>		<b>316,782</b>	<b>246,972</b>	<b>53,993</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	9	(9,976)	(16,053)	(10,147)
Interest expense		(98)	-	-
<b>Profit before tax</b>		<b>306,708</b>	<b>230,919</b>	<b>43,846</b>
Non-reclaimable withholding tax		-	-	-
Adjustment from bid market prices to last traded market prices		(128)	(1,079)	-
<b>Increase in net assets attributable to Redeemable Participating Shareholders</b>		<b>306,580</b>	<b>229,840</b>	<b>43,846</b>

There are no recognised gains or losses arising in the period other than the increase in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Net Assets attributable to Redeemable Participating Shareholders at the beginning of the period		998,600	572,973	571,124
Increase in net assets attributable to Redeemable Participating Shareholders from Operations		306,580	229,840	43,846
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		13,666	313,147	193,826
Payment on redemption of Redeemable Participating Shares		(557,541)	(117,360)	(78,573)
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>761,305</b>	<b>998,600</b>	<b>730,223</b>

# iSHARES FTSE / XINHUA CHINA 25

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	759,044	997,510	726,296
Debtors	5	14,293	359	6,502
Cash and bank balances		-	917	2,279
<b>Total current assets</b>		<b>773,337</b>	<b>998,786</b>	<b>735,077</b>
<b>Current liabilities</b>				
Creditors	6	(550)	(744)	(2,936)
Distributions to Redeemable Participating Shareholders payable	9	(1,270)	(212)	(1,918)
Bank overdraft		(10,854)	-	-
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(12,674)</b>	<b>(956)</b>	<b>(4,854)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>760,663</b>	<b>997,830</b>	-
Adjustment from bid market prices to last traded market prices		642	770	-
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period (at last traded market prices)</b>		<b>761,305</b>	<b>998,600</b>	<b>730,223</b>
<b>Number of Redeemable Participating Shares in issue</b>		<b>\$5,350,000</b>	<b>\$10,250,000</b>	<b>\$9,500,000</b>
<b>Net asset value per Redeemable Participating Share</b>		<b>\$142.30</b>	<b>\$97.42</b>	<b>\$76.87</b>

The accompanying notes form an integral part of these financial statements.

\* The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by \$1,849,000 to account for assets as fair value in accordance with applicable accounting standards (See Note 1(a)).

# iSHARES FTSE / XINHUA CHINA 25

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>HONG KONG</b>		
	<b>Aluminium</b>		
9,088,000	Aluminium Corporation of China Com CNY1.00	25,002,417	3.29
	<b>Banks</b>		
52,243,000	Bank of China Limited Class 'H' Com CNY1.00	26,802,449	3.52
21,237,000	Bank of Communications Com CNY1.00	23,833,488	3.13
11,269,500	BOC Hong Kong Holdings Com HKD5.00	27,029,166	3.55
11,426,000	China Citic Bank Com NPV	8,778,240	1.15
56,721,000	China Construction Bank Com CNY1.00	47,650,950	6.26
7,919,000	China Merchants Bank Com CNY1.00	29,708,628	3.90
78,413,000	Industrial & Commercial Bank of China Com CNY1.00	51,190,838	6.72
	<b>Coal</b>		
7,159,500	China Shenhua Energy Class 'H' Com CNY1.00	31,037,432	4.08
	<b>Diversified Industrials</b>		
3,624,000	China Resources Com HKD1.00	14,757,687	1.94
3,377,000	Citic Pacific Com HKD0.40	18,429,647	2.42
	<b>Electricity</b>		
9,326,000	Datang International Power Generation Com HKD1.00	9,856,188	1.29
9,368,000	Huaneng Power International Class 'H' Com CNY1.00	10,705,599	1.41
	<b>Exploration &amp; Production</b>		
23,250,000	Cnooc Limited Com HKD0.02	28,388,751	3.73
	<b>Fixed Line Telecommunications</b>		
4,051,000	China Netcom Group Corporation Hong Kong Limited Com USD0.04	9,788,802	1.29
47,808,000	China Telecom Corporation Class 'H' Com CNY1.00	27,347,764	3.59
	<b>Industrials</b>		
10,799,000	China Coal Energy Com NPV	21,302,288	2.80
12,719,000	China Communications Construction Limited Com CNY1.00	27,471,441	3.61
	<b>Integrated Oil &amp; Gas</b>		
26,660,000	China Petroleum & Chemical Class 'H' Com CNY1.00	29,030,480	3.81
41,268,000	Petrochina Com CNY1.00	60,234,050	7.91
	<b>Life Insurance</b>		
14,570,000	China Life Insurance Class 'H' Com CNY1.00	70,451,020	9.25
3,616,500	Ping An Insurance Group Com CNY1.00	37,571,616	4.94
	<b>Mobile Telecommunications</b>		
6,058,410	China Mobile Limited Com HKD0.10	82,444,261	10.83
11,694,000	China Unicom Com HKD0.10	21,717,910	2.86
	<b>Transportation Services</b>		
3,542,000	China Merchant Holding Com HKD0.10	18,512,391	2.43
	<b>HONG KONG - TOTAL</b>	<b>759,043,503</b>	<b>99.71</b>

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>TOTAL VALUE OF INVESTMENTS AT BID PRICES</b>	<b>759,043,503</b>	<b>99.71</b>
	<b>CASH*</b>	<b>(10,853,548)</b>	<b>(1.43)</b>
	<b>OTHER NET ASSETS</b>	<b>12,473,406</b>	<b>1.64</b>
	<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>760,663,361</b>	<b>99.92</b>
	Adjustment from bid market prices to last traded market prices	641,557	0.08
	<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>761,304,918</b>	<b>100.00</b>

\* All cash holdings are held with The Governor & Company of the Bank of Ireland.

# iSHARES FTSE / XINHUA CHINA 25

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS USD	LARGEST PURCHASES	COST USD
Petrochina Com CNY1.00	59,918,055	China Communications Construction Limited Com CNY1.00	37,410,653
China Mobile Limited Com HKD0.10	56,236,398	China Coal Energy Com NPV	24,921,551
China Life Insurance Class 'H' Com CNY1.00	47,830,965	China Construction Bank Com CNY1.00	24,754,484
Industrial & Commercial Bank of China Com CNY1.00	44,597,443	China Life Insurance Class 'H' Com CNY1.00	19,291,122
Bank of China Limited Class 'H' Com CNY1.00	42,241,976	Bank Of Communications Com CNY1.00	13,789,252
China Construction Bank Com CNY1.00	33,134,210	BOC Hong Kong Holdings Com HKD5.00	12,544,937
China Merchants Bank Com CNY1.00	32,916,053	Petrochina Com CNY1.00	10,696,685
Ping An Insurance Group Com CNY1.00	32,655,918	China Citic Bank Com NPV	10,344,468
Bank Of Communications Com CNY1.00	30,957,433	China Mobile Limited Com HKD0.10	10,034,997
China Shenhua Energy Class 'H' Com CNY1.00	30,728,660	Industrial & Commercial Bank of China Com CNY1.00	7,646,579
Cnooc Limited Com HKD0.02	27,291,746	Bank of China Limited Class 'H' Com CNY1.00	6,057,690
Zijin Mining Group Limited Com CNY1.00	25,808,675	Aluminium Corporation Of China Com CNY1.00	4,338,570
China Petroleum & Chemical Class 'H' Com CNY1.00	25,596,389	China Shenhua Energy Class 'H' Com CNY1.00	4,101,478
China Unicom Com HKD0.10	25,314,623	China Telecom Corporation Class 'H' Com CNY1.00	3,923,011
China Communications Construction Limited Com CNY1.00	24,553,107	Ping An Insurance Group Com CNY1.00	1,970,786
China Merchant Holding Com HKD0.10	23,551,963	China Petroleum & Chemical Class 'H' Com CNY1.00	1,928,881
China Telecom Corporation Class 'H' Com CNY1.00	22,756,231	Cnooc Limited Com HKD0.02	1,673,318
BOC Hong Kong Holdings Com HKD5.00	22,282,275	Datang International Power Generation Com HKD1.00	746,698
Citic Pacific Com HKD0.40	20,411,264	China Merchants Bank Com CNY1.00	669,226
Cosco Pacific Com HKD0.10	19,502,579	China Resources Com HKD1.00	535,733

# iSHARES FTSE / XINHUA CHINA 25

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Dividends	12,287	20,459	13,052
Securities lending income	1,318	2,041	717
Interest income	63	134	6
Other income	-	120	120
<b>Income</b>	<b>13,668</b>	<b>22,754</b>	<b>13,895</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Management fees	3,189	5,952	2,762
<b>Expenses</b>	<b>3,189</b>	<b>5,952</b>	<b>2,762</b>

Included in expenses are audit fees of £3,757 (February 2007: £7,373 August 2006: £6,500) and directors' fees of £1,486 (February 2007: £3,044 August 2006: £1,522).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Cost at beginning of period	769,851	495,613	495,613
Cost at end of period	448,760	769,851	635,164
Fair value at beginning of period	997,510	570,980	570,980
Fair value at end of period	<b>759,044</b>	<b>997,510</b>	<b>726,296</b>

### 5. DEBTORS

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Dividends receivable	417	-	137
Securities lending income receivable	210	264	192
Interest income receivable	-	95	-
Subscriptions of units awaiting settlement	13,666	-	6,173
<b>Debtors</b>	<b>14,293</b>	<b>359</b>	<b>6,502</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Accrued expenses	550	744	560
Purchases of securities awaiting settlement	-	-	2,341
Interest expense payable	-	-	35
<b>Creditors</b>	<b>550</b>	<b>744</b>	<b>2,936</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares \$'000s	28 February 2007 No. of Shares \$'000s	31 August 2006 No. of Shares \$'000s
Issued during the period	10,250	8,050	8,050
Redeemed during the period	100	3,750	2,550
Balance at beginning of period	(5,000)	(1,550)	(1,100)
<b>Balance at end of period</b>	<b>5,350</b>	<b>10,250</b>	<b>9,500</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The fund did not hold any open futures at 28 February 2007 and 31 August 2006.

### 9. FINANCE COSTS – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year.

Pay date	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
June 2006	-	8,229	8,229
September 2006	-	1,925	1,918
December 2006	-	5,599	-
March 2007	-	212	-
June 2007	6,939	-	-
September 2007	1,270*	-	-
	<b>8,209</b>	<b>15,965</b>	<b>10,147</b>
Equalisation income	(17)	(665)	-
Equalisation expense	1,784	753	-
	<b>9,976</b>	<b>16,053</b>	<b>10,147</b>

\*Outstanding at period end

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

# NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

## 10. FINANCIAL INSTRUMENTS AND RISKS (continued)

### Currency Risk

The Company may invest in securities denominated in currencies other than its functional currency. Consequently, the Company is exposed to the risk that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Company's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's net currency exposure at 31 August 2007 and comparatives for 31 August 2006:

Currency	31 August 2007 Net currency exposure \$	28 February 2007 Net currency exposure \$	31 August 2006 Net currency exposure \$
HKD	763,922,212	997,430,311	739,497,499
EUR	-	(39)	395
GBP	211,191	270,824	6,444
CNY	323,464	-	-
	<b>764,456,867</b>	<b>997,701,096</b>	<b>739,504,338</b>

### Fair Value and Cash Flow Interest Rate Risk

The Fund does not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

# iSHARES MSCI AC FAR EAST EX-JAPAN

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Operating income	2	8,100	5,095	1,244
Net gains/(losses) on financial assets at fair value through profit or loss		80,471	34,012	(1,471)
<b>Total investment income</b>		<b>88,571</b>	<b>39,107</b>	<b>(227)</b>
Operating expenses	3	(1,587)	(1,448)	(484)
<b>Net income</b>		<b>86,984</b>	<b>37,659</b>	<b>(711)</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	9	(5,019)	(2,937)	(1,707)
Interest expense		(10)	(36)	(35)
<b>Profit/(Loss) before tax</b>		<b>81,955</b>	<b>34,686</b>	<b>(2,453)</b>
Non-reclaimable withholding tax		(1,085)	(631)	(376)
Adjustment from bid market prices to last traded market prices		951	209	-
<b>Increase/(Decrease) in net assets attributable to Redeemable Participating Shareholders</b>		<b>81,821</b>	<b>34,264</b>	<b>(2,829)</b>

There are no recognised gains or losses arising in the period other than the increase in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		326,869	55,009	54,848 *
Increase/(Decrease) in net assets attributable to Redeemable Participating Shareholders from Operations		81,821	34,264	(2,829)
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		156,717	237,596	109,391
Payment on redemption of Redeemable Participating Shares		(16,768)	-	-
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>548,639</b>	<b>326,869</b>	<b>161,410</b>

# iSHARES MSCI AC FAR EAST EX-JAPAN

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	546,515	325,869	161,575
Debtors	5	1,366	3,326	1,725
Cash and bank balances		6,005	365	1,137
<b>Total current assets</b>		<b>553,886</b>	<b>329,560</b>	<b>164,437</b>
<b>Current liabilities</b>				
Creditors	6	(3,332)	(2,203)	(1,802)
Distributions to Redeemable Participating Shareholders payable	9	(3,237)	(858)	(1,225)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(6,569)</b>	<b>(3,061)</b>	<b>(3,027)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>547,317</b>	<b>326,499</b>	<b>-</b>
Adjustment from bid market prices to last traded market prices		1,321	370	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>548,639</b>	<b>326,869</b>	<b>161,410</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>12,200,000</b>	<b>9,000,000</b>	<b>5,200,000</b>
<b>Net asset value per Redeemable Participating share</b>		<b>\$44.97</b>	<b>\$36.32</b>	<b>\$31.04</b>

The accompanying notes form an integral part of these financial statements.

\* The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by \$161,000 to account for assets as fair value in accordance with applicable accounting standards. (See Note 1(a))



# iSHARES MSCI AC FAR EAST EX-JAPAN

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>HONG KONG</b>				<b>Computer Hardware</b>		
	<b>Airlines</b>			1,220,000	Lenovo Group Limited Com HKD 0.026	804,284	0.15
854,000	Air China Limited Com CNY1.00	1,060,278	0.19	366,000	TPV Technology Limited Com USD 0.01	229,549	0.04
366,000	Cathay Pacific Airways Com HKD 0.20	959,977	0.17		<b>Consolidated Enterprises</b>		
610,000	China Southern Airlines Placement Com NPV	766,730	0.14	61,000	Orient Overseas International Limited Com USD 0.10	660,718	0.12
	<b>Aluminium</b>				<b>Diversified Industrials</b>		
1,054,000	Aluminium Corporation of China Com CNY1.00	2,899,708	0.53	366,000	China Resources Com HKD 1.00	1,490,429	0.27
	<b>Apparel Retailers</b>			366,000	Citic Pacific Com HKD 0.40	1,997,409	0.36
304,000	Esprit Holdings Ord HKD 0.10	4,429,333	0.81	655,000	Hutchison Whampoa Com HKD 0.25	6,502,325	1.19
610,000	Giordano International Com HKD 0.05	294,174	0.05	239,000	Melco International Development Com HKD 0.50	364,780	0.07
	<b>Automobiles</b>			793,000	New World Development Company Com HKD 1.00	1,893,822	0.35
1,098,000	Brilliance China Com USD 0.01	261,940	0.05	183,000	Shanghai Industrial Holding Com HKD 0.10	789,810	0.14
1,708,000	Denway Motors Limited Com HKD 0.10	799,590	0.14	305,000	Swire Pacific Series 'A' Com HKD 0.60	3,368,134	0.61
842,000	Dongfeng Motor Group Company Limited Class 'H' Ord NPV	545,368	0.10	419,000	Wharf Holdings Com HKD 1.00	1,722,378	0.31
	<b>Banks</b>				<b>Durable Household Products</b>		
6,794,000	Bank of China Limited Class 'H' Com CNY1.00	3,485,555	0.64	366,000	Techtronic Industries Company Ord HKD 0.10	412,626	0.08
1,835,000	Bank of Communications Com CNY1.00	2,059,352	0.38		<b>Electrical Components &amp; Equipment</b>		
1,186,500	BOC Hong Kong Holdings Com HKD 5.00	2,845,743	0.52	549,000	Johnson Electric Holdings Com HKD 0.0125	285,881	0.05
723,000	China Citic Bank Com NPV	555,458	0.10		<b>Electricity</b>		
7,403,000	China Construction Bank Com CNY1.00	6,219,213	1.13	423,500	China Light & Power Holdings Com HKD 5.00	2,916,850	0.53
243,800	Hang Seng Bank Com HKD 5.00	3,821,125	0.70	366,000	China Resources Power Holdings Company Ltd Com HKD 1.00	1,025,697	0.19
8,977,000	Industrial & Commercial Bank of China Com CNY1.00	5,860,510	1.07	1,220,000	Datang International Power Generation Com HKD 1.00	1,289,358	0.24
490,200	The Bank of East Asia Com HKD 2.50	2,722,373	0.50	431,500	Hong Kong Electric Holdings Com HKD 1.00	2,161,166	0.39
61,000	Wing Hang Bank Com HKD 1.00	732,305	0.13	732,000	Huadian Power International Class 'H' Com CNY1.00	421,545	0.08
	<b>Brewers</b>			936,000	Huaneng Power International Class 'H' Com CNY1.00	1,069,646	0.19
122,000	Tsingtao Brewery Class 'H' Com CNY1.00	424,831	0.08		<b>Exploration &amp; Production</b>		
	<b>Broadcasting &amp; Entertainment</b>			4,652,000	Cnooc Limited Com HKD 0.02	5,680,192	1.04
122,000	TV Broadcasting Com HKD 0.05	745,606	0.14		<b>Farming &amp; Fishing</b>		
	<b>Building Materials &amp; Fixtures</b>			488,000	Chaoda Modern Agriculture Com HKD 0.10	373,663	0.07
128,000	Anhui Conch Cement Class 'H' Com CNY1.00	895,553	0.16		<b>Fixed Line Telecommunications</b>		
	<b>Chemicals</b>			4,400,000	China Telecom Corporation Class 'H' Com CNY1.00	2,516,946	0.46
3,168	Global Bio-Chem Technology Com HKD 0.10	-	-	1,281,000	PCCW Limited Com HKD 0.25	777,135	0.14
	<b>Clothing &amp; Accessories</b>				<b>Food Products</b>		
618,000	Li & Fung Com HKD 0.025	2,290,724	0.42	366,000	China Mengniu Dairy Company Com HKD 0.10	1,377,766	0.25
183,000	Weiqiao Textile Company Limited Class 'H' Com CNY1.00	399,012	0.07	488,000	Global Bio-Chem Technology Com HKD 0.10	212,181	0.04
	<b>Coal</b>			266,000	Tingyi (Cayman Islands) Ord USD 0.005	382,108	0.07
767,500	China Shenhua Energy Company Class 'H' Com CNY1.00	3,327,220	0.61		<b>Footwear</b>		
728,000	Yanzhou Coal Mining Class 'H' Com CNY1.00	1,281,067	0.23	244,000	Li Ning Company Com HKD 0.10	688,492	0.13
	<b>Commodity Chemicals</b>						
854,000	Sinopec Shanghai Petrochemical Class 'H' Com CNY1.00	581,619	0.11				

# iSHARES MSCI AC FAR EAST EX-JAPAN

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>HONG KONG (Continued)</b>			619,000	Hang Lung Properties Com HKD 1.00	2,266,643	0.41
154,000	Yue Yuen Industrial Holding Com HKD 0.25	464,168	0.08	244,000	Henderson Land Development Com HKD 2.00	1,699,323	0.31
	<b>Gas Distribution</b>			233,000	Hopewell Holdings Com HKD 2.50	1,110,200	0.20
1,224,900	Hong Kong & China Gas Com HKD 0.25	2,821,586	0.51	244,000	Hysan Development Com HKD 5.00	614,010	0.11
	<b>Gold Mining</b>			183,000	Kerry Properties Limited Com HKD 1.00	1,358,989	0.25
1,363,000	Zijin Mining Group Company Limited Com CNY1.00	1,202,737	0.22	367,000	Shimao Property Holdings Limited Com CNY0.10	969,660	0.18
	<b>Hotels</b>			488,000	Sino Land Company Com HKD 1.00	1,140,393	0.21
408,000	Shangri-La Asia Com HKD 1.00	874,669	0.16	429,000	Sun Hung Kai Properties Com HKD 0.50	5,722,384	1.04
	<b>Industrial Machinery</b>				<b>Real Estate Investment Trusts</b>		
1,289,000	China Communications Construction Company Limited Com CNY1.00	2,784,078	0.51	703,500	Link Real Estate Investments Com NPV	1,405,782	0.26
199,000	Nine Dragons Paper Holdings Com HKD 0.10	593,420	0.11		<b>Restaurants &amp; Bars</b>		
832,000	Shanghai Electric Group Com CNY1.00	530,354	0.10	54,000	Fu Ji Food Catering and Services Com HKD 0.01	161,375	0.03
	<b>Integrated Oil &amp; Gas</b>				<b>Semiconductors</b>		
5,156,000	China Petroleum & Chemical Class 'H' Com CNY1.00	5,614,447	1.02	61,000	Asm Pacific Technology Com HKD 0.10	539,840	0.10
5,650,000	Petrochina Company Com CNY1.00	8,246,641	1.50	2,501,000	Semiconductor Manufacturing Com USD 0.0004	291,905	0.05
	<b>Internet</b>				<b>Shipping</b>		
231,000	Tencent Holdings Limited Com HKD 0.0001	1,198,442	0.22	436,150	China Shipping Com CNY1.00	332,843	0.06
	<b>Investment Services</b>				<b>Specialty Chemicals</b>		
333,000	Hong Kong Exchanges & Clearing Com HKD 1.00	6,124,629	1.12	152,000	Kingboard Chemical Com HKD 0.10	913,355	0.17
	<b>Life Insurance</b>			546,000	Sinofert Holdings Com HKD 0.10	390,763	0.07
2,077,000	China Life Insurance Class 'H' Com CNY1.00	10,043,018	1.83		<b>Specialty Finance</b>		
335,500	Ping An Insurance Group Company Com CNY1.00	3,485,491	0.64	118,000	China Everbright Limited Com HKD 1.00	368,525	0.07
	<b>Marine Transportation</b>				<b>Specialty Retailers</b>		
667,475	China Cosco Holdings Com CNY1.00	1,558,091	0.28	285,000	Gome Electrical Appliances Com HKD 0.10	449,610	0.08
793,000	China Shipping Com CNY1.00	605,169	0.11		<b>Steel</b>		
488,000	China Shipping Development Class 'H' Com CNY1.00	1,473,999	0.27	362,000	Angang New Steel Class 'H' Com CNY1.00	1,211,813	0.22
366,000	Cosco Pacific Com HKD 0.10	1,013,961	0.18	610,000	Maanshan Iron & Steel Class 'H' Com CNY1.00	541,405	0.10
	<b>Mobile Telecommunications</b>				<b>Telecommunications Equipment</b>		
1,578,500	China Mobile Limited Com HKD 0.10	21,480,597	3.92	665,000	Foxconn International Holdings Limited Com USD 0.04	1,731,427	0.32
488,000	Hutchison Telekom Com HKD 0.25	637,168	0.12	61,000	ZTE Corporation Class 'H' Com CNY1.00	299,650	0.05
	<b>Nonferrous Metals</b>				<b>Transportation Services</b>		
488,000	Jiangxi Copper Company Class 'H' Com CNY1.00	1,122,868	0.20	488,000	Beijing Capital International Airport Class 'H' Com CNY1.00	792,392	0.14
	<b>Property &amp; Casualty Insurance</b>			340,000	China Merchant Holding Com HKD 0.10	1,777,022	0.32
281,200	Guangzhou R&F Properties Company Limited Com CNY0.25	1,134,285	0.21	488,000	Jiangsu Expressway Company Com NPV	508,232	0.09
142,000	Hopson Development Holdings Ord HKD 0.10	474,441	0.09	671,000	Sinotrans Com CNY1.00	366,622	0.07
976,000	Picc Property & Casualty Class 'H' Com CNY1.00	1,231,775	0.22	610,000	Zhejiang Expressway Company Com CNY1.00	808,978	0.15
	<b>Real Estate Holding &amp; Development</b>				<b>Travel &amp; Tourism</b>		
482,000	Cheung Kong Holdings Com HKD 0.50	7,090,826	1.29	976,000	China Travel International Com HKD 0.10	614,636	0.11
1,098,000	China Overseas Land Com HKD 0.10	2,292,678	0.42	457,500	MTR Corporation Com HKD 1.00	1,113,714	0.20
352,000	China Resources Land Limited Com HKD 0.10	608,582	0.11				

# iSHARES MSCI AC FAR EAST EX-JAPAN

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>HONG KONG (Continued)</b>				<b>Construction</b>		
	<b>Water</b>			681,700	Malaysian Resources Corporation Berhad Com MYR 1.00	512,029	0.09
732,000	Guangdong Investment Ord HKD 0.50	458,160	0.08		<b>Diversified Industrials</b>		
	<b>HONG KONG - TOTAL</b>	<b>206,347,025</b>	<b>37.62</b>	439,600	DRB-Hicom Berhad Com MYR 1.00	218,450	0.04
				541,800	Sime-Darby Berhad Com MYR 0.50	1,454,497	0.27
	<b>INDONESIA</b>				<b>Electricity</b>		
	<b>Auto Parts &amp; Equipment</b>			348,550	Tenaga Company Limited Com MYR 1.00	990,453	0.18
622,500	PT Astra International Com IDR 500.00	1,180,032	0.22		<b>Farming &amp; Fishing</b>		
	<b>Banks</b>			1,074,875	IOI Corporation Com MYR 0.10	1,534,878	0.28
1,981,500	Bank Central Asia Com IDR 125.00	1,266,134	0.23		<b>Fixed Line Telecommunications</b>		
610,000	Bank Danamon Com IDR 50000.00	522,950	0.10	304,800	Telekom Malaysia Com MYR 1.00	848,722	0.15
2,079,500	Bank Mandiri Com IDR 500.00	714,205	0.13		<b>Gambling</b>		
1,890,000	Bank Rakyat Com IDR 500.00	1,237,859	0.23	244,000	Berjaya Sports Com MYR 0.10	345,635	0.06
	<b>Coal</b>			269,600	Magnum Corporation Berhad Com MYR 0.50	213,278	0.04
4,535,500	Bumi Resources TBK Com IDR 500.00	1,219,610	0.22	122,000	Tanjong Ord GBP 0.076	581,865	0.11
	<b>Commercial Vehicles &amp; Trucks</b>				<b>Gas Distribution</b>		
491,500	UTD Tractors Com IDR 250.00	423,978	0.08	183,000	Petronas Gas Com MYR 1.00	553,991	0.10
	<b>Fixed Line Telecommunications</b>				<b>Heavy Construction</b>		
3,127,000	Telekomunikasi Indonesia Series 'B' Com IDR 250.00	3,613,200	0.66	177,300	Gamuda Berhad Com MYR 1.00	377,234	0.07
	<b>Food Products</b>			143,000	UEM World Berhad Com MYR 1.00	167,443	0.03
1,340,000	Indofood Sukses Makmur Com IDR 100.00	264,004	0.05		<b>Hotels</b>		
	<b>Gas Distribution</b>			609,900	Genting Berhad Com MYR 0.10	1,271,532	0.23
583,500	Perusahaan Gas Negara Com IDR 500.00	633,834	0.12	914,400	Resorts World Berhad Com MYR 0.50	987,129	0.18
	<b>General Mining</b>				<b>Industrial Products</b>		
87,000	International Nickel Indonesia Com IDR 250.00	498,466	0.09	331,200	Lafarge Malayan Cement Berhad Com MYR 0.50	153,233	0.03
	<b>Mobile Telecommunications</b>				<b>Investment Services</b>		
884,500	Indosat Tbk Com IDR 100.00	673,501	0.12	93,000	Bursa Malaysia Berhad Com MYR 0.50	265,600	0.05
	<b>Personal Products</b>				<b>Marine Transportation</b>		
640,500	Unilever Indonesia Com IDR 10.00	460,423	0.08	304,800	Malaysia International Shipping Com MYR 1.00	783,436	0.14
	<b>Pharmaceuticals</b>				<b>Multiutilities</b>		
2,012,000	PT Kalbe Farma Com IDR 50.00	289,265	0.05	246,000	YTL Corporation Berhad Com MYR 0.50	512,866	0.09
	<b>Tobacco</b>				<b>Real Estate Holding &amp; Development</b>		
274,500	Gudang Garam Perus Com IDR 500.00	279,177	0.05	301,900	IGB Corporation Berhad Com MYR 0.50	210,377	0.04
	<b>INDONESIA - TOTAL</b>	<b>13,276,638</b>	<b>2.43</b>	280,600	SP Setia Com MYR 1.00	572,980	0.11
	<b>MALAYSIA</b>				<b>Specialty Finance</b>		
	<b>Banks</b>			221,600	Ammb Holdings Berhad Com MYR 2.00	274,666	0.05
743,400	Bumiputra-Commerce Com MYR 1.00	2,292,937	0.42	279,800	Multi-Purpose Holdings Berhad Com MYR 1.00	140,639	0.03
244,000	Hong Leong Bank Com MYR 1.00	407,654	0.07		<b>Tobacco</b>		
602,600	Malayan Banking Berhad Com MYR 1.00	1,996,333	0.36	41,800	British American Tobacco Berhad Com MYR 0.50	498,401	0.09
365,800	Public Bank Berhad Com MYR 1.00 (Alien Market)	987,237	0.18		<b>Trading Services</b>		
425,600	RHB Capital Berhad Com MYR 1.00	638,127	0.12	499,200	Mulpha International Berhad Com MYR 0.50	198,169	0.04
	<b>Broadcasting &amp; Entertainment</b>						
189,100	Astro All Asia Networks Ord GBP 0.10	183,618	0.03				

# iSHARES MSCI AC FAR EAST EX-JAPAN

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>MALAYSIA (Continued)</b>				<b>Health Care Providers</b>		
	<b>Transportation Services</b>			251,400	Parkway Holdings Com SGD0.25	653,330	0.12
541,800	Plus Expressways Berhad Com MYR 0.26	488,958	0.09		<b>Hotels</b>		
	<b>MALAYSIA - TOTAL</b>	<b>20,662,367</b>	<b>3.77</b>	183,000	City Developments Com SGD0.50	1,765,389	0.32
	<b>PHILIPPINES</b>				<b>Investment Services</b>		
	<b>Banks</b>			295,000	Singapore Exchange Com SGD0.01	1,877,871	0.34
337,172	Bank of Philippine Islands Com PHP 10.00	434,687	0.08		<b>Marine Transportation</b>		
	<b>Broadline Retailers</b>			244,000	Cosco Corporation Com SGD0.10	800,630	0.15
55,796	SM Investments Corporation Com PHP 10.00	443,587	0.08	183,000	Neptune Orient Lines Com SGD1.00	586,061	0.11
	<b>Electricity</b>				<b>Pharmaceuticals</b>		
93,500	First Philippine Holdings Corporation Com PHP 10.00	158,713	0.03	12,970	Parkway Holdings Com SGD0.25	21,109	-
135,800	Manila Electric Company Class 'B' Com PHP 10.00	300,546	0.05		<b>Publishing</b>		
	<b>Fixed Line Telecommunications</b>			475,000	Singapore Press Holdings Com SGD0.20	1,346,633	0.25
15,250	Philippine Long Distance Telephone Com PHP 5.00	868,339	0.16		<b>Real Estate Holding &amp; Development</b>		
	<b>Real Estate Holding &amp; Development</b>			366,000	Capitaland Com SGD1.00	1,765,389	0.32
3,309,440	Ayala Land Incorporated Com PHP 1.00	498,481	0.09	122,000	Keppel Land Com SGD0.50	612,482	0.11
2,592,295	SM Prime Holdings Incorporated Com PHP 1.00	654,479	0.12		<b>Real Estate Investment Trusts</b>		
	<b>PHILIPPINES - TOTAL</b>	<b>3,358,832</b>	<b>0.61</b>	366,000	Ascendas Real Estate Investment Trust Com NPV	564,444	0.10
	<b>SINGAPORE</b>			305,000	Capitamall Trust Com NPV	672,529	0.12
	<b>Aerospace</b>			366,000	Suntec Com NPV	422,733	0.08
436,000	Singapore Technologies Engineering Com SGD0.10	1,052,947	0.19		<b>Semiconductors</b>		
	<b>Airlines</b>			366,000	Chartered Semiconductor Com SGD0.26	257,002	0.05
183,000	Singapore Airlines Com SGD0.50	2,269,786	0.41		<b>Shipping</b>		
	<b>Banks</b>			73,200	Sembcorp Marine Com SGD0.10	199,837	0.04
348,000	DBS Group Holdings Com SGD1.00	4,544,691	0.83		<b>Soft Drinks</b>		
792,000	Overseas Chinese Bank Com SGD0.50	4,417,903	0.81	305,000	Fraser & Neave Limited Com SGD0.20	992,781	0.18
366,000	United Overseas Bank Com SGD1.00	4,971,912	0.91		<b>Specialty Retailers</b>		
	<b>Commercial Vehicles &amp; Trucks</b>			61,000	Jardine Cycle & Carriage Com SGD1.00	624,491	0.11
183,000	Sembcorp Marine Com SGD0.10	499,593	0.09		<b>Travel &amp; Tourism</b>		
	<b>Delivery Services</b>			604,000	Comfort Delgro Corporation Com SGD0.25	768,972	0.14
610,000	Singapore Post Com SGD0.05	496,391	0.09		<b>SINGAPORE - TOTAL</b>	<b>42,625,308</b>	<b>7.77</b>
	<b>Diversified Industrials</b>				<b>SOUTH KOREA</b>		
366,000	Keppel Corporation Com NPV	3,050,400	0.56		<b>Airlines</b>		
305,000	Noble Group Limited Com HKD 0.25	332,261	0.06	11,718	Korean Air Lines Com KRW 5000.00	793,065	0.14
305,000	Sembcorp Industries Limited Com SGD0.25	1,120,882	0.20		<b>Auto Parts &amp; Equipment</b>		
	<b>Electronic Equipment</b>			28,610	Hyundai Autonet Company Limited Ord KRW 500.00	225,648	0.04
61,000	Venture Com SGD0.25	616,485	0.11	17,730	Hyundai Mobis Com KRW 5000.00	1,832,998	0.33
	<b>Fixed Line Telecommunications</b>				<b>Automobiles</b>		
2,026,150	Singapore Telecommunications Com SGD0.15	4,839,996	0.88	8,720	Hyundai Motor Company 2nd Pref KRW 5000.00	344,804	0.06
	<b>Food Products</b>			48,150	Hyundai Motor Company Com KRW 5000.00	3,592,326	0.65
244,000	Olam International Limited Com SGD0.10	480,378	0.09	57,840	Kia Motors Corporation Com KRW 5000.00	779,831	0.14
					<b>Banks</b>		
				43,780	Daegu Bank Com KRW 5000.00	811,907	0.15
				36,666	Hana Financial Holdings Group Com KRW 5000.00	1,733,160	0.32

# iSHARES MSCI AC FAR EAST EX-JAPAN

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>SOUTH KOREA (Continued)</b>			11,558	Samsung SDI Limited Com KRW 5000.00	760,062	0.14
97,880	Kookmin Bank Com KRW 5000.00	7,876,301	1.44	14,550	Samsung Techwin Com KRW 5000.00	1,052,966	0.19
31,700	Korea Exchange Bank Com KRW 5000.00	501,727	0.09		<b>Exploration &amp; Production</b>		
42,560	Pusan Bank Com KRW 5000.00	787,014	0.14	15,510	SK Energy Company Limited Com KRW 5000.00	2,132,470	0.39
67,660	Shinhan Financial Group Com KRW 5000.00	4,117,651	0.75		<b>Fixed Line Telecommunications</b>		
	<b>Brewers</b>			40,450	KT Corporation Com KRW 5000.00	1,912,025	0.35
3,048	Hite Brewery Company Com KRW 5000.00	394,705	0.07		<b>Food Products</b>		
	<b>Broadline Retailers</b>			6,700	CJ Corporation Com KRW 5000.00	885,478	0.16
4,866	Hyundai Department Store Com KRW 5000.00	541,963	0.10	246	Lotte Confect Com KRW 5000.00	401,413	0.07
2,610	Lotte Shopping Company Com KRW 5000.00	973,621	0.18	1,220	Nong Shim Company Com KRW 5000.00	301,018	0.05
4,397	Shinsegae Department Store Com KRW 5000.00	2,905,558	0.53	1,174	Orion Corporation Com KRW 5000.00	317,821	0.06
	<b>Building Materials &amp; Fixtures</b>				<b>Gambling</b>		
1,830	KCC Corporation Com KRW 5000.00	922,558	0.17	36,580	Kangwon Land Incorporated Com KRW 500.00	875,269	0.16
	<b>Business Support Services</b>				<b>Heavy Construction</b>		
7,930	S1 Corporation Com KRW 5000.00	425,976	0.08	8,540	Daelim Industrial Com KRW 5000.00	1,424,471	0.26
	<b>Clothing &amp; Accessories</b>			45,610	Daewoo Engineering Com KRW 5000.00	1,302,796	0.24
17,690	Cheil Industries Com KRW 5000.00	970,994	0.18	10,117	Hanjin Heavy Industries & Construction Com KRW 5000.00	868,019	0.16
	<b>Commercial Vehicles &amp; Trucks</b>			12,810	Hyundai Engineering & Construction Com KRW 5000.00	1,032,173	0.19
32,310	Daewoo Shipbuilding & Marine Engineering Com KRW 5000.00	1,935,328	0.35	12,200	LG Construction Company Com KRW 5000.00	1,917,932	0.35
4,270	Hyundai Mipo Dock Com KRW 5000.00	1,256,083	0.23	10,490	Samsung Engineering Company Limited Com KRW 5000.00	1,190,711	0.22
56,090	Samsung Heavy Industries Com KRW 5000.00	2,824,676	0.51		<b>Home Construction</b>		
	<b>Commodity Chemicals</b>			21,960	Hyundai Development Com KRW 5000.00	1,959,022	0.36
19,520	Hanwha Chemical Com KRW 5000.00	510,755	0.09		<b>Industrial Machinery</b>		
5,490	Honam Petrochem CP Com KRW 5000.00	848,441	0.15	4,740	Doosan Heavy Industries & Construction Company Limited Com KRW 5000.00	447,098	0.08
15,530	LG Chemicals Com KRW 5000.00	1,600,587	0.29	20,740	Doosan Infracore C Com KRW 5000.00	757,096	0.14
10,370	LG Petrochemical Com KRW 5000.00	502,888	0.09	13,530	Hyundai Heavy Industries Com KRW 5000.00	5,349,992	0.98
	<b>Consumer Electronics</b>				<b>Industrial Suppliers</b>		
30,424	LG Electronics Incorporated Com KRW 5000.00	2,341,181	0.43	12,890	Daewoo International Corporation Com KRW 5000.00	546,786	0.10
	<b>Diversified Industrials</b>			10,475	LG International Corporation Com KRW 5000.00	348,329	0.06
7,890	Hanwha Corporation Com KRW 5000.00	505,397	0.09	39,220	Samsung Corporation Com KRW 5000.00	2,691,999	0.49
	<b>Durable Household Products</b>				<b>Integrated Oil &amp; Gas</b>		
12,820	Woongjin Coway Com KRW 500.00	398,981	0.07	15,150	Ssangyong Oil Corporation Com KRW 5000.00	1,227,178	0.22
	<b>Electrical Components &amp; Equipment</b>				<b>Internet</b>		
7,930	LS Cable Limited Com KRW 5000.00	814,764	0.15	3,427	Daum Communication Com KRW 500.00	242,894	0.04
12,860	Samsung Electronics Mechanics Com KRW 5000.00	714,102	0.13	4,880	Ncsoft Corporation Com KRW 500.00	403,091	0.07
	<b>Electricity</b>			12,063	NHN Corporation Com KRW 500.00	2,301,388	0.42
72,540	Korea Electric Power Com KRW 5000.00	3,231,731	0.59				
	<b>Electronic Equipment</b>						
29,870	LG Philips LCD Company Limited Com KRW 5000.00	1,276,618	0.23				

# iSHARES MSCI AC FAR EAST EX-JAPAN

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>SOUTH KOREA (Continued)</b>				<b>Textiles &amp; Apparel</b>		
	<b>Investment Services</b>			7,944	LG Fashion Corporation Com KRW 5000.00	236,648	0.04
34,750	Daewoo Securities Com KRW 5000.00	1,075,926	0.20		<b>Tobacco</b>		
12,100	Daishin Securities Com KRW 5000.00	412,038	0.08	34,940	Korea Tobacco & Ginseng Corporation Com KRW 5000.00	2,632,836	0.48
27,680	Hyundai Securities Com KRW 5000.00	845,225	0.16		<b>Tyres</b>		
12,200	Korea Investment Holdings Company Com KRW 5000.00	778,876	0.14	34,140	Hankook Tire Company Com KRW 5000.00	747,751	0.14
24,020	LG Investment & Securities Company Com KRW 5000.00	674,582	0.12		<b>SOUTH KOREA - TOTAL</b>	<b>139,330,202</b>	<b>25.39</b>
6,273	Mirae Asset Securities Com KRW 5000.00	560,943	0.10		<b>TAIWAN</b>		
15,960	Samsung Securities Company Com KRW 5000.00	1,360,831	0.25	385,210	China Airlines Com TWD 10.00	151,170	0.03
27,621	Tong Yang Investment Bank Ord KRW 5000.00	521,068	0.09	519	Eva Airways Corporation Com TWD 10.00	191	-
	<b>Marine Transportation</b>				<b>Automobiles</b>		
18,910	Hanjin Shipping Com KRW 5000.00	1,058,113	0.19	246,827	China Motor Company Com TWD 10.00	218,411	0.04
7,360	Hyundai Merchant Marine Company Limited Com KRW 5000.00	389,866	0.07	76	Yulon Motor Com TWD 10.00	83	-
	<b>Media Agencies</b>				<b>Banks</b>		
1,220	Cheil Communications Com KRW 5000.00	352,379	0.07	1,281,000	Chang HWA Bank Com TWD 10.00	801,620	0.15
	<b>Mobile Telecommunications</b>				<b>Building Materials &amp; Fixtures</b>		
25,050	KT Freetell Com KRW 5000.00	816,978	0.15	515,964	Asia Cement Corporation Com TWD 10.00	723,935	0.13
	<b>Nonferrous Metals</b>			852,150	Taiwan Cement Com TWD 10.00	1,089,752	0.20
4,220	Korea Zinc Com KRW 5000.00	838,828	0.15		<b>Business Support Services</b>		
	<b>Personal Products</b>			15,577	Innolux Display Corporation Com TWD 10.00	65,378	0.01
1,161	AmorePacific Corporation Com KRW 5000.00	806,791	0.15		<b>Clothing &amp; Accessories</b>		
4,270	LG Household & Health Care Com KRW 5000.00	637,144	0.12	873,728	Far Eastern Textile Com TWD 10.00	1,027,324	0.19
	<b>Pharmaceuticals</b>				<b>Commodity Chemicals</b>		
2,687	Yuhan Corporation Com KRW 5000.00	575,632	0.10	563,000	Formosa Petrochemical Com TWD 10.00	1,566,211	0.29
	<b>Property &amp; Casualty Insurance</b>				<b>Computer Hardware</b>		
20,630	Hyundai Fire & Marine Insurance Com KRW 5000.00	422,165	0.08	749,673	Acer Incorporated Com TWD 10.00	1,313,104	0.24
11,675	Samsung Fire & Marine Insurance Com KRW 500.00	2,277,138	0.42	129,399	Advantech Company Limited Com TWD 10.00	390,953	0.07
	<b>Semiconductors</b>			610,000	Benq Corporation Com TWD 10.00	286,524	0.05
33,895	Samsung Electronics Com KRW 5000.00	21,278,076	3.88	1,203,602	Chi Mei Optoelectronics Com TWD 10.00	1,216,404	0.22
5,290	Samsung Electronics Pref KRW 5000.00	2,455,417	0.45	1,891,000	Chungwha Picture Com TWD 10.00	485,944	0.09
	<b>Specialty Finance</b>			915,000	CMC Magnetics Corporation Com TWD 10.00	403,444	0.07
3,743	Hanjin Heavy Industry Com KRW 5000.00	169,547	0.03	1,049,987	Compal Electronics Com TWD 10.00	1,164,566	0.21
6,340	SK Corporation Com KRW 5000.00	973,046	0.18	126,007	Foxconn Tech Company Com TWD 10.00	1,143,643	0.21
	<b>Steel</b>			1,708,000	Hannstar Display C Com TWD 10.00	450,822	0.08
12,660	Dongkuk Steel Mill Company Limited Com KRW 5000.00	586,280	0.11	137,180	High Tech Computer Com TWD 10.00	1,860,300	0.34
6,930	Hyundai Steel Company Com KRW 5000.00	552,480	0.10	1,541,583	Hon Hai Precision Com TWD 10.00	11,398,716	2.08
21,861	Posco Com KRW 5000.00	13,350,762	2.43	391,000	Innolux Display Corporation Com TWD 10.00	1,641,065	0.30
				653,000	Inventec Corporation Com TWD 10.00	416,547	0.08
				433,735	Lite-On Technology Com TWD 10.00	684,796	0.12
				272,903	Mitac International Com TWD 10.00	339,899	0.06



# iSHARES MSCI AC FAR EAST EX-JAPAN

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>TAIWAN (Continued)</b>				<b>Paper</b>		
627,872	Quanta Computer Com TWD 10.00	1,021,750	0.18	563,650	Yuen Foong Yu Manufacturing Com TWD 10.00	237,423	0.04
5,930	Realtek Semiconductor Com TWD 10.00	29,022	0.01		<b>Recreational Products</b>		
732,000	Ritek Corporation Com TWD 10.00	219,828	0.04	12,852	Largan Precision C Com TWD 10.00	104,377	0.02
267,100	Synnex Tech International Com TWD 10.00	733,333	0.13		<b>Semiconductors</b>		
1,281,000	Tatung Company Limited Com TWD 10.00	599,759	0.11	1,256,311	Advanced Semiconductor Com TWD 10.00	1,237,313	0.23
131,415	Zyxel Communications Com TWD 10.00	228,589	0.04	837,200	Asustek Computer Com TWD 10.00	2,496,454	0.46
	<b>Durable Household Products</b>			499,160	Inotera Memories Incorporated Com TWD 10.00	498,419	0.09
500,000	Teco Electronics & Machinery Com TWD 10.00	278,796	0.05	847,807	Macronix International Com TWD 10.00	526,684	0.10
	<b>Electrical Components &amp; Equipment</b>			262,900	Mediatek Incorporated Com TWD 10.00	4,461,469	0.81
15,762	Motech Industries Com TWD 10.00	134,697	0.02	271,187	Micro-Star International Com TWD 10.00	280,235	0.05
59,000	Nan Ya Printed Circuit Board Com TWD 10.00	382,618	0.07	269,070	Mosel Vitelic Incorporated Com TWD 10.00	319,224	0.06
184,942	Phoenix Precision Com TWD 10.00	213,811	0.04	126,566	Novatek Microelectronics Com TWD 10.00	510,115	0.09
915,000	Walsin Lihwa Corporation Com TWD 10.00	445,036	0.08	1,539,586	Powerchip Semiconductor Corporation Com TWD 10.00	760,485	0.14
241,497	Ya Hsin Industrial Com TWD 10.00	43,617	0.01	1,275,000	Promos Technologies Incorporated Com TWD 10.00	394,103	0.07
793,000	Yageo Corporation Com TWD 10.00	302,791	0.06	114,600	Realtek Semiconductor Com TWD 10.00	560,862	0.10
	<b>Electronic Equipment</b>			683,656	Siliconware Precision Com TWD 10.00	1,375,640	0.25
62,902	Asia Optical Company Incorporated Com TWD 10.00	232,554	0.04	6,468,486	Taiwan Semiconductor Ord TWD 10.00	12,270,894	2.24
1,990,925	Au Optonics Corporation Com TWD 10.00	2,877,879	0.52	5,534,965	United Microelectronics Com TWD 10.00	3,094,642	0.56
456,487	Delta Electronic Com TWD 10.00	1,694,586	0.31	366,000	Via Technologies Com TWD 10.00	261,199	0.05
74,438	Epistar Corporation Com TWD 10.00	348,516	0.06	1,220,000	Winbond Electronic Com TWD 10.00	367,120	0.07
254,017	Wintek Corporation Com TWD 10.00	290,974	0.05		<b>Specialty Chemicals</b>		
	<b>Fixed Line Telecommunications</b>			802,750	Formosa Chemical & Fibre Com TWD 10.00	1,955,850	0.36
135,951	Chunghwa Telecom ADR Ord TWD 10.00	2,153,396	0.39	1,235,680	Formosa Plastics Com TWD 10.00	3,066,826	0.56
	<b>Food Products</b>			1,593,430	Nan Ya Plastic Com TWD 10.00	3,858,149	0.70
917,640	Uni-President Enterprises Corporation Com TWD 10.00	1,063,662	0.19	255	Oriental Union Chemicals Com TWD 10.00	259	-
	<b>Food Retailers &amp; Wholesalers</b>			244,000	Taiwan Fertilizer Com TWD 10.00	498,367	0.09
183,000	President Chain Com TWD 10.00	475,260	0.09		<b>Specialty Finance</b>		
	<b>Footwear</b>			1,718,499	Cathay Financial H Com TWD 10.00	3,822,474	0.70
634,972	Pou Chen Com TWD 10.00	634,029	0.12	2,680,560	China Development Financial Holding Com TWD 10.00	1,088,503	0.20
	<b>Holding Goods</b>			1,964,082	Chinatrust Financial Holding Com TWD 10.00	1,476,082	0.27
28,992	First Financial Com TWD 10.00	19,988	-	861,280	E. Sun Financial Holdings Com TWD 10.00	452,838	0.08
25,436	Shin Kong Financial Com TWD 10.00	24,744	-	1,403,600	First Financial Holdings Com TWD 10.00	967,663	0.18
13,860	Waterland Financial Holding Com TWD 10.00	4,264	-	1,220,000	Fubon Financial Holding Company Com TWD 10.00	1,049,971	0.19
	<b>Industrial Machinery</b>			1,098,000	Hua Nan Financial Com TWD 10.00	720,376	0.13
100,322	Catcher Technology Com TWD 10.00	802,600	0.15	2,753,000	Mega Financial Holdings Company Limited Com TWD 10.00	1,706,077	0.31
	<b>Marine Transportation</b>			846,189	Shin Kong Financial Com TWD 10.00	823,136	0.15
376,920	Evergreen Marine Com TWD 10.00	243,863	0.04	1,892,125	Sinopac Holdings Com TWD 10.00	894,486	0.16
183,000	U-Ming Marine Com TWD 10.00	543,471	0.10				
318,000	Wan Hai Lines Com TWD 10.00	224,534	0.04				
427,000	Yangming Marine Com TWD 10.00	300,850	0.05				
	<b>Mobile Telecommunications</b>						
732,000	Taiwan Cellular Corporation Com TWD 10.00	922,792	0.17				

# iSHARES MSCI AC FAR EAST EX-JAPAN

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>TAIWAN (Continued)</b>			2,695,572	Thai Petrochemical Com THB 1.00 (Alien Market)	552,490	0.10
1,281,000	Taishin Financial Com TWD 10.00	638,578	0.12		<b>Electrical Components &amp; Equipment</b>		
671,000	Waterland Financial Holding Com TWD 10.00	206,390	0.04	1,600	Hana Microelectrnc Com THB 1.00 (Local)	1,169	-
1,369,450	Yuanta Financial Holdings Com TWD 10.00	778,120	0.14	284,900	Hana Microelectronic Com THB 1.00 (Alien Market)	208,988	0.04
	<b>Steel</b>				<b>Exploration &amp; Production</b>		
2,704,973	China Steel Corporation Com TWD 10.00	3,668,218	0.67	399,300	PTT Exploration & Production Com THB 1.00 (Alien Market)	1,501,452	0.27
444,150	Yieh Phui Enterprise Com TWD 10.00	196,509	0.04	367,000	Rayong Refinery Com THB 10.00 (Alien Market)	265,819	0.05
	<b>Telecommunications Equipment</b>				<b>Fixed Line Telecommunications</b>		
61,000	Compal Communications Incorporated Com TWD 10.00	143,447	0.02	777,100	True Corporation Com THB 10.00 (Alien Market)	164,066	0.03
5,419	Compal Electronics Com TWD 10.00	6,010	-		<b>Home Construction</b>		
194,430	D-Link Corporation Com TWD 10.00	428,348	0.08	1,199,200	Land & Houses Com THB 1.00 (Alien Market)	288,296	0.05
	<b>Tyres</b>				<b>Integrated Oil &amp; Gas</b>		
269,429	Cheng Shin Rubber Com TWD 10.00	493,968	0.10	286,500	PTT Public Company Com THB 10.00 (Alien Market)	2,613,777	0.48
	<b>TAIWAN - TOTAL</b>	<b>105,029,714</b>	<b>19.14</b>		<b>Mobile Telecommunications</b>		
	<b>THAILAND</b>			304,800	Advanced Information Service Com THB 1.00 (Alien Market)	854,887	0.16
	<b>Airlines</b>				<b>Real Estate Holding &amp; Development</b>		
213,500	Thai Airways International Com THB 10.00 (Alien Market)	287,891	0.05	335,300	Central Pattana Pub Com THB 1.00 (Alien Market)	315,200	0.06
	<b>Banks</b>				<b>Transportation Services</b>		
123,700	Bangkok Bank Com THB 10.00 (Local)	449,887	0.08	164,700	Airports of Thailand Com THB 10.00 (Alien Market)	294,424	0.05
233,700	Bangkok Bank Com THB 10.00 (Alien Market)	857,152	0.16		<b>THAILAND - TOTAL</b>	<b>13,253,210</b>	<b>2.41</b>
388,700	Kasikornbank Com THB 10.00 (Alien Market)	940,452	0.17		<b>UNITED STATES</b>		
19,400	Krung Thai Bank Com THB 10.00 (Local)	6,757	-		<b>Mobile Telecommunications</b>		
1,167,600	Krung Thai Bank Limited Com THB 5.15 (Alien Market)	395,858	0.07	96,146	SK Telecom Company Limited Com KRW 500.00	2,631,516	0.48
341,400	Siam Commercial Bank Com THB 10.00 (Alien Market)	826,010	0.15		<b>UNITED STATES - TOTAL</b>	<b>2,631,516</b>	<b>0.48</b>
	<b>Broadcasting &amp; Entertainment</b>				<b>TOTAL VALUE OF INVESTMENTS</b>		
703,900	BEC World Com THB 1.00 (Alien Market)	503,328	0.09		<b>AT BID PRICES</b>	<b>546,514,812</b>	<b>99.62</b>
	<b>Building Materials &amp; Fixtures</b>				<b>CASH*</b>	<b>6,004,879</b>	<b>1.09</b>
98,300	Siam Cement Company Com THB 1.00 (Alien Market)	763,495	0.14		<b>OTHER NET LIABILITIES</b>	<b>(5,202,255)</b>	<b>(0.95)</b>
21,700	Siam City Cement Com THB 10.00 (Alien Market)	183,258	0.03		<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>547,317,436</b>	<b>99.76</b>
800	Siam City Cement Com THB 10.00 (Local)	6,707	-		Adjustment from bid market prices to last traded market prices	1,321,387	0.24
	<b>Coal</b>				<b>TOTAL VALUE OF FUND AT LAST TRADED PRICES</b>	<b>548,638,823</b>	<b>100.00</b>
61,100	Banpu Public Company Limited Com THB 10.00 (Alien Market)	564,956	0.10				
18,200	Banpu Public Company Limited Com THB 10.00 (Local)	158,188	0.03				
	<b>Commodity Chemicals</b>						
1,200	PTT Chemical Com THB 10.00 (Local)	4,031	-				
72,167	PTT Chemical Com THB 10.00 (Alien Market)	244,672	0.05				

\*All cash holdings are held with The Governor & Company of the Bank of Ireland.



# iSHARES MSCI AC FAR EAST EX-JAPAN

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS USD	LARGEST PURCHASES	COST USD
Samsung Electronics Com KRW5000.00	1,554,665	Samsung Electronics Com KRW5000.00	6,730,155
China Mobile Limited Com HKD0.10	1,125,737	China Mobile Limited Com HKD0.10	6,324,042
Maxis Communications Berhad Com MYR0.10	1,048,284	Taiwan Semiconductor Ord TWD10.00	3,998,457
China Light & Power Holdings Com HKD5.00	934,395	Posco Com KRW5000.00	3,446,339
Posco Com KRW5000.00	855,120	Hon Hai Precision Com TWD10.00	3,193,518
SK Corporation Com KRW5000.00	774,465	Kookmin Bank Com KRW5000.00	2,706,348
Kookmin Bank Com KRW5000.00	679,540	China Shenhua Energy Company Class 'H' Com CNY1.00	2,499,184
Petrochina Company Com CNY1.00	603,797	Petrochina Company Com CNY1.00	2,452,323
China Life Insurance Class 'H' Com CNY1.00	495,708	China Life Insurance Class 'H' Com CNY1.00	2,210,884
SK Telecom Company Limited Com KRW500.00	463,631	Hutchison Whampoa Com HKD0.25	2,074,122
Hyundai Heavy Industries Com KRW5000.00	411,157	Cheung Kong Holdings Com HKD0.50	1,975,198
Stats Chippac Limited Com STD0.25	405,702	DBS Group Holdings Com SGD1.00	1,659,220
Taiwan Semiconductor Ord TWD10.00	390,816	China Petroleum & Chemical Class 'H' Com CNY1.00	1,635,029
Hutchison Whampoa Com HKD0.25	370,053	United Overseas Bank Com SGD1.00	1,621,659
Hon Hai Precision Com TWD10.00	360,611	Industrial & Commercial Bank Of China Com CNY1.00	1,552,076
Korea Electric Power Com KRW5000.00	319,670	Cnooc Limited Com HKD0.02	1,539,825
China Petroleum & Chemical Class 'H' Com CNY1.00	257,444	Sun Hung Kai Properties Com HKD0.50	1,539,049
Fu Sheng Industrial Com TWD10.00	245,417	China Construction Bank Com CNY1.00	1,509,474
DBS Group Holdings Com SGD1.00	238,349	Hyundai Heavy Industries Com KRW5000.00	1,462,528
KT Corporation Com KRW5000.00	233,839	Overseas Chinese Bank Com SGD0.50	1,445,028

# iSHARES MSCI AC FAR EAST EX-JAPAN

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007	Year ended 28 February 2007	Six months ended 31 August 2006
	\$'000s	\$'000s	\$'000s
Dividends	8,074	5,094	1,244
Securities lending income	6	-	-
Other income	20	1	-
<b>Income</b>	<b>8,100</b>	<b>5,095</b>	<b>1,244</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007	Year ended 28 February 2007	Six months ended 31 August 2006
	\$'000s	\$'000s	\$'000s
Management fees	1,587	1,448	484
<b>Expenses</b>	<b>1,587</b>	<b>1,448</b>	<b>484</b>

Included in expenses are audit fees of \$7,578 (February 2007: \$14,450 August 2006: \$5,692) and directors fees of \$2,960 (February 2007: \$5,966 August 2006: \$2,983)

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007	28 February 2007	31 August 2006
	\$'000s	\$'000s	\$'000s
Cost at beginning of the period	287,976	50,358	50,358
Cost at end of the period	431,799	287,976	159,811
Fair value at beginning of the period	325,869	54,747	57,747
<b>Fair value at end of the period</b>	<b>546,515</b>	<b>325,869</b>	<b>161,575</b>

### 5. DEBTORS

	31 August 2007	28 February 2007	31 August 2006
	\$'000s	\$'000s	\$'000s
Dividends receivable	1,273	1,058	552
Securities lending income receivable	2	-	-
Interest income receivable	6	-	-
Sales of securities awaiting settlement	85	2,268	1,173
<b>Debtors</b>	<b>1,366</b>	<b>3,326</b>	<b>1,725</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007	28 February 2007	31 August 2006
	\$'000s	\$'000s	\$'000s
Accrued expenses	419	228	117
Purchases of securities awaiting settlement	2,913	1,955	1,667
Interest expense payable	-	20	18
<b>Creditors</b>	<b>3,332</b>	<b>2,203</b>	<b>1,802</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007	28 February 2007	31 August 2006
	No. of Shares '000s	No. of Shares '000s	No. of Shares '000s
Balance at beginning of the period	9,000	1,800	1,800
Issued during the period	3,600	7,200	3,400
Redeemed during the period	(400)	-	-
<b>Balance at end of the period</b>	<b>12,200</b>	<b>9,000</b>	<b>5,200</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The fund did not hold any open futures at 28 February 2007 and 31 August 2006.

### 9. FINANCE COSTS – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year. The Directors intend to maintain a dividend policy that enables the Company to qualify each financial year as a distributing fund under chapter V of part XVII of the Income and Corporation Taxes Act 1988, of the United Kingdom.

	Six months ended 31 August 2007	Year ended 28 February 2007	Six months ended 31 August 2006
	\$'000s	\$'000s	\$'000s
<b>Pay date</b>			
June 2006	-	745	746
September 2006	-	1,227	1,225
December 2006	-	551	-
March 2007	-	858	-
June 2007	1,992	-	-
September 2007	3,237*	-	-
	<b>5,229</b>	<b>3,381</b>	<b>1,971</b>
Equalisation income	(325)	(444)	(264)
Equalisation expense	115	-	-
	<b>5,019</b>	<b>2,937</b>	<b>1,707</b>

\*Outstanding at period end

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

# iSHARES MSCI AC FAR EAST EX-JAPAN

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's currency exposure at 31 August 2007 and comparatives for 28 February 2007 and 31 August 2006:

Currency	31 August 2007 Net Currency exposure \$	28 February 2007 Net Currency exposure \$	31 August 2006 Net Currency exposure \$
CHF	-	-	(37)
EUR	62	(18,548)	(65)
GBP	3,120	(157,711)	74
HKD	206,447,581	112,019,204	52,030,242
EGP	292,191	-	-
IDR	13,773,106	7,802,540	4,180,135
KRW	139,325,004	84,970,742	(87,296)
SKD	-	-	45,901,803
MYR	22,045,864	13,992,493	7,441,643
PHP	3,490,080	1,958,243	793,995
SGD	43,920,379	29,075,523	13,287,799
THB	13,709,383	7,192,920	4,213,797
TWD	105,824,782	68,304,452	34,928,687
	<b>548,831,552</b>	<b>325,139,858</b>	<b>162,690,777</b>

#### Fair value and cash flow interest rate risk

The Fund did not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

# iSHARES MSCI BRAZIL

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Operating income	2	4,450	4,219	1,640
Net gains/(losses) on financial assets at fair value through profit or loss		67,685	8,456	(14,374)
<b>Total investment (loss)/income</b>		<b>72,135</b>	<b>12,675</b>	<b>(12,734)</b>
Operating expenses	3	(1,090)	(1,015)	(431)
<b>Net income</b>		<b>71,045</b>	<b>11,660</b>	<b>(13,165)</b>
<b>Finance Costs</b>				
Distributions to Redeemable Participating Shareholders	9	(1,938)	(2,721)	(2,751)
<b>Profit/(Loss) before tax</b>		<b>69,107</b>	<b>8,939</b>	<b>(15,916)</b>
Non-reclaimable withholding tax		(316)	(480)	(131)
Adjustment from bid market prices to last traded market prices		365	256	-
<b>Increase/(Decrease) in net assets attributable to Redeemable Participating Shareholders</b>		<b>69,156</b>	<b>8,715</b>	<b>(16,047)</b>

There are no recognised gains or losses arising in the period other than the decrease in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		203,618	38,828	38,702*
Increase/(Decrease) in net assets attributable to Redeemable Participating Shareholders from Operations		69,156	8,715	(16,047)
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		126,995	170,570	118,703
Payment on redemption of Redeemable Participating Shares		(17,785)	(14,495)	(13,663)
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>381,984</b>	<b>203,618</b>	<b>127,695</b>

# iSHARES MSCI BRAZIL

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	379,975	203,076	127,550
Debtors	5	4,337	2,126	509
Cash and bank balances		447	178	189
<b>Total current assets</b>		<b>384,759</b>	<b>205,380</b>	<b>128,248</b>
<b>Current Liabilities</b>				
Creditors	6	(3,389)	(1,457)	(340)
Distributions to Redeemable Participating Shareholders payable	9	(132)	(687)	(213)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(3,521)</b>	<b>(2,144)</b>	<b>(553)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>381,238</b>	<b>203,236</b>	-
Adjustment from bid market prices to last traded market prices		746	382	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>381,984</b>	<b>203,618</b>	<b>127,695</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>8,200,000</b>	<b>5,800,000</b>	<b>4,300,000</b>
<b>Net asset value per Redeemable Participating Share</b>		<b>\$46.58</b>	<b>\$35.11</b>	<b>\$29.70</b>

The accompanying notes form an integral part of these financial statements.

\* The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by \$126,000 to account for assets at fair value in accordance with applicable accounting standards. (See Note 1(a)).

# iSHARES MSCI BRAZIL

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>BRAZIL</b>				<b>Food Products</b>		
	<b>Aerospace</b>			75,600	Cosan SA Industria Com NPV	840,600	0.22
508,000	Empresa Bras De Aeronautica Com NPV	5,695,114	1.49	113,329	Perdigao SA Ord NPV	2,184,962	0.57
	<b>Airlines</b>			390,000	Sadia SA Pref NPV	1,959,349	0.51
60,800	Gol Linhas Aereas Pref NPV	1,336,570	0.35		<b>Food Retailers &amp; Wholesalers</b>		
77,900	Tam SA Pref NPV	1,774,067	0.46	40,300,000	Pao De Acucar CIA Pref NPV	1,292,905	0.34
	<b>Apparel Retailers</b>				<b>Health Care Providers</b>		
139,100	Lojas Renner SA Com NPV	2,400,160	0.63	42,700	Diagnosticos Da Am Com NPV	936,499	0.25
	<b>Banks</b>				<b>Home Construction</b>		
1,088,840	Banco Bradesco SA Pref NPV	27,173,794	7.11	103,000	Gafisa SA Ord NPV	1,234,571	0.32
36,700	Banco Nossa Caixa SA Com NPV	559,878	0.15		<b>Integrated Oil &amp; Gas</b>		
559,200	Banco Itau Holding Financeir Pref NPV	24,414,730	6.39	1,799,700	Petrol Brasileiros Pref NPV	47,879,399	12.53
1,230,500	Unibanco Uniao Bco Units (Comp 1 Prf & 1 Pref)	13,782,403	3.61	1,306,200	Petrol Brasileiros Com NPV	40,506,456	10.60
	<b>Brewers</b>			703,119	Tele Celular Sul Pref NPV	2,474,508	0.65
223,881	CIA de Bebidas das Americas (Ambev) Com NPV	15,529,846	4.07	577,174	Vivo Participacoes SA Pref NPV	2,708,355	0.71
	<b>Broadcasting &amp; Entertainment</b>				<b>Paper</b>		
204,300	Net Servicos de Comunicacao Preference NPV	3,063,562	0.80	524,400	Aracruz Celulose Pref 'B' Com NPV	3,303,244	0.86
	<b>Broadline Retailers</b>			107,000	Votorantim Celulose E Papel SA Pref NPV	2,505,544	0.66
367,500	Lojas Americanas SA Pref NPV	2,999,082	0.79		<b>Personal Products</b>		
	<b>Building Materials &amp; Fixtures</b>			147,000	Natura Cosmeticos SA Com NPV	1,552,025	0.41
82,800	Duralex SA Pref NPV	2,052,474	0.54		<b>Railroads</b>		
	<b>Clothing &amp; Accessories</b>			428,800	All America Latina Logistica Ord NPV	4,964,684	1.30
79,500	Coteminas Cia Tec Pref NPV	488,613	0.13		<b>Real Estate Holding &amp; Development</b>		
	<b>Commodity Chemicals</b>			202,800	Cyrella Brazil Realty Com NPV	1,918,770	0.50
183,800	Braskem SA Class 'A' Pref NPV	1,696,817	0.44		<b>Steel</b>		
	<b>Consumer Finance</b>			140,100	CIA Siderurgica Nacional Com NPV	7,939,667	2.08
188,100	Redecard SA Com NPV	2,878,200	0.75	772,300	CIA Vale Rio Doce Com NPV	38,016,256	9.95
	<b>Containers &amp; Packaging</b>			1,098,158	CIA Vale Rio Doce Pref Class 'A' NPV	45,481,193	11.91
64,800	B2W-Companhia Global Do Varejo Com NPV	2,463,960	0.65	66,300	Gerdau SA Ord NPV	1,312,068	0.35
481,000	Klabin SA Pref NPV	1,418,025	0.37	349,200	Gerdau SA Siderurg Pref NPV	8,465,508	2.22
	<b>Electricity</b>			128,900	Usinas Sider Minas Class 'A' Pref Com NPV	7,669,175	2.01
258,874	Centrais Eletricas Brasileiro Com NPV	3,341,886	0.87		<b>Tobacco</b>		
168,400,000	CESP CIA Energetica Class 'B' Pref NPV	2,868,795	0.75	87,400	Souza Cruz (CIA) Com NPV	1,816,562	0.48
					<b>Transportation Services</b>		
313,300	CIA Energetica Minas Pref Shares Com BRL 0.01	6,016,395	1.58	138,400	Companhia de Concessionoes Rodoviaras Com NPV	2,386,669	0.62
					<b>Water</b>		
117,400	Copel Parana Energy Class 'B' Pref NPV	1,914,950	0.50	130,332	Sabesp CIA Saneam Com NPV	3,177,533	0.83
137,200	CPFL Energia SA Com NPV	2,457,648	0.64		<b>BRAZIL - TOTAL</b>	<b>379,975,120</b>	<b>99.47</b>
75,500	Edp-Energias Do Brazil SA Com NPV	1,193,767	0.31				
218,200	Eletrobras Cent El Series 'B' Pref NPV	2,671,019	0.70		<b>TOTAL VALUE OF INVESTMENTS AT BID PRICES</b>	<b>379,975,120</b>	<b>99.47</b>
26,730,000	Eletropaulo Metropolitana Series 'B' Pref NPV	1,507,874	0.39		<b>CASH*</b>	<b>446,968</b>	<b>0.12</b>
149,400	Tractebel Energia SA Com NPV	1,676,426	0.44		<b>OTHER NET ASSETS</b>	<b>816,057</b>	<b>0.21</b>
	<b>Fixed Line Telecommunications</b>				<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>381,238,145</b>	<b>99.80</b>
61,396	Brasil Telecom Participacoes Com NPV	1,385,684	0.36		Adjustment from bid market prices to last traded market prices	746,166	0.20
250,000	Brasil Telecom Participacoes SA Pref NPV	3,547,383	0.93		<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>381,984,311</b>	<b>100.00</b>
74,700	Tele Norte Leste P Com NPV	2,518,448	0.66				
298,900	Tele Norte Leste Part Pref NPV	6,621,048	1.73				

\* All cash holdings are held with The Governor & Company of the Bank of Ireland

# iSHARES MSCI BRAZIL

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS USD	LARGEST PURCHASES	COST USD
Petrol Brasileiros Pref NPV	3,210,848	Petrol Brasileiros Pref NPV	16,423,486
CIA Vale Rio Doce Pref Class 'A' NPV	2,907,116	CIA Vale Rio Doce Pref Class 'A' NPV	14,939,792
Petrol Brasilierios Com NPV	2,672,219	Petrol Brasilierios Com NPV	13,631,644
Banco Itau Holding Financeir Pref NPV	2,631,648	CIA Vale Rio Doce Com NPV	12,460,360
CIA Vale Rio Doce Com NPV	2,442,680	Banco Bradesco SA Pref NPV	9,435,288
Banco Bradesco SA Pref NPV	1,841,567	Banco Itau Holding Financeir Pref NPV	8,526,859
Weg SA Pref NPV	1,135,690	CIA de Bebidas das Americas (Ambev) Com NPV	5,291,871
CIA de Bebidas das Americas (Ambev) Com NPV	1,026,749	Unibanco Uniao Bco Units (Comp 1 Prf & 1 Pref)	4,875,245
Unibanco Uniao Bco Units (Comp 1 Prf & 1 Pref)	948,125	Redecard SA Com NPV	3,296,909
Gerdau SA Siderurg Pref NPV	561,405	Gerdau SA Siderurg Pref NPV	2,916,609
Klabin SA Pref NPV	551,270	Usinas Sider Minas Class 'A' Pref Com NPV	2,526,699
Telemig Celular Participacoes SA Pref NPV	512,223	CIA Siderurgica Nacional Com NPV	2,508,965
Usinas Sider Minas Class 'A' Pref Com NPV	502,849	CPFL Energia SA Com NPV	2,450,883
Comgas Gas Sao Class 'A' NPV	489,930	All America Latina Logistica Ord NPV	2,270,627
CIA Siderurgica Nacional Com NPV	465,270	CIA Energetica Minas Pref Shares Com BRL0.01	2,196,908
Companhia de Concessoes Rodoviaras Com NPV	456,585	Empresa Bras De Aeronautica Com NPV	2,090,503
Sadia SA Pref NPV	443,241	Net Servicos de Comunicacao Preference NPV	2,061,749
Tele Norte Leste Part Pref NPV	426,639	Tele Norte Leste Part Pref NPV	2,039,204
CIA Energetica Minas Pref Shares Com BRL0.01	417,245	Lojas Americanas SA Pref NPV	1,379,084
Empresa Bras De Aeronautica Com NPV	384,935	Centrais Eletricas Brasilier Com NPV	1,212,603

# iSHARES MSCI BRAZIL

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Dividends	4,440	4,193	1,640
Interest income	10	26	-
<b>Income</b>	<b>4,450</b>	<b>4,219</b>	<b>1,640</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Management fees	1,090	1,015	431
<b>Expenses</b>	<b>1,090</b>	<b>1,015</b>	<b>431</b>

Included in expenses are audit fees of \$7,578 (February 2007: \$14,450 August 2006: \$5,692) and directors fees of \$2,960 (February 2007: \$5,966 August 2006: \$2,983).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Cost at beginning of period	188,365	34,465	34,465
Cost at end of period	303,788	188,365	135,353
Fair value at beginning of period	203,076	38,736	38,736
<b>Fair value at end of period</b>	<b>379,975</b>	<b>203,076</b>	<b>127,550</b>

### 5. DEBTORS

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Dividends receivable	1,608	818	226
Interest income receivable	1	19	4
Sales of securities awaiting settlement	2,728	1,289	279
<b>Debtors</b>	<b>4,337</b>	<b>2,126</b>	<b>509</b>

### 6. CREDITORS

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Accrued expenses	275	144	97
Purchases of securities awaiting settlement	3,114	1,313	243
<b>Creditors</b>	<b>3,389</b>	<b>1,457</b>	<b>340</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares \$'000s	28 February 2007 No. of Shares \$'000s	31 August 2006 No. of Shares \$'000s
Balance at beginning of period	5,800	1,200	1,200
Issued during the period	2,800	5,100	3,600
Redeemed during the period	(400)	(500)	(500)
<b>Balance at end of period</b>	<b>8,200</b>	<b>5,800</b>	<b>4,300</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The fund did not hold any open futures at 28 February 2007 and 31 August 2006.

### 9. FINANCE COSTS – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year.

Pay date	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
June 2006	-	1,697	1,697
September 2006*	-	213	213
December 2006	-	1,147	-
March 2007	-	687	-
June 2007	2,080	-	-
September 2007	132*	-	-
	<b>2,212</b>	<b>3,744</b>	<b>1,910</b>
Equalisation income	(311)	(1,033)	(10)
Equalisation expense	37	10	851
	<b>1,938</b>	<b>2,721</b>	<b>2,751</b>

\*Outstanding at period end

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.



# iSHARES MSCI BRAZIL

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS (continued)

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's currency exposure at 31 August 2007 and comparatives for 28 February 2007 and 31 August 2006.

Currency	31 August 2007 Net currency exposure \$	28 February 2007 Net currency exposure \$	31 August 2006 Net currency exposure \$
BRL	381,151,823	203,910,990	126,845,899
CHF	(1)	-	(37)
EUR	-	-	(7)
GBP	339	(94,291)	559
	<b>381,152,161</b>	<b>203,816,699</b>	<b>126,846,414</b>

#### Fair Value and Cash Flow Interest Rate Risk

The Fund does not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007, 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

# iSHARES MSCI EASTERN EUROPE

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Operating income	2	3,707	3,851	3,125
Net gains on financial assets at fair value through profit or loss		28,326	22,604	4,602
<b>Total investment income</b>		<b>32,033</b>	<b>26,455</b>	<b>7,727</b>
Operating expenses	3	(796)	(1,201)	(524)
<b>Net income</b>		<b>31,237</b>	<b>25,254</b>	<b>7,203</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	9	(2,247)	(2,088)	(1,874)
Interest expense		(8)	-	-
<b>Profit before tax</b>		<b>28,982</b>	<b>23,166</b>	<b>5,329</b>
Non-reclaimable withholding tax		(524)	(527)	(453)
Adjustment from bid market prices to last traded market prices		229	48	-
<b>Increase in net assets attributable to Redeemable Participating Shareholders</b>		<b>28,687</b>	<b>22,687</b>	<b>4,876</b>

There are no recognised gains or losses arising in the period other than the increase in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		189,473	54,937	54,626*
Increase in net assets attributable to Redeemable Participating Shareholders from				
Operations		28,687	22,687	4,876
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		97,854	246,474	161,794
Payment on redemption of Redeemable Participating Shares		(105,704)	(134,625)	(17,622)
<b>Net Assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>210,310</b>	<b>189,473</b>	<b>203,674</b>

# iSHARES MSCI EASTERN EUROPE

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	209,500	188,904	202,690
Debtors	5	6,095	9,797	872
Cash and bank balances		203	999	1,740
<b>Total current assets</b>		<b>215,798</b>	<b>199,700</b>	<b>205,302</b>
<b>Current liabilities</b>				
Creditors	6	(4,770)	(10,439)	(147)
Distributions to Redeemable Participating Shareholders payable	9	(1,306)	(147)	(1,481)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(6,076)</b>	<b>(10,586)</b>	<b>(1,628)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>209,722</b>	<b>189,114</b>	<b>-</b>
Adjustment from bid market prices to last traded market prices		588	359	-
<b>Net assets attributable to Redeemable Participating Shareholders at the end of period (at last traded market prices)</b>		<b>210,310</b>	<b>189,473</b>	<b>203,674</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>5,300,000</b>	<b>5,400,000</b>	<b>6,600,000</b>
<b>Net asset value per Redeemable Participating Share</b>		<b>\$39.68</b>	<b>\$35.09</b>	<b>\$30.86</b>

The accompanying notes form an integral part of these financial statements.

\*The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by \$311,000 to account for assets as fair value in accordance with applicable accounting standards. (See note 1 (a))

# iSHARES MSCI EASTERN EUROPE

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>CZECH REPUBLIC</b>				<b>Fixed Line Telecommunications</b>		
	<b>Banks</b>			505,856	Telekomunikacja Polska SA Com PLN 3.00	3,869,031	1.84
16,096	Komerční Banka Com CZK500.00	3,485,357	1.66		<b>Heavy Construction</b>		
	<b>Broadcasting &amp; Entertainment</b>			8,457	Budimex Com PLN5.00	240,906	0.11
21,627	Central European Media Class 'A' Com USD0.08	1,936,626	0.92		<b>Hotels</b>		
	<b>Electricity</b>			28,509	Orbis Com PLN2.00	712,623	0.34
148,424	CEZ Com CZK100.00	7,850,378	3.73		<b>Integrated Oil &amp; Gas</b>		
	<b>Fixed Line Telecommunications</b>			211,724	Polski KON Naf Orl Com PLN1.25	4,304,743	2.05
79,426	Cesky Telecom Com CZK100.00	2,368,172	1.13		<b>Nonferrous Metals</b>		
	<b>Pharmaceuticals</b>			67,644	KGHM Polska Miedz Com PLN10.00	2,767,517	1.32
19,387	Zentiva BV Com EUR0.01	1,142,735	0.54		<b>Publishing</b>		
	<b>Specialty Chemicals</b>			21,356	Agora Com PLN1.00	391,623	0.19
62,121	Unipetrol AS Com CZK100.00	858,861	0.41		<b>Real Estate Holding &amp; Development</b>		
	<b>Tobacco</b>			106,497	Globe Trade Centre SA Com PLN 0.10	1,588,885	0.76
748	Philip Morris Com CZK1000.00	357,354	0.17		<b>Software</b>		
	<b>CZECH REPUBLIC - TOTAL</b>	<b>17,999,483</b>	<b>8.56</b>	14,412	Asseco Poland SA PLN1.00	411,053	0.20
	<b>HUNGARY</b>				<b>POLAND - TOTAL</b>	<b>36,409,554</b>	<b>17.31</b>
	<b>Banks</b>				<b>RUSSIA</b>		
181,722	Otp Bank Com HUF100.00	9,079,381	4.32		<b>Banks</b>		
	<b>Fixed Line Telecommunications</b>			628,880	VTB Bank OJSC GDR Rep1000	5,880,028	2.79
345,767	Magyar Telekom Com HUF100.00 (Regd)	1,695,205	0.81		<b>RUSSIA - TOTAL</b>	<b>5,880,028</b>	<b>2.79</b>
	<b>Integrated Oil &amp; Gas</b>				<b>UNITED KINGDOM</b>		
45,809	Mol Hungarian Oil Com HUF1000.00	6,465,829	3.07		<b>Communications</b>		
	<b>Pharmaceuticals</b>			59,808	Rostelcom-Sponsored ADR Rep 6	3,576,518	1.70
12,510	Richter Gedeon Veg HUF1000.00 (Regd)	2,434,603	1.16		<b>Integrated Oil &amp; Gas</b>		
	<b>HUNGARY - TOTAL</b>	<b>19,675,018</b>	<b>9.36</b>	447,243	Gazprom ADR 4 Ord RUB5.00	18,565,057	8.83
	<b>POLAND</b>			177,767	Surgutneftegaz ADR-Repr 50 Ord RUB1000.00	11,092,661	5.27
	<b>Aluminium</b>				<b>Metal</b>		
2,702	Grupa Kety SA Com PLN2.50	195,405	0.09	46,667	JSC MMC Norilsk NI ADR Rep 1	10,406,741	4.95
	<b>Banks</b>				<b>UNITED KINGDOM - TOTAL</b>	<b>43,640,977</b>	<b>20.75</b>
8,339	Bank BPH SA Com PLN5.00	2,675,345	1.27		<b>UNITED STATES</b>		
57,283	Bank Pekao Com PLN0.01	4,948,318	2.35		<b>Banks</b>		
20,578	Bank Zachodni WBK Com PLN10.00	1,853,808	0.88	40,151	Sberbank Registered GDR Rep 100	17,159,690	8.16
7,343	BRE Bank Com PLN4.00	1,307,328	0.62		<b>Diversified Industrials</b>		
409,170	PKO Bank Polski SA Com NPV	7,794,686	3.71	65,568	Sistema JSFC GDR Rep 1(Regd)	1,983,433	0.94
	<b>Broadcasting &amp; Entertainment</b>				<b>Electricity</b>		
116,016	TVN SA Com PLN1.00	955,095	0.45	65,894	Unified Energy Systems GDR Each Rep 100 Ord Reg S	8,203,803	3.90
	<b>Commodity Chemicals</b>				<b>Exploration and Production</b>		
12,390	Zakłady Chemiczne Tworzyw SZ Com PLN 0.12	92,294	0.04	79,234	Novatek Oao-Spons GDR Reg S RUB100	3,960,115	1.88
	<b>Computer Services</b>				<b>Fixed Line Telecommunications</b>		
5,375	Computerland Com PLN1.00	116,748	0.05	106,559	Comstar United Telesystems GDR Rep 1	1,166,821	0.55
10,513	Prokom Software SA Com PLN1.00	501,243	0.24		<b>Food Products</b>		
	<b>Drug Retailers</b>			20,793	Wimm-Bill-Dann Food Ord RUB20.00	2,128,371	1.01
2,038	Polska Grupa Farma Com PLN 2.00	71,153	0.03				
	<b>Exploration &amp; Production</b>						
867,134	Polish Oil & Gas Com PLN1.00	1,611,750	0.77				

# iSHARES MSCI EASTERN EUROPE

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (Continued)</b>		
	<b>Gold Mining</b>		
70,362	Ojsc Polyus Gold Spon ADR REP 1	2,708,937	1.29
	<b>Integrated Oil &amp; Gas</b>		
228,119	Lukoil Oil Company ADR Rep 1	16,926,430	8.05
62,714	Tatneft-Sponsored GDR Rep 20	6,271,400	2.98
	<b>Mobile Telecommunications</b>		
108,291	Mobile TeleSystems ADR Rep 5	7,164,533	3.41
404,975	Vimpel Communications ADR Rep 1	9,881,390	4.70
	<b>Steel</b>		
223,266	Cherepovets MK Severstal GDR	3,806,685	1.81
42,764	Mechel Steel Group ADR Each Rep 3 Com RUB10.00	1,861,517	0.89
82,709	Novolipet Steel GDR Reg S GDR NPV	2,671,501	1.27
	<b>UNITED STATES - TOTAL</b>	<b>85,894,626</b>	<b>40.84</b>
	<b>TOTAL VALUE OF INVESTMENTS</b>		
	<b>AT BID PRICES</b>	<b>209,499,686</b>	<b>99.61</b>
	<b>CASH *</b>	<b>203,567</b>	<b>0.10</b>
	<b>OTHER NET ASSETS</b>	<b>18,634</b>	<b>0.01</b>
	<b>TOTAL VALUE OF FUND AT BID</b>		
	<b>MARKET PRICES</b>	<b>209,721,887</b>	<b>99.72</b>
	Adjustments from bid market prices to last traded market prices	588,477	0.28
	<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>210,310,334</b>	<b>100.00</b>

\*All cash holdings are held with The Governor & Company of the Bank of Ireland.

# iSHARES MSCI EASTERN EUROPE

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS USD	LARGEST PURCHASES	COST USD
Lukoil Oil Company ADR Rep 1	9,467,286	Sberbank Registered GDR Rep 100	17,625,211
Gazprom ADR 4 Ord RUB5.00	9,344,227	Lukoil Oil Company ADR Rep 1	12,536,642
JSC MMC Norilsk NI ADR Rep 1	9,026,577	Gazprom ADR 4 Ord RUB5.00	11,430,509
Otp Bank Com HUF100.00	8,044,159	VTB Bank OJSC GDR Rep1000	6,969,542
Unified Energy Systems GDR Each Rep 100 Ord Reg S	7,796,414	Surgutneftegaz ADR-Repr 50 Ord RUB1000.00	5,658,086
Surgutneftegaz ADR-Repr 50 Ord RUB1000.00	7,558,018	JSC MMC Norilsk NI ADR Rep 1	5,600,024
Mobile TeleSystems ADR Rep 5	6,538,004	Otp Bank Com HUF100.00	5,088,084
Vimpel Communications ADR Rep 1	6,256,018	Unified Energy Systems GDR Each Rep 100 Ord Reg S	4,826,252
CEZ Com CZK100.00	6,134,041	Vimpel Communications ADR Rep 1	4,099,839
Tatneft-Sponsored GDR Rep 20	5,643,278	Pko Bank Polski SA Com NPV	3,892,697
Bank Pekao Com PLN0.01	5,632,179	CEZ Com CZK100.00	3,783,061
Mol Hungarian Oil Com HUF1000.00	5,556,985	Mobile TeleSystems ADR Rep 5	3,648,730
Rostelcom-Sponsored ADR Rep 6	5,160,304	Mol Hungarian Oil Com HUF1000.00	3,514,364
Novolipet Steel GDR Reg S GDR NPV	4,272,560	Tatneft-Sponsored GDR Rep 20	3,511,545
Novatek Oao-Spons GDR Reg S RUB100	4,232,420	Bank Pekao Com PLN0.01	3,269,233
Wimm-Bill-Dann Food Ord RUB20.00	4,002,345	Cherepovets MK Severstal GDR	3,227,177
Pko Bank Polski SA Com NPV	3,663,005	Magyar Telekom Com HUF100.00 (Regd)	2,770,247
Magyar Telekom Com HUF100.00 (Regd)	2,141,299	Polski KON Naf Orl Com PLN1.25	2,680,015
Telekomunikacja Polska SA Com PLN3.00	2,125,993	Ojsc Polyus Gold Spon ADR REP 1	2,674,967
Bank Zachodni WBK Com PLN10.00	2,095,422	Novatek Oao-Spons GDR Reg S RUB100	2,618,846

# iSHARES MSCI EASTERN EUROPE

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Dividends	3,701	3,677	3,001
Securities lending income	6	157	109
Interest income	-	17	15
<b>Income</b>	<b>3,707</b>	<b>3,851</b>	<b>3,125</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Management fees	796	1,201	524
<b>Expenses</b>	<b>796</b>	<b>1,201</b>	<b>524</b>

Included in expenses are audit fees of \$7,578 (February 2007: \$14,450 August 2006: \$5,692) and directors fees of \$2,960 (February 2007: \$5,966 August 2006: \$2,983)

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Cost at beginning of period	171,270	48,316	48,316
Cost at end of period	184,236	171,270	195,245
Fair value at beginning of period	188,904	54,505	54,505
Fair value at end of period	<b>209,500</b>	<b>188,904</b>	<b>202,690</b>

### 5. DEBTORS

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Dividends receivable	1,514	438	834
Securities lending income receivable	2	6	37
Interest income receivable	-	4	1
Sales of securities awaiting settlement	4,579	9,349	-
<b>Debtors</b>	<b>6,095</b>	<b>9,797</b>	<b>872</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Accrued expenses	164	138	147
Purchases of securities awaiting settlement	4,606	10,301	-
<b>Creditors</b>	<b>4,770</b>	<b>10,439</b>	<b>147</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares \$'000s	28 February 2007 No. of Shares \$'000s	31 August 2006 No. of Shares \$'000s
Balance at beginning of period	5,400	1,900	1,900
Issued during the period	2,700	7,700	5,300
Redeemed during the period	(2,800)	(4,200)	(600)
<b>Balance at end of period</b>	<b>5,300</b>	<b>5,400</b>	<b>6,600</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund.

Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007.

### 9. FINANCE COSTS – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year. The Directors intend to maintain a dividend policy that enables the Company to qualify each financial year as a distributing fund under chapter V of part XVII of the Income and Corporation Taxes Act 1988, of the United Kingdom.

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
June 2006	-	559	559
September 2006	-	1,488	1,481
December 2006	-	-	-
March 2007	-	147	-
June 2007	1,074	-	-
September 2007	1,306*	-	-
	<b>2,380</b>	<b>2,194</b>	<b>2,040</b>
Equalisation income	(146)	(647)	(166)
Equalisation expense	13	541	-
	<b>2,247</b>	<b>2,088</b>	<b>1,874</b>

\* Outstanding at period end

# iSHARES MSCI EASTERN EUROPE

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to the risk that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's currency exposure at 31 August 2007 and comparatives for 31 August 2006:

Currency	31 August 2007 Net Currency exposure \$	28 February 2007 Net currency exposure \$	31 August 2006 Net currency exposure \$
CHF	-	-	(37)
CZK	18,170,303	16,754,611	17,617,468
EUR	(106,662)	-	(180)
GBP	43,643,154	66,974,416	53,795,758
HUF	19,639,248	21,003,609	21,830,273
PLN	36,755,693	37,681,812	38,447,605
	<b>118,101,736</b>	<b>142,414,448</b>	<b>131,690,887</b>

#### Fair Value and Cash Flow Interest Rate Risk

The Fund does not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.



# iSHARES MSCI EMERGING MARKETS

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Operating income	2	16,862	7,733	3,943
Net gains/(losses) on financial assets at fair value through profit or loss		19,023	28,714	(7,843)
<b>Total investment income</b>		<b>207,885</b>	<b>36,447</b>	<b>(3,900)</b>
Operating expenses	3	(3,845)	(2,440)	(833)
<b>Net income</b>		<b>204,040</b>	<b>34,007</b>	<b>(4,733)</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	9	(11,337)	(3,969)	(3,245)
Interest expense		(58)	-	-
<b>Profit/(loss) before tax</b>		<b>192,645</b>	<b>30,038</b>	<b>(7,978)</b>
Non-reclaimable withholding tax		(2,177)	(995)	(405)
Adjustment from bid market prices to last traded market prices		1,592	468	-
<b>Increase/(decrease) in net assets attributable to Redeemable Participating Shareholders</b>		<b>192,060</b>	<b>29,511</b>	<b>(8,383)</b>

There are no recognised gains or losses arising in the period other than the decrease in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Net Assets attributable to Redeemable Participating Shareholders at the beginning of the period		791,812	177,256	176,655
Increase/(decrease) in net assets attributable to Redeemable Participating Shareholders from Operations		192,060	29,511	(8,383)
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		327,583	634,705	115,922
Payment on redemption of Redeemable Participating Shares		-	(49,660)	(49,636)
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>1,311,455</b>	<b>791,812</b>	<b>234,558</b>

# iSHARES MSCI EMERGING MARKETS

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	1,298,175	786,768	234,174
Debtors	5	19,963	11,625	7,516
Cash and bank balances		7,869	5,081	1,188
<b>Total current assets</b>		<b>1,326,007</b>	<b>803,474</b>	<b>242,878</b>
<b>Current liabilities</b>				
Creditors	6	(10,431)	(11,741)	(6,704)
Distributions to Redeemable Participating Shareholders payable	9	(6,782)	(990)	(1,616)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating shareholders)</b>		<b>(17,213)</b>	<b>(12,731)</b>	<b>(8,320)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>1,308,794</b>	<b>790,743</b>	-
Adjustment from bid market prices to last traded market prices		2,661	1,069	-
<b>Net Assets Attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>1,311,455</b>	<b>791,812</b>	<b>234,558</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>31,600,000</b>	<b>23,400,000</b>	<b>8,000,000</b>
<b>Net asset value per Redeemable Participating Share</b>		<b>\$41.50</b>	<b>\$33.84</b>	<b>\$29.32</b>

The accompanying notes form an integral part of these financial statements.

\*The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by \$ 601,000 to account for assets at fair value in accordance with applicable accounting standards. (See note 1 (a))

# iSHARES MSCI EMERGING MARKETS

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>BRAZIL</b>				<b>CZECH REPUBLIC</b>		
	<b>Aerospace</b>				<b>Banks</b>		
220,400	Empresa Bras De Aeronautica Com NPV	2,470,872	0.19	17,066	Komerční Banka Com CZK 500.00	3,695,397	0.28
	<b>Airlines</b>				<b>Electricity</b>		
16,600	Gol Linhas Aereas Pref NPV	364,919	0.03	135,203	CEZ Com CZK 100.00	7,151,099	0.55
	<b>Banks</b>				<b>Fixed Line Telecommunications</b>		
456,426	Banco Bradesco SA Pref NPV	11,390,862	0.87	109,701	Cesky Telecom Com CZK 100.00	3,270,854	0.25
614,000	Unibanco Uniao Banco Units (Comp 1 Pref & 1 Pref)	6,877,201	0.52		<b>CZECH REPUBLIC - TOTAL</b>	<b>14,117,350</b>	<b>1.08</b>
	<b>Brewers</b>				<b>EGYPT</b>		
126,918	CIA de Bebidas das Americas (Ambev) Com NPV	8,803,860	0.67		<b>Banks</b>		
	<b>Electricity</b>			249,315	Commercial International Bank Com EGP 10.00	2,932,521	0.22
192,436	Centrais Eletricas Brasileiro Com NPV	2,484,217	0.19		<b>Heavy Construction</b>		
191,164	CIA Energetica Minas Pref Shares Com BRL 0.01	3,670,981	0.28	48,645	Orascom Construction Industries Com EGP 5.00	3,226,167	0.25
46,900	Tractebel Energia SA Com NPV	526,267	0.04		<b>Investment Services</b>		
	<b>Fixed Line Telecommunications</b>			118,299	EFG Hermes Holdings Com EGP 5.00	899,821	0.07
242,800	Brasil Telecom Participacoes SA Pref NPV	3,445,219	0.26		<b>Mobile Telecommunications</b>		
220,400	Tele Norte Leste Part Pref NPV	4,882,165	0.37	36,080	Mobinil Com EGP 10.00	1,150,196	0.09
	<b>Integrated Oil &amp; Gas</b>			307,030	Orascom Telecom Holding Com EGP 1.00	3,515,818	0.27
649,400	Petrol Brasileiro Pref NPV	17,276,703	1.32		<b>EGYPT - TOTAL</b>	<b>11,724,523</b>	<b>0.90</b>
564,700	Petrol Brasileiro Com NPV	17,511,863	1.34		<b>HONG KONG</b>		
	<b>Mobile Telecommunications</b>				<b>Airlines</b>		
132,823	Tele Celular Sul Pref NPV	467,448	0.04	2,212,000	Air China Limited Com CNY1.00	2,746,293	0.21
187,800	Vivo Participacoes SA Pref NPV	881,240	0.07		<b>Aluminum</b>		
	<b>Paper</b>			1,560,000	Aluminium Corporation of China Com CNY1.00	4,291,788	0.33
425,800	Aracruz Celulose Class 'B' Pref NPV	2,682,153	0.20		<b>Automobiles</b>		
	<b>Railroads</b>			4,108,000	Denway Motors Limited Com HKD 0.10	1,923,135	0.15
94,000	All America Latina Logistica Ord NPV	1,088,340	0.08		<b>Banks</b>		
	<b>Steel</b>			11,052,000	Bank of China Limited Class 'H' Com CNY1.00	5,670,055	0.43
92,600	CIA Siderurgica Nacional Com NPV	5,247,774	0.40		Bank of Communications Com CNY1.00	3,014,397	0.23
330,900	CIA Vale Rio Doce Com NPV	16,288,462	1.24	2,686,000	China Citic Bank Com NPV	1,690,960	0.13
460,718	CIA Vale Rio Doce Class 'A' Pref NPV	19,081,047	1.45	2,201,000	China Construction Bank Com CNY1.00	6,264,578	0.48
221,300	Gerdau SA Siderurg Pref NPV	5,364,883	0.41		Industrial & Commercial Bank of China Com CNY1.00	8,659,871	0.66
66,400	Usinas Sider Minas Class 'A' Pref NPV	3,950,607	0.31		<b>Coal</b>		
	<b>BRAZIL - TOTAL</b>	<b>134,757,083</b>	<b>10.28</b>	1,906,000	Yanzhou Coal Mining Class 'H' Com CNY1.00	3,354,003	0.26
	<b>CHILE</b>				<b>Commodity Chemicals</b>		
	<b>Brewers</b>			2,236,000	Sinopec Shanghai Petrochemical Class 'H' Com CNY1.00	1,522,834	0.12
62,839	CIA Cervecerias Unidas ADR Com NPV	2,279,799	0.17		<b>Computer Hardware</b>		
	<b>Fixed Line Telecommunications</b>			2,212,000	Lenovo Group Limited Com HKD 0.026	1,458,259	0.11
157,700	CIA Telecom Chile Spon ADR Repr 4 'A' Com NPV	1,351,489	0.10	1,264,000	TPV Technology Limited Com USD 0.01	792,761	0.06
	<b>Soft Drinks</b>						
94,248	Embotelladora Andi Spon ADR Ea Repr 6 Series 'B' Com NPV	1,820,871	0.14				
	<b>Specialty Chemicals</b>						
15,727	Quimica Y Minera ADR Repr 10 Series 'B' Com NPV	2,506,727	0.19				
	<b>CHILE - TOTAL</b>	<b>7,958,886</b>	<b>0.60</b>				

# iSHARES MSCI EMERGING MARKETS

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>HONG KONG (Continued)</b>				<b>Semiconductors</b>		
	<b>Diversified Industrials</b>			3,792,000	Semiconductor Manufacturing Com HKD 1000.00	442,584	0.03
948,000	China Resources Com HKD 1.00	3,860,455	0.28		<b>Transportation Services</b>		
790,000	Citic Pacific Com HKD 0.40	4,311,348	0.33	356,000	China Merchant Holding Com HKD 0.10	1,860,647	0.14
632,000	Shanghai Industrial Holding Com HKD 0.10	2,727,649	0.21	2,844,000	Zhejiang Expressway Company Com CNY1.00	3,771,695	0.28
	<b>Electricity</b>				<b>Water</b>		
4,396,000	Datang International Power Generation Com HKD 1.00	4,645,915	0.35	2,844,000	Guangdong Investment Ord HKD 0.50	1,780,065	0.13
3,160,000	Huaneng Power International Class 'H' Com CNY1.00	3,611,197	0.28		<b>HONG KONG - TOTAL</b>	<b>177,649,629</b>	<b>13.55</b>
	<b>Exploration &amp; Production</b>				<b>HUNGARY</b>		
5,709,000	Cnooc Limited Com HKD 0.02	6,970,812	0.53		<b>Banks</b>		
	<b>Farming &amp; Fishing</b>			138,859	Opt Bank Com HUF 100.00	6,937,816	0.53
1,016,000	Chaoda Modern Agriculture Com HKD 0.10	777,955	0.06		<b>Integrated Oil &amp; Gas</b>		
	<b>Fixed Line Telecommunications</b>			39,893	Magyar Olaj-Es Gaz Com HUF 1000.00	5,630,800	0.43
7,584,000	China Telecom Corporation Class 'H' Com CNY1.00	4,338,300	0.33		<b>Pharmaceuticals</b>		
	<b>Food Products</b>			14,533	Richter Gedeon Veg Com HUF 1000.00	2,828,304	0.22
948,000	China Mengniu Dairy Company Com HKD 0.10	3,568,641	0.27		<b>HUNGARY - TOTAL</b>	<b>15,396,920</b>	<b>1.18</b>
1,160,000	Global Bio-Chem Technology Com HKD 0.10	504,364	0.04		<b>INDIA</b>		
	<b>Footwear</b>				<b>Banks</b>		
334,000	Li Ning Company Com HKD 0.10	942,444	0.07	205,500	Icici Bank Limited-Spon ADR REP 2 Ord INR 10.00	9,134,475	0.70
	<b>Gold Mining</b>				<b>Commodity Chemicals</b>		
1,235,000	Zijin Mining Group Company Limited Com CNY1.00	1,089,787	0.08	21,438	Reliance Industries GDR 144 'A' Ord INR 10.00	2,002,309	0.15
	<b>Industrial Machinery</b>				<b>Heavy Construction</b>		
2,250,000	Shanghai Electric Group Com CNY1.00	1,434,251	0.11	177,984	Larsen & Toubro GDR Repr 1 Ord INR 2.00	11,195,194	0.85
182,000	Weichai Power Company Limited Com CNY1.00	1,447,270	0.11		<b>INDIA - TOTAL</b>	<b>22,331,978</b>	<b>1.70</b>
	<b>Integrated Oil &amp; Gas</b>				<b>INDONESIA</b>		
9,108,000	China Petroleum & Chemical Class 'H' Com CNY1.00	9,917,840	0.76		<b>Auto Parts &amp; Equipment</b>		
9,486,000	Petrochina Company Com CNY1.00	13,845,600	1.06	1,433,500	PT Astra International Com IDR 500.00	2,717,391	0.21
	<b>Life Insurance</b>				<b>Banks</b>		
3,476,000	China Life Insurance Class 'H' Com CNY1.00	16,807,670	1.28	2,849,500	Bank Central Asia Com IDR 125.00	1,820,767	0.14
553,000	Ping An Insurance Group Company Com CNY1.00	5,745,086	0.44	1,420,500	Bank Danamon Com IDR 50000.00	1,217,788	0.09
	<b>Marine Transportation</b>			6,281,500	Bank Mandiri Com IDR 500.00	2,157,384	0.16
2,854,000	China Shipping Com CNY1.00	2,177,997	0.17	2,926,000	Bank Rakyat Com IDR 500.00	1,916,390	0.15
1,896,000	China Shipping Development Class 'H' Com CNY1.00	5,726,848	0.44		<b>Coal</b>		
600,000	Cosco Pacific Com HKD 0.10	1,662,231	0.13	9,283,500	Bumi Resources TBK Com IDR 500.00	2,496,362	0.19
	<b>Mobile Telecommunications</b>				<b>Commercial Vehicles &amp; Trucks</b>		
1,817,000	China Mobile Limited Com HKD 0.10	24,726,161	1.89	2,054,500	UTD Tractors Com IDR 250.00	1,772,252	0.13
	<b>Real Estate Holding &amp; Development</b>				<b>Fixed Line Telecommunications</b>		
2,528,000	China Overseas Land Com HKD 0.10	5,278,589	0.40	2,531,500	Telekomunikasi Indonesia Series 'B' Com IDR 250.00	2,925,109	0.22
2,342,000	Shanghai Forte Lan Class 'H' Com CNY0.20	1,390,767	0.11		<b>Gas Distribution</b>		
	<b>Restaurants &amp; Bars</b>			1,115,000	Perusahaan Gas Negara Com IDR 500.00	1,211,182	0.09
300,000	Fu Ji Food Catering And Services Com HKD 0.01	896,527	0.07				

# iSHARES MSCI EMERGING MARKETS

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>INDONESIA (Continued)</b>			393,100	Magnum Corporation Berhad Com MYR 0.50	310,977	0.02
	<b>Mobile Telecommunications</b>			503,800	Tanjong Ord GBP 0.076	2,402,816	0.18
1,657,500	Indosat Com IDR 100.00	1,262,101	0.10		<b>Heavy Construction</b>		
	<b>Personal Products</b>			1,381,300	Gamuda Berhad Com MYR 1.00	2,938,936	0.22
869,000	Unilever Indonesia Com IDR 10.00	624,681	0.05	1,146,900	IJM Corporation Berhad Com MYR 1.00	2,374,704	0.18
	<b>Tobacco</b>				<b>Hotels</b>		
790,000	Gudang Garam Perus Com IDR 500.00	803,461	0.06	1,570,000	Genting Berhad Com MYR 0.10	3,273,169	0.25
	<b>INDONESIA - TOTAL</b>	<b>20,924,868</b>	<b>1.59</b>	2,131,300	Resorts World Berhad Com MYR 0.50	2,300,818	0.18
	<b>ISRAEL</b>				<b>Investment Services</b>		
	<b>Banks</b>			629,400	Bursa Malaysia Berhad Com MYR 0.50	1,797,515	0.14
501,490	Bank Hapoalim Limited Com ILS 1.00	2,363,823	0.18		<b>Marine Transportation</b>		
479,230	Bank Leumi Le-Israel Com ILS 1.00	1,851,365	0.14	298,500	Malaysia International Shipping Com MYR 1.00	767,243	0.06
576,080	Israel Discount Bank Series 'A' Com ILS0.10	1,168,746	0.09		<b>Multiutilities</b>		
56,530	United Mizrahi Bank Com ILS0.10	389,114	0.03	591,900	YTL Corporation Berhad Com MYR 0.51	1,234,005	0.10
	<b>Fixed Line Telecommunications</b>				<b>Real Estate Holding &amp; Development</b>		
820,670	Bezeq The Israeli Telecom Com ILS 1.00	1,297,080	0.10	1,318,500	SP Setia Com MYR 1.00	2,692,353	0.21
	<b>Pharmaceuticals</b>				<b>Specialty Finance</b>		
335,750	Teva Pharmaceutical Industries Limited Com ILS0.10	14,316,740	1.09	1,288,200	Ammb Holdings Berhad Com MYR 2.00	1,596,684	0.12
	<b>Specialty Chemicals</b>				<b>Tobacco</b>		
425,910	Israel Chemicals Limited Com ILS 1.00	3,328,012	0.25	172,800	British American Tobacco Berhad Com MYR 0.50	2,060,374	0.16
146,090	Makhteshim Agan Industries Com ILS 1.00	1,118,104	0.09		<b>MALAYSIA - TOTAL</b>	<b>35,310,975</b>	<b>2.70</b>
1,570	The Israel Corporation Limited Com ILS 1.00	1,087,165	0.08		<b>MEXICO</b>		
	<b>Specialty Finance</b>				<b>Banks</b>		
36,080	IDB Development Corporation Limited Com ILS 1.00	1,293,909	0.10	896,200	Grupo Financiero Banorte Series 'O' Com NPV	3,653,055	0.28
	<b>Telecommunications Equipment</b>				<b>Brewers</b>		
46,720	Nice Systems Com ILS 1.00	1,606,239	0.12	1,520,000	Fomento Economico Mexico Units	5,262,269	0.40
	<b>ISRAEL - TOTAL</b>	<b>29,820,297</b>	<b>2.27</b>		<b>Broadcasting &amp; Entertainment</b>		
	<b>MALAYSIA</b>			1,321,900	GPO Televisa SA CPOS 25 'A' 22 'B' 35 'D' 35 'L'	6,891,007	0.53
	<b>Automobiles</b>				<b>Building Materials &amp; Fixtures</b>		
282,600	Proton Holdings Berhad Com MYR 1.00	415,648	0.03	3,443,221	Cemex SAB De CV Com NPV (Rep 2 'A' & 1 'B')	11,147,006	0.85
	<b>Banks</b>				<b>Fixed Line Telecommunications</b>		
736,800	Bumiputra-Commerce Com MYR 1.00	2,272,580	0.17	6,632,100	Telefonos De Mexic Series 'L' Com NPV	11,732,541	0.89
329,700	Hong Leong Bank Com MYR 1.00	550,834	0.04		<b>Mobile Telecommunications</b>		
	<b>Commodity Chemicals</b>			9,099,800	America Mobil SA Series 'L' Com NPV	27,407,050	2.09
423,900	Shell Refining Company (F.O.M) Com MYR 1.00	1,319,580	0.10		<b>Nonferrous Metals</b>		
	<b>Farming &amp; Fishing</b>			616,000	GPO Mexico SA Series 'B' Com NPV	3,872,389	0.30
472,900	Golden Hope Plants Com MYR 1.00	1,060,193	0.08		<b>MEXICO - TOTAL</b>	<b>69,965,317</b>	<b>5.34</b>
1,417,100	IOI Corporation Com MYR 0.10	2,023,561	0.15		<b>PHILIPPINES</b>		
434,450	Kuala Lumpur Kepg Com MYR 1.00	1,364,829	0.11		<b>Banks</b>		
	<b>Food Products</b>			823,080	Metro Bank & Trust Com PHP 20.00	972,699	0.07
691,300	Perlis Plantation Berhad Com MYR 1.00	1,421,494	0.11		<b>Diversified Industrials</b>		
	<b>Gambling</b>			109,224	Ayala Corporation Com PHP 50.00	1,155,841	0.09
799,600	Berjaya Sports Com MYR 0.10	1,132,662	0.09				

# iSHARES MSCI EMERGING MARKETS

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>PHILIPPINES (Continued)</b>				<b>Food Products</b>		
	<b>Fixed Line Telecommunications</b>			77,900	Tiger Brands Limited Com ZAR0.10	2,028,278	0.15
12,640	Philippine Long Distance Telephone Com PHP 5.00	719,725	0.05	413,400	<b>Furnishings</b>		
	<b>Mobile Telecommunications</b>				Steinhoff International Holdings Com ZAR0.005	1,319,883	0.10
20,468	Globe Telecom Incorporated Com PHP 50.00	600,318	0.05	78,600	<b>Gold Mining</b>		
	<b>Real Estate Holding &amp; Development</b>				Anglogold Ashanti Limited Com ZAR 0.25	3,059,729	0.23
2,274,640	Ayala Land Incorporated Com PHP 1.00	696,468	0.05	221,169	Gold Fields Com ZAR 0.50	3,364,791	0.26
5,123,674	SM Prime Holdings Incorporated Com PHP 1.00	1,293,579	0.10	186,093	Harmony Gold Mining Com ZAR 0.50	1,663,097	0.13
	<b>PHILIPPINES - TOTAL</b>	<b>5,438,630</b>	<b>0.41</b>	142,200	<b>Home Improvement Retailers</b>		
	<b>POLAND</b>				JD Group Com ZAR 0.05	1,367,975	0.10
	<b>Banks</b>			268,500	<b>Integrated Oil &amp; Gas</b>		
6,181	Bank BPH SA Com PLN 5.00	1,983,008	0.15		Sasol Com NPV	10,803,639	0.82
40,831	Bank Pekao Com PLN 0.01	3,527,133	0.27	1,280,761	<b>Life Insurance</b>		
22,900	Bank Zachodni WBK Com PLN 10.00	2,062,990	0.16		Sanlam Limited Com ZAR 1.00	3,849,872	0.29
197,232	Pko Bank Polski SA Com NPV	3,757,268	0.29	696,600	<b>Mobile Telecommunications</b>		
	<b>Fixed Line Telecommunications</b>				MTN Group Limited Com ZAR 0.0001	10,557,047	0.80
290,217	Telekomunikacja Polska SA Com PLN 3.00	2,219,720	0.17	142,200	<b>Paper</b>		
158,851	<b>Integrated Oil &amp; Gas</b>				Sappi Com ZAR 1.00	2,225,437	0.17
	Pkn Orlen Com PLN 1.25	3,229,737	0.25	31,400	<b>Platinum &amp; Precious Metals</b>		
68,678	<b>Nonferrous Metals</b>				Anglo Platnum Limited Com ZAR 0.10	4,159,816	0.32
	KGHM Polska Miedz Com PLN 10.00	2,809,821	0.20	251,868	Impala Platinum Holdings Limited Com ZAR 0.025	7,448,059	0.57
	<b>POLAND - TOTAL</b>	<b>19,589,677</b>	<b>1.49</b>	142,200	<b>Steel</b>		
	<b>SOUTH AFRICA</b>				Mittal Steel SA Com NPV	2,438,564	0.18
	<b>Apparel Retailers</b>			130,331	<b>Transportation Services</b>		
237,000	Foschini Limited Com ZAR 0.0125	1,914,834	0.15		Imperial Holdings Limited Com ZAR 0.04	2,598,443	0.19
	<b>Banks</b>				<b>SOUTH AFRICA - TOTAL</b>	<b>95,014,499</b>	<b>7.24</b>
1,405,900	Firststrand Com ZAR 0.01	4,576,893	0.35		<b>SOUTH KOREA</b>		
125,800	Nedbank Group Limited Com ZAR 1.00	2,352,184	0.18	11,272	<b>Airlines</b>		
569,500	Standard Bank Group Limited Com ZAR 0.10	8,210,010	0.63		Korean Air Lines Com KSWN5000.00	762,880	0.06
	<b>Broadcasting &amp; Entertainment</b>			34,770	<b>Auto Parts &amp; Equipment</b>		
161,000	Naspers Class 'N' Com ZAR 0.02	4,020,230	0.31		Hyundai Autonet Company Limited Ord KRW 500.00	274,232	0.02
184,832	<b>Broadline Retailers</b>			36,340	Hyundai Mobis Com KRW 5000.00	3,756,973	0.29
961,000	Massmart Com ZAR 0.01	2,326,731	0.18	28,440	<b>Automobiles</b>		
	Woolworths Holdings Com ZAR 0.0015	2,607,328	0.20		Hyundai Motor Company 2 <sup>nd</sup> Pref KRW 5000.00	1,124,566	0.09
	<b>Building Materials &amp; Fixtures</b>			80,270	Hyundai Motor Company Com KRW 5000.00	5,988,702	0.46
178,392	Pretoria Portland Cement Company Limited Com ZAR 10.00	1,119,474	0.09	113,840	Kia Motors Corporation Com KRW 5000.00	1,534,853	0.12
205,400	<b>Business Support Services</b>			64,505	<b>Banks</b>		
	Bidvest Group Com ZAR 5.00	3,983,428	0.30		Hana Financial Holdings Group Com KRW 5000.00	3,049,077	0.23
425,592	<b>Consumer Finance</b>			167,600	Kookmin Bank Com KRW 5000.00	13,486,597	1.03
	African Bank Investments Limited Com ZAR 0.025	1,864,950	0.14	123,060	Shinhan Financial Group Com KRW 5000	7,489,183	0.57
	<b>Diversified Industrials</b>				<b>Broadline Retailers</b>		
96,300	Barloworld Com ZAR0.05	1,644,719	0.13	4,660	Lotte Shopping Company Com KRW 5000.00	1,738,343	0.13
142,843	<b>Fixed Line Telecommunications</b>						
	Telkom SA Limited Com ZAR10.00	3,509,088	0.27				

# iSHARES MSCI EMERGING MARKETS

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>SOUTH KOREA (Continued)</b>			64,760	Samsung Corporation Com KRW5000.00	4,445,024	0.34
9,138	Shinsegae Department Store Com KRW 5000	6,038,433	0.46		<b>Integrated Oil &amp; Gas</b>		0.00
	<b>Commercial Vehicles &amp; Trucks</b>			30,300	Ssangyong Oil Ref Com KRW5000.00	2,454,356	0.19
70,840	Daewoo Shipbuilding & Marine Engineering Com KRW 5000.00	4,243,227	0.32		<b>Internet</b>		0.00
4,590	Hyundai Mipo Dock Com KRW 5000.00	1,350,216	0.10	6,340	Ncsoft Corporation Com KRW500.00	523,688	0.04
115,420	Samsung Heavy Industries Com KRW 5000.00	5,812,518	0.44	25,053	NHN Corporation Com KRW500.00	4,779,629	0.36
	<b>Commodity Chemicals</b>				<b>Investment Services</b>		
42,850	LG Chemicals Com KRW 5000.00	4,416,302	0.34	32,790	Daewoo Securities Com KRW5000.00	1,015,241	0.08
	<b>Consumer Electronics</b>			36,320	Hyundai Securities Com KRW5000.00	1,109,052	0.08
57,367	LG Electronics Incorporated Com KRW 5000.00	4,414,492	0.34	22,010	LG Investment & Securities Company Com KRW5000.00	618,133	0.05
	<b>Electrical Components &amp; Equipment</b>			47,090	Samsung Securities Company Com KRW5000.00	4,015,134	0.31
27,100	Samsung Electronics Mechanics Com KRW 5000.00	1,504,833	0.11	35,860	Tong Yang Investment Bank Ord KRW5000.00	676,496	0.05
	<b>Electricity</b>				Marine Transportation		0.00
148,490	Korea Electric Power Com KRW 5000.00	6,615,382	0.50	22,060	Hanjin Shipping Com KRW5000.00	1,234,372	0.09
	<b>Electronic Equipment</b>				Mobile Telecommunications		0.00
55,440	LG Philips LCD Company Limited Com KRW 5000.00	2,369,458	0.18	20,550	KT Freetell Com KRW5000.00	670,216	0.05
25,216	Samsung SDI Limited Com KRW 5000.00	1,658,222	0.13		<b>Property &amp; Casualty Insurance</b>		
14,310	Samsung Techwin Com KSW5000.00	1,035,597	0.08	25,050	Samsung Fire & Marine Insurance Com KRW500.00	4,885,851	0.37
	<b>Exploration &amp; Production</b>				<b>Semiconductors</b>		
39,963	SK Energy Company Limited Com KRW 5000.00	5,494,513	0.42	54,227	Samsung Electronics Com KRW5000.00	34,041,782	2.60
	<b>Fixed Line Telecommunications</b>			9,215	Samsung Electronics Pref KRW5000.00	4,277,253	0.33
88,260	KT Corporation Com KRW 5001.00	4,171,949	0.32		<b>Specialty Finance</b>		
	<b>Food Products</b>			16,287	SK Corporation Com KRW5000.00	2,499,683	0.19
1,280	Orion Corporation Com KRW5000.00	346,517	0.03		<b>Steel</b>		
	<b>Gambling</b>			34,086	Posco Com KRW5000.00	20,816,709	1.59
101,280	Kangwon Land Incorporated Com KRW500.00	2,423,380	0.18		SOUTH KOREA (continued)		
	<b>Heavy Construction</b>				<b>Tobacco</b>		
6,480	Daelim Industrial Com KRW 5000.00	1,080,863	0.08	51,790	Korea Tobacco & Ginseng Corporation Com KRW5000.00	3,902,534	0.30
55,520	Daewoo Engineering Com KRW 5000.00	1,585,863	0.12		<b>SOUTH KOREA - TOTAL</b>	<b>205,758,067</b>	<b>15.69</b>
14,480	Hyundai Engineering & Construction Com KRW 5000.00	1,166,734	0.09		<b>TAIWAN</b>		
9,490	LG Construction Company Com KRW 5000.00	1,491,900	0.11		<b>Banks</b>		
9,450	Samsung Engineering Company Limited Com KRW 5000.00	1,072,662	0.08	2,838,000	Chang HWA Bank Com TWD10.00	1,775,954	0.14
	<b>Home Construction</b>				<b>Building Materials &amp; Fixtures</b>		
47,590	Hyundai Development Com KWR5000.00	4,245,439	0.32	1,287,398	Taiwan Cement Com TWD10.00	1,646,359	0.13
	<b>Industrial Machinery</b>				<b>Clothing &amp; Accessories</b>		
28,590	Hyundai Heavy Industries Com KRW5000.00	11,304,972	0.86	2,056,300	Far Eastern Textile Com TWD10.00	2,417,784	0.18
	<b>Industrial Suppliers</b>				<b>Computer Hardware</b>		
17,540	Daewoo International Corporation Com KRW5000.00	744,036	0.06	1,270,400	Acer Incorporated Com TWD10.00	2,225,192	0.17
				2,362,000	Benq Corporation Com TWD10.00	1,109,458	0.08
				2,012,591	Chi Mei Optoelectronics Com TWD10.00	2,033,998	0.16
				5,674,000	Chungwha Picture Com TWD10.00	1,458,090	0.11
				2,359,925	Compal Electronics Com TWD10.00	2,617,451	0.20



# iSHARES MSCI EMERGING MARKETS

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

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HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>TAIWAN (Continued)</b>				<b>Specialty Finance</b>		
239,200	Foxconn Tech Company Com TWD 10.00	2,170,987	0.17	2,673,770	Cathay Financial H Com TWD 10.00	5,947,293	0.45
6,374,000	Hannstar Display C Com TWD 10.00	1,682,401	0.13	3,920,140	China Development Financial Holding Com TWD 10.00	1,591,863	0.12
199,980	High Tech Computer Com TWD 10.00	2,711,932	0.20	3,653,800	Chinatrust Financial Holding Com TWD 10.00	2,745,969	0.21
1,892,600	Hon Hai Precision Com TWD 10.00	13,994,193	1.07	2,379,000	E Sun Financial Holdings Com TWD 10.00	1,250,815	0.09
604,000	Innolux Display Corporation Com TWD 10.00	2,535,046	0.19	2,841,575	First Financial Holdings Com TWD 10.00	1,959,024	0.15
858,983	Lite-On Technology Com TWD 10.00	1,356,193	0.10	2,683,000	Fubon Financial Holding Company Com TWD 10.00	2,309,076	0.17
690,436	Mitac International Com TWD 10.00	859,933	0.07	1,839,585	Fuhwa Financial H Com TWD 10.00	1,045,250	0.08
1,404,740	Quanta Computer Com TWD 10.00	2,285,964	0.17	2,381,000	Hua Nan Financial Com TWD 10.00	1,562,128	0.11
	<b>Electrical Components &amp; Equipment</b>			4,711,000	Mega Financial Holdings Company Limited Com TWD 10.00	2,919,481	0.22
822,623	Phoenix Precision Com TWD 10.00	951,031	0.07	1,591,478	Shin Kong Financial Com TWD 10.00	1,548,121	0.12
	<b>Electronic Equipment</b>			3,473,000	Sinopac Holdings Com TWD 10.00	1,641,832	0.12
3,593,114	Au Optronics Corporation Com TWD 10.00	5,193,840	0.40	2,999,000	Taishin Financial Com TWD 10.00	1,495,001	0.12
835,000	Delta Electronic Com TWD 10.00	3,099,715	0.24		<b>Steel</b>		
793,028	Wintek Corporation Com TWD 10.00	908,405	0.07	4,569,008	China Steel Corporation Com TWD 10.00	6,196,040	0.47
	<b>Fixed Line Telecommunications</b>				<b>Telecommunications Equipment</b>		
160,610	Chunghwa Telecom ADR Each Repr 10 Ord TWD 10.00	2,807,463	0.21	215,970	Compal Communications Incorporated Com TWD 10.00	507,872	0.04
	<b>Food Products</b>				<b>TAIWAN - TOTAL</b>	<b>148,570,658</b>	<b>11.32</b>
1,133,000	Uni-President Enterprises Corporation Com TWD 10.00	1,313,290	0.10		<b>THAILAND</b>		
	<b>Footwear</b>				<b>Airlines</b>		
816,534	Pou Chen Corporation Com TWD 10.00	815,322	0.06	50,700	Thai Airways International Com THB 10.00 (Local)	67,975	0.01
	<b>Industrial Machinery</b>			561,800	Thai Airways International Com THB 10.00 (Alien Market)	757,551	0.06
155,749	Catcher Technology Com TWD 10.00	1,246,030	0.10		<b>Banks</b>		
	<b>Mobile Telecommunications</b>			406,800	Bangkok Bank Com THB 10.00 (Alien Market)	1,492,039	0.11
1,893,000	Taiwan Cellular Corporation Com TWD 10.00	2,386,400	0.18	537,700	Kasikornbank Com THB 10.00 (Alien Market)	1,300,954	0.10
	<b>Recreational Products</b>			162,000	Krung Thai Bank Com THB 10.00 (Local)	56,422	-
41,208	Largan Precision C Com TWD 10.00	334,669	0.03	1,552,700	Krung Thai Bank Limited Com THB 5.15 (Alien Market)	526,420	0.04
	<b>Semiconductors</b>			400	Siam Commercial Bank Com THB 10.00 (Alien Market)	968	-
2,070,000	Advanced Semiconductor Com TWD 10.00	2,038,698	0.16		Broadcasting & Entertainment		0.00
1,249,000	Asustek Computer Com TWD 10.00	3,724,404	0.28	2,632,700	BEC World Com THB 1.00 (Alien Market)	1,882,529	0.14
125,000	Inotera Memories Incorporated Com TWD 10.00	124,814	0.01	235,300	BEC World Com THB 1.00 (Local)	167,528	0.01
324,000	Mediatek Incorporated Com TWD 10.00	5,498,348	0.42		<b>Building Materials &amp; Fixtures</b>		
149,453	Novatek Microelectronics Com TWD 10.00	602,359	0.05	96,400	Siam Cement Company Com THB 1.00 (Alien Market)	748,738	0.06
1,464,455	Siliconware Precision Com TWD 10.00	2,946,750	0.22	129,700	Siam Cement Company Com THB 1.00	991,388	0.08
9,217,997	Taiwan Semiconductor Ord TWD 10.00	17,486,791	1.33	101,500	Siam City Cement Com THB 10.00 (Alien Market)	857,174	0.07
8,860,891	United Microelectronics Com TWD 10.00	4,954,194	0.38	8,400	Siam City Cement Com THB 10.00 (Local)	70,421	0.01
	<b>Specialty Chemicals</b>						
1,592,000	Formosa Chemical & Fibre Com TWD 10.00	3,878,808	0.30				
2,364,270	Formosa Plastics Com TWD 10.00	5,867,866	0.45				
2,804,610	Nan Ya Plastic Com TWD 11.00	6,790,761	0.52				



# iSHARES MSCI EMERGING MARKETS

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

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HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>THAILAND (Continued)</b>				<b>Integrated Oil &amp; Gas</b>		
	<b>Coal</b>			408,590	Dogan Holdings Com TRY1.00	777,371	0.06
161,800	Banpu Public Company Limited Com THB10.00 (Alien Market)	1,496,070	0.11	115,335	Petkim Petrokimya Holding Com TRY1.00	867,114	0.07
42,900	Banpu Public Company Limited Com THB10.00 (Local)	372,871	0.03	49,114	Tupras-Turkiye Petrol Rafine Com TRY1.00	1,111,517	0.08
	<b>Electrical Components &amp; Equipment</b>				<b>Media Agencies</b>		
101,400	Hana Microelectrnc Com THB1.00 (Local)	74,069	0.01	166,664	Dogan Yayin Holdings AS Com TRY1.00	603,494	0.05
1,135,400	Hana Microelectronic Com THB1.00 (Alien Market)	832,872	0.06		<b>Publishing</b>		
	<b>Exploration &amp; Production</b>			154,918	Hurriyet Gazetecilik Com TRY1.00	408,836	0.03
48,100	PTT Exploration & Production Com THB1.00	179,384	0.01	227,025	Haci Omer Sabanci Com TRY1.00	1,245,285	0.09
533,500	PTT Exploration & Production Com THB1.00 (Alien Market)	2,006,072	0.15	173,168	KOC Holdings Com TRY1.00	783,806	0.06
	<b>Fixed Line Telecommunications</b>				<b>Steel</b>		
191,100	True Corporation Com THB10.00 (Local)	40,052	-	249,541	Eregli Demir Ve Celik Fabrik Com TRY1.00	1,933,536	0.15
2,136,900	True Corporation Com THB10.00 (Alien Market)	451,156	0.03		<b>TURKEY - TOTAL</b>	<b>17,552,418</b>	<b>1.34</b>
	<b>Home Construction</b>		0.00		<b>UNITED KINGDOM</b>		
3,103,300	Land & Houses Com THB1.00 (Alien Market)	746,055	0.06	35,240	<b>Electricity</b>		
	<b>Integrated Oil &amp; Gas</b>				Unified Energy Systems GDR Each Ord Rep 100	4,387,380	0.33
293,100	PTT Public Company Com THB10.00 (Alien Market)	2,673,990	0.21		<b>UNITED KINGDOM - TOTAL</b>	<b>4,387,380</b>	<b>0.33</b>
22,000	PTT Public Company Com THB10.00 (Local)	206,133	0.02		<b>UNITED STATES</b>		
	<b>Mobile Telecommunications</b>				<b>Airlines</b>		
342,200	Advanced Info Service Com THB1.00 (Alien Market)	959,784	0.07	158,000	Lan Airlines SA Sponsored ADR Repr 5 Ord NPV	2,535,900	0.19
33,600	Advanced Info Service Com THB1.00	95,793	0.01		<b>Banks</b>		
	<b>Transportation Services</b>			31,600	Banco Santander-Chil ADR-Each Rep 1039 Com NPV	1,504,160	0.11
260,100	Airports of Thailand Com THB10.00 (Alien Market)	464,965	0.04	248,700	Banco Itau Holding Financier Pref NPV	10,858,268	0.83
25,200	Airports of Thailand Com THB10.00 (Local)	45,049	-	64,000	HDFC Bank Limited ADR Com INR10.00	5,673,600	0.43
	<b>THAILAND - TOTAL</b>	<b>19,564,422</b>	<b>1.50</b>	7,941	Sberbank Registered GDR Com RUB3.00	3,393,815	0.26
	<b>TURKEY</b>			61,870	State Bank of India GDR Com INR1.00	5,475,494	0.42
	<b>Automobiles</b>			428,508	T Garanti Bankasi Com TRY1.00	2,744,950	0.21
72,947	Ford Otomotiv Sanayi A.S. Com TRY1.00	693,934	0.05		<b>Business</b>		
	<b>Banks</b>			17,808	Innolux Display Corporation Com TWD10.00	74,742	0.01
449,198	Akbank Com TRY1.00	2,843,025	0.22	7,480	Global Bio-Chem Technology Com HKD0.10	-	-
315,790	T Is Bankasi Series 'C' Com TRY1.00	1,538,371	0.12	148,156	Reliance Industries-Sponsored GDR 144 'A' Ord INR10.00	14,119,267	1.08
	<b>Brewers</b>				<b>Clothing &amp; Accessories</b>		
38,753	Anadolu Efes Com TRY1.00	1,397,308	0.11	59,349	Far Eastern Textile Com TWD10.00	69,782	0.01
	<b>Broadline Retailers</b>				<b>Commercial Vehicles &amp; Trucks</b>		
95,193	Migros Com TRY1.00	1,577,421	0.12	369,100	Tata Motors Limited ADR Each Rep 1 Ord INR10.00	6,256,245	0.48
	<b>Durable Household Products</b>				<b>Computer Services</b>		
137,105	Arcelik Com TRY1.00	957,158	0.07	56,958	Asustek Computer TWD10	169,844	0.01
196,549	Turk Sise Ve Cam Fabr Com TRY1.00	814,242	0.06				

# iSHARES MSCI EMERGING MARKETS

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

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HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (Continued)</b>						
228,672	Infosys Technologies SP ADR Each Rep 1 Com INR5.00	10,909,941	0.83	4,039	Lukoil Oil Company Sponsored ADR Rep 1 Ord RUB0.025	297,876	0.02
234,946	Satyam Computer Services Limited ADR Com INR2.00	5,986,424	0.46	45,409	Tatneft-Sponsored GDR Ord RUB4.00	4,540,900	0.35
238,000	Wipro Limited ADR Com INR2.00	3,481,940	0.27		<b>Metal</b>		
	<b>Communications</b>			44,143	JSC MMC Norilsk NI ADR Ord RUB1.00	9,843,889	0.75
1,996,000	China Communications Construction Company Limited Com CNY1.00	4,311,109	0.33	45,993	Novolipet Steel GDR Ord RUB1.00	1,485,574	0.11
14,231	Chunghwa Telecom ADR	-	-		<b>Mining</b>		
14,500	Mediatek Incorporated Com TWD10.00	246,068	0.02	10,824	Compal Electronics Com TWD10.00	12,005	-
64,200	Rostelcom-Sponsored ADR Com NPV	3,839,160	0.29		<b>Mobile Telecommunications</b>		
227,486	Turkcell Iletisim Com TRY1.00	1,640,481	0.13	80,600	Mobile TeleSystems ADR Ord RUB1.00	5,332,496	0.41
	<b>Electricity</b>			79,076	Sistema JSFC GDR Ord NPV(Regd)	2,392,049	0.18
47,183	Empresa Nacional de Elec Chile ADR Com NPV	2,093,982	0.16	222,045	SK Telecom Company Limited Spon ADR Rep 01/9 Com KRW500.00	6,077,372	0.46
157,049	Energis S.A. Sponsored ADR Rep 50 Com NPV	2,823,741	0.22	314,113	Vimpel Communications ADR Ord NPV	7,664,357	0.58
25,574	Quanta Computer Com TWD10.00	41,617	-		<b>Nonferrous Metals</b>		
234	RAO Unified Energy System of Russia GDR Ord Rep 100	29,367	-	1,740	JSC MMC Norilsk NI ADR Each Rep 1 Ord RUB1.00	378,624	0.03
	<b>Electronic Equipment</b>			26,467	Southern Peru Copper Company Com USD0.01	2,785,652	0.21
17,376	Acer Incorporated Com TWD10.00	30,435	-		<b>Oils</b>		
65,581	Au Optronics Corporation ComTWD10	94,797	0.01	1,039,251	Gazprom ADR 4 Ord RUB5.00	43,139,309	3.29
375,720	Hon Hai Precision Com TWD10	2,778,135	0.21	209,041	Lukoil Oil Company ADR Ord NPV	15,510,842	1.18
34,680	Orbotech Ord ILS0.14	751,169	0.06	63,226	Novatek Oao-Sponsored GDR Reg S Ord RUB100.00	3,160,035	0.24
	<b>Exploration &amp; Production</b>			100,397	Surgutneftegaz ADR-Repr 50 Ord RUB1000.00	6,264,773	0.48
110,240	Petrobras Energ.PA Sponsored ADR Each 1 Rep 10 'B'	1,021,925	0.08		<b>Pharmaceutical</b>		
	<b>Fixed Line Telecommunications</b>			398,746	Ranbaxy Labs GDR-Repr 1 Ord INR5.00	3,796,062	0.29
93,600	Videsh Sanchar Nyse ADR Ord INR10.00	1,889,784	0.14		<b>Property</b>		
	<b>Food Manufacturers and Distribution</b>			4,320	Ayala Corporation Com PHP50.00	45,716	-
61,740	Uni-President Enterprises Corporation Com TWD10.00	71,563	0.01	2,277,840	Ayala Land Incorporated Com PHP1.00 (Nil Paid Rights)	35,181	-
	<b>Food Products</b>			1,127,200	Guangzhou R&F Properties Company Limited Com CNY0.25	4,546,823	0.35
5,600	Kuala Lumpur Kepong Com MYR1.00	17,592	-		<b>Semiconductors</b>		
41,300	Wimm-Bill-Dann Food Ord RUB20.00	4,227,468	0.32	277,372	Advanced Semiconductor Com TWD10.00	273,178	0.02
	<b>Food Retailers &amp; Wholesalers</b>			51,791	First Financial Ho Com TWD10.00	35,705	-
63,200	Distrib Y Servicio ADR Rep 15 Shares Com NPV	1,871,352	0.14		<b>Shipping</b>		
1,907,300	Wal-Mart De Mexico Series 'V' Com NPV	6,774,146	0.52	1,554,300	China Shipping Com CNY1.00	1,186,146	0.09
	<b>Gold Mining</b>				<b>Software</b>		
94,553	Minas Buenaventura Sponsored ADR Rep 1 Com PEN4.00	3,614,761	0.28	94,800	Check Point Software Ord USD0.01	2,222,112	0.17
25,869	Ojsc Polyus Gold Spon ADR Each REP 1 Ord NPV	995,957	0.08		<b>Steel</b>		
	<b>Holding Groups</b>			142,301	Tenaris S.A. Spons ADR Each Rep 10 Com USD1.00	6,678,186	0.51
42,525	Shin Kong Financial Com TWD10.00	41,365	-	43,233	Mechel Steel Group ADR Each Rep 3 Com RUB10.00	1,881,932	0.13
	<b>Integrated Oil &amp; Gas</b>				<b>Utilities</b>		
6,720	Inotera Memories Incorporated Com TWD10.00	6,710	-	1,643	RAO Unified Energy System (UES) ADR Ord RUB0.50	207,840	0.02
				1,425	Reliance Energy-SP GDR 144 'A' Ord INR10.00	79,695	0.01
					<b>UNITED STATES - TOTAL</b>	<b>242,341,385</b>	<b>18.48</b>

# iSHARES MSCI EMERGING MARKETS

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>TOTAL VALUE OF INVESTMENTS</b>		
	AT BID PRICES	1,298,174,962	98.99
	CASH*	7,868,778	0.60
	OTHER NET ASSETS	2,750,545	0.21
	<b>TOTAL VALUE OF FUND AT BID</b>		
	MARKET PRICES	1,308,794,285	99.80
	Adjustment from bid market prices to last traded market prices	2,661,127	0.20
	<b>TOTAL VALUE OF FUND AT LAST</b>		
	TRADED MARKET PRICES	1,311,455,412	100.00

# iSHARES MSCI EMERGING MARKETS

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS USD	LARGEST PURCHASES	COST USD
Edgars Consolidated Stores Limited Com ZAR1.00	3,421,531	Gazprom ADR 4 Ord RUB5.00	11,111,085
Gazprom ADR 4 Ord RUB5.00	1,339,118	Samsung Electronics Mechanics Com KRW5000.00	8,853,048
Unified Energy Systems GDR Each Ord Rep 100	1,315,705	America Mobil SA Series 'L' Com NPV	6,790,907
Banco Itau Holding Financier Pref NPV	1,292,155	China Mobile Limited Com HKD0.10	5,086,469
Banco Bradesco SA Pref NPV	979,395	Taiwan Semiconductor Ord TWD10.00	4,777,922
Surgutneftegaz ADR-Repr 50 Ord RUB1000.00	822,073	CIA Vale Rio Doce Class 'A' Pref NPV	4,445,041
CIA Energetica Minas Pref Shares Com BRL0.01	696,884	Posco Com KRW5000.00	4,381,169
Rostelcom-Sponsored ADR Com NPV	648,790	Petrol Brasilerios Pref NPV	4,262,254
Wimm-Bill-Dann Food Ord RUB20.00	491,078	Petrol Brasilerios Com NPV	4,212,987
PT Astra International Com IDR500.00	335,438	Lukoil Oil Company Sponsored ADR Rep 1 Ord RUB0.025	3,951,825
Centrais Eletricas Brasilier Com NPV	299,639	Hon Hai Precision Com TWD10.00	3,894,144
Unibanco Uniao Banco Units (Comp 1 Pref & 1 Pref)	276,077	Larsen & Toubro GDR Repr 1 Ord INR2.00	3,833,131
T Is Bankasi Series 'C' Com TRY1.00	246,588	CIA Vale Rio Doce Com NPV	3,786,644
America Mobil SA Series 'L' Com NPV	183,838	Kookmin Bank Com KRW5000.00	3,721,479
Mechel Steel Group ADR Each Rep 3 Com RUB10.00	174,365	Reliance Industries-Sponsored GDR 144 'A' Ord INR10.00	3,608,584
Minas Buenaventura Sponsored ADR Rep 1 Com PEN4.00	170,949	Teva Pharmaceutical Industries Limited Com ILS0.10	3,440,433
China Overseas Land Com HKD0.10	140,269	Sberbank Registered GDR Com RUB3.00	3,438,611
Usinas Sider Minas Class 'A' Pref NPV	127,365	Petrochina Company Com CNY1.00	3,354,500
CIA Siderurgica Nacional Com NPV	107,715	China Life Insurance Class 'H' Com CNY1.00	3,288,939
JSC MMC Norilsk NI ADR Ord RUB1.00	76,377	Tata Motors Limited ADR Each Rep 1 Ord INR10.00	3,270,402

# iSHARES MSCI EMERGING MARKETS

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Dividends	16,607	7,634	3,906
Stock lending income	132	43	15
Interest income	123	41	22
Other income	-	15	-
<b>Income</b>	<b>16,862</b>	<b>7,733</b>	<b>3,943</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Management fees	3,845	2,440	833
<b>Expenses</b>	<b>3,845</b>	<b>2,440</b>	<b>833</b>

Included in expenses are audit fees of \$7,578 (February 2007: \$14,450 August 2006: \$5,692) and directors fees of \$2,960 (February 2007: \$5,966 August 2006: \$2,983).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Cost at beginning of period	747,728	163,133	163,133
Cost at end of period	1,068,548	747,728	229,832
Fair value at beginning of period	786,768	175,726	175,726
Fair value at end of period	<b>1,298,175</b>	<b>786,768</b>	<b>234,174</b>

### 5. DEBTORS

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Dividends receivable	3,120	1,597	710
Securities lending income receivable	26	-	5
Interest income receivable	13	26	6
Sales of securities awaiting settlement	140	3,108	6,795
Subscriptions if units awaiting settlement	16,574	6,894	-
<b>Debtors</b>	<b>19,963</b>	<b>11,625</b>	<b>7,516</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Accrued expenses	919	522	174
Purchases awaiting settlement	9,512	11,200	6,530
Redemptions awaiting settlement	-	19	-
<b>Creditors</b>	<b>10,431</b>	<b>11,741</b>	<b>6,704</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares '000s	28 February 2007 No. of Shares '000s	31 August 2006 No. of Shares '000s
Balance at beginning of period	23,400	6,000	6,000
Issued during the period	8,200	19,200	3,800
Redeemed during the period	-	(1,800)	(1,800)
<b>Balance at end of period</b>	<b>31,600</b>	<b>23,400</b>	<b>8,000</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The Fund did not hold any open futures at 28 February 2007 and 31 August 2006.

### 9. FINANCE COSTS – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared monthly.

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
<b>Pay date</b>			
June 2006	-	1,138	1,139
September 2006	-	1,624	1,616
December 2006	-	745	-
March 2007	-	990	-
June 2007	4,555	-	-
September 2007	6,782*	-	-
	<b>11,337</b>	<b>4,497</b>	<b>2,755</b>
Equalisation income	-	(771)	-
Equalisation expense	-	243	490
	<b>11,337</b>	<b>3,969</b>	<b>3,245</b>

\*Outstanding at period end

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect of the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

# iSHARES MSCI EMERGING MARKETS

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS (cont)

The table below shows the Fund's currency exposure at 31 August 2007 and comparatives for 28 February 2007 and 31 August 2006

	31 August 2007	28 February 2007	31 August 2006
	Net currency exposure	Net currency exposure	Net currency exposure
	\$	\$	\$
BRL	134,838,189	84,030,568	25,183,049
CHL	-	5,300,593	1,480,637
CHR	7,958,886	-	(39)
CZK	14,294,503	8,188,086	2,479,265
EGP	11,610,654	8,088,039	2,361,338
EUR	284,259	147,842	96
GBP	4,393,089	58,141,591	5,500,067
HKD	180,267,049	88,959,459	22,246,988
HUF	15,494,512	9,600,197	2,823,045
IDR	22,331,978	12,529,934	8,003,816
INR	20,995,114	24,833,078	3,814,686
ISR	30,260,496	19,524,492	5,971,848
KRW	205,778,150	122,651,731	39,891,313
MXN	71,076,048	49,984,398	14,245,072
MYR	35,641,625	26,058,290	6,064,719
PER	-	-	304,656
PHP	5,446,673	3,579,090	1,038,215
PLN	19,760,236	12,224,164	3,907,017
THB	19,405,378	11,631,661	4,115,852
TRY	17,685,480	12,831,453	3,512,070
TWD	157,702,439	103,044,551	28,765,577
ZAR	96,005,951	68,394,640	19,817,777
	<b>1,071,230,70</b>	<b>729,743,857</b>	<b>201,527,064</b>

### Fair Value and Cash Flow Interest Rate Risk

The Fund does not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

# iSHARES MSCI EUROPE EX-UK

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Operating income	2	4,007	420	139
Net gains on Financial Assets at Fair Value through Profit or Loss		1,024	6,041	1,169
<b>Total investment income</b>		<b>5,031</b>	<b>6,461</b>	<b>1,308</b>
Operating Expenses	3	(396)	(172)	(29)
<b>Net income</b>		<b>4,635</b>	<b>6,289</b>	<b>1,279</b>
<b>Finance Costs</b>				
Distributions to Redeemable Participating Shareholders	9	(3,381)	(179)	(83)
Interest Expense		(3)	-	-
<b>Profit before tax</b>		<b>1,251</b>	<b>6,110</b>	<b>1,196</b>
Non-reclaimable withholding tax		(373)	(87)	(31)
Adjustment from bid market prices to last traded market prices		173	(61)	-
<b>Increase in net assets attributable to Redeemable Participating Shareholders</b>		<b>1,051</b>	<b>5,962</b>	<b>1,165</b>

There are no recognised gains or losses arising in the period other than the increase in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		109,333	-	-
Increase in net assets attributable to Redeemable Participating Shareholders from Operations		1,051	5,962	1,165
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		157,946	103,371	30,013
Payment on redemption of Redeemable Participating Shares		(41,446)	-	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period</b>		<b>226,884</b>	<b>109,333</b>	<b>31,178</b>

# iSHARES MSCI EUROPE EX-UK

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	226,605	109,249	31,158
Debtors	5	247	236	8
Cash and bank balances		7,831	200	219
<b>Total current assets</b>		<b>234,683</b>	<b>109,685</b>	<b>31,385</b>
<b>Current liabilities</b>				
Creditors	6	(6,051)	(200)	(124)
Distributions to Redeemable Participating Shareholders payable	9	(1,860)	(91)	(83)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(7,911)</b>	<b>(291)</b>	<b>(207)</b>
<b>Net Assets Attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>226,772</b>	<b>109,394</b>	<b>-</b>
Adjustment from bid market prices to last traded market prices		112	(61)	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>226,884</b>	<b>109,394</b>	<b>31,178</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>7,600,000</b>	<b>3,800,000</b>	<b>1,200,000</b>
<b>Net asset value per Redeemable Participating share</b>		<b>€29.85</b>	<b>€28.77</b>	<b>€25.98</b>

The accompanying notes form an integral part of these financial statements.



# iSHARES MSCI EUROPE EX-UK

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>EUROPEAN UNION</b>			12,304	EFG Eurobank Ergasias Com EUR2.75	307,600	0.14
	<b>Aerospace</b>			9,190	Erste Bank Der Ost Com NPV	488,816	0.21
15,733	European Aeronautic Defense Com EUR1.00	342,665	0.15	63,067	Fortis Com NPV (Bel)	1,695,241	0.75
10,789	Safran Com EUR 0.20	186,973	0.08	56,704	Intesa Sanpaolo Di Risp Com EUR 0.52 (Non Convertible)	288,340	0.13
	<b>Airlines</b>			359,803	Intesa Sanpaolo Com EUR 0.52	1,980,716	0.87
9,381	Air France-KLM Com EUR 8.50	285,089	0.13	3,802	Jyske Bank Com DKK 10.00 (Regd)	206,959	0.09
13,231	Deutsche Lufthansa Ord NPV (Regd)	283,143	0.12	8,706	KBC Group Com NPV	801,126	0.35
	<b>Apparel Retailers</b>			26,463	Mediobanca SPA Com EUR 0.50	418,115	0.18
25,513	Hennes & Mauritz Series 'B' Com SEK 0.25	1,054,227	0.46	19,880	National Bank of Greece Com EUR 4.50 (Regd)	867,961	0.38
11,360	Inditex SA Com EUR 0.15	488,594	0.21	106,847	Nordic Bank AB Com NPV	1,193,654	0.53
	<b>Auto Parts &amp; Equipment</b>			2,926	Raiffeisen International Bank Holding Com NPV (Regd)	308,693	0.14
3,225	Rheinmetall AG Com NPV	196,725	0.09	26,463	Skand Enskilda Bank Series 'A' Com SEK 10.00	584,787	0.26
	<b>Automobiles</b>			17,897	Societe Generale Com EUR 1.25	2,118,110	0.93
45,280	Daimlerchrysler AG Ord NPV (Regd)	2,952,709	1.30	26,463	Svenska Handelsbank Series 'A' Com SEK 4.30	538,286	0.24
33,812	Fiat SPA Com EUR 5.00	658,320	0.29	387,834	Unicredito Italiano SPA Com EUR 0.50	2,443,354	1.08
7,566	Peugeot SA Com EUR 1.00	472,875	0.21		<b>Biotechnology</b>		
9,086	Renault SA Com EUR 3.81	899,514	0.40	3,420	Novozymes A/S Series 'B' Com DKK 10.00	296,120	0.13
8,467	Volkswagen AG Com NPV	1,285,206	0.57		<b>Brewers</b>		
5,666	Volkswagen Pref NPV	518,552	0.23	1,677	Carlsberg Series 'B' Com DKK 20.00	165,013	0.07
	<b>Banks</b>			11,360	Heineken NV Com EUR 1.60	528,013	0.23
90,673	ABN-Amro Holdings Com NPV	3,094,669	1.36	8,478	Inbev Com NPV	509,443	0.22
43,481	Allied Irish Banks Ord EUR 0.32	810,051	0.36		<b>Broadcasting &amp; Entertainment</b>		
17,773	Alpha Bank Com EUR 3.90 (Regd)	424,064	0.19	10,047	Antena 3 Television Com EUR 0.75	137,744	0.06
20,454	Banca Popolare Di Milano Com EUR 4.00	217,426	0.10	37,811	Mediaset Com EUR 0.52	294,548	0.13
30,049	Banca Popolare United Com EUR 2.50	563,118	0.25	7,566	Metropole Television-(M6) Com EUR 0.40	167,587	0.07
175,683	Banco Bilbao Vizcaya Argentaria Com EUR 0.49	2,967,286	1.31	3,802	Modern Times Group Series 'B' Com SEK 5.00	159,532	0.07
122,199	Banco Comercial Portugues Com EUR 1.00 (Regd)	417,921	0.18	7,186	TF1-TV Francaise Com EUR 0.20	153,780	0.07
18,900	Banco Espirito Santo SA Com EUR 5.00 (Regd)	299,565	0.13	13,687	Thomson Com EUR 3.75	164,381	0.07
32,746	Banco Popolare SPA Com EUR 3.60	595,650	0.26	55,691	Vivendi Com EUR 5.50	1,671,287	0.74
43,861	Banco Popular Espanol Com EUR 0.10	585,983	0.26		<b>Broadline Retailers</b>		
307,748	Banco Santander Com EUR 0.50 (Regd)	4,120,746	1.82	7,566	Metro AG Ord NPV	479,533	0.21
48,659	Bank of Ireland (Governor & Company of) Ord EUR 0.64	652,031	0.29	3,420	PPR Com EUR 4.00	433,998	0.19
10,500	Bank of Piraeus Com EUR 4.77	263,550	0.12		<b>Building Materials &amp; Fixtures</b>		
11,204	Bank of Piraeus Com EUR 4.77 (Nil Paid Rights)	12,212	0.01	15,130	Assa Abloy Series 'B' Com SEK 1.00	229,209	0.10
53,503	BCA MPS Com EUR 0.67	249,324	0.11	15,490	CIE De St Gobain Com EUR 4.00	1,236,877	0.55
41,108	BNP Paribas Com EUR 2.00	3,182,581	1.40	25,703	CRH Ord EUR 0.32	812,215	0.36
88,217	Capitalia SPA Com EUR 1.20	615,755	0.27	2,620	Flsmidth & Company Series 'B' Com DKK 20.00	180,778	0.08
30,243	Commerzbank AG Ord NPV	907,592	0.40	11,190	Kingspan Group Ord EUR 0.13	209,253	0.09
30,932	Credit Agricole SA Com EUR 3.00	856,816	0.38	6,958	Lafarge Com EUR 4.00	793,142	0.35
24,021	Danske Bank A/S Com DKK 100.00	722,306	0.32	4,938	Wienerberger AG Com NPV	258,603	0.11
17,545	Depfa Bank Com EUR 0.30	244,226	0.11		<b>Business Support Services</b>		
25,528	Deutsche Bank AG Com NPV (Regd)	2,304,668	1.02	15,130	Securitas AB Series 'B' Com SEK 1.00	146,227	0.06
27,221	Dexia Com NPV	550,136	0.24	15,130	Securitas Systems AB Series 'B' Com NPV	38,833	0.02
3,344	DT Postbank AG Com NPV (Regd)	177,767	0.08				
11,936	EFG Eurobank Ergasias Com EUR2.75 (Nil Paid Rights)	7,957	-				

# iSHARES MSCI EUROPE EX-UK

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>EUROPEAN UNION (Continued)</b>				<b>Electricity</b>		
	<b>Business Training &amp; Employment Agencies</b>			105,824	EDP Energias Portugal Com EUR 1.00 (Regd)	425,412	0.19
3,802	Randstad Holdings NV Com EUR 0.10	156,148	0.07	31,260	Endesa SA Com EUR 1.20	1,246,649	0.55
10,941	Vedior Com EUR 0.05	182,386	0.08	218,033	Enel Com EUR 1.00	1,649,420	0.73
	<b>Clothing &amp; Accessories</b>			20,643	Fortum Oyj Com EUR 3.40	500,180	0.22
3,420	Hermes International Com NPV	269,633	0.12	43,481	Iberdrola SA Com EUR 3.00	1,768,807	0.78
8,896	Luxottica Group Com EUR 0.06	223,734	0.10	5,286	Oest Elektrizitats Class 'A' Com NPV	192,569	0.08
11,809	LVMH Moet-Hennessy Com EUR 0.30	967,866	0.43	9,843	Public Power Corporation Com EUR 4.60	225,405	0.10
	<b>Commercial Vehicles &amp; Trucks</b>			6,990	Solarworld AG Com NPV	252,269	0.11
5,666	Man AG Ord NPV	596,403	0.26	86,877	Terna SPA Com EUR 0.22	224,577	0.10
12,659	Scania AB Series 'B' Com SEK 10.00	215,031	0.09	6,806	Union Fenosa Com EUR 3.00	272,580	0.12
24,480	Volvo AB Series 'A' Com SEK 6.00	310,241	0.14		<b>Electronic Equipment</b>		
52,401	Volvo AB Series 'B' Com SEK 6.00	664,091	0.29	8,448	AGFA Gevaert NV Com NPV	128,494	0.06
4,643	Wartsila Oyj ABP Series 'B' Com EUR 3.50	211,674	0.09	41,588	Siemens AG Com NPV (Regd)	3,822,353	1.68
	<b>Commodity Chemicals</b>				<b>Electronic Office Equipment</b>		
11,849	Air Liquide Class 'L' Com EUR 5.50	1,108,474	0.49	1,900	Neopost Com EUR 1.00	213,351	0.09
24,578	Basf AG Com NPV	2,383,083	1.05		<b>Exploration &amp; Production</b>		
	<b>Computer Services</b>			18,039	Lundin Petroleum AB Com NPV	127,754	0.06
3,420	Atos Origin Com EUR 1.00	140,972	0.06		<b>Fixed Line Telecommunications</b>		
6,046	Cap Gemini Sogeti Com EUR 8.00	287,185	0.13	8,744	Belgacom SA Com NPV	280,158	0.12
9,363	Indra Sistemas SA Series 'A' Com EUR 0.20	179,395	0.08	139,881	Deutsche Telekom Com NPV (Regd)	1,905,179	0.84
8,326	Tietoenator Oyj Ord NPV	141,292	0.06	13,231	Elisa Corporation Com EUR 0.50	269,383	0.12
	<b>Consumer Electronics</b>			81,671	France Telecom Com EUR 4.00	1,808,196	0.80
59,200	Philips Electronic (KON) Com EUR 0.20	1,712,656	0.75	14,750	Hellenic Telecom Org SA (OTE) Com EUR 2.39	354,000	0.16
	<b>Defence</b>			93,758	Kon KPN NV Com EUR 0.24	1,072,592	0.47
15,130	Finmeccanica Ord EUR 4.40	324,690	0.14	41,588	Portugal Telecom SA Com EUR 0.30 (Regd)	417,544	0.18
6,046	Thales Com EUR 3.00	251,816	0.11	22,688	Tele2 AB Series 'B' Com NPV	303,840	0.13
	<b>Delivery Services</b>			293,602	Telecom Italia Di Risp Com EUR 0.55	481,507	0.21
37,142	Deutsche Post AG Com NPV	791,125	0.35	520,662	Telecom Italia SPA Com EUR 0.55	1,077,770	0.48
20,967	TNT NV Com EUR 0.48	649,977	0.29	220,473	Telefonica SA Com EUR 1.00	4,014,813	1.77
	<b>Distillers &amp; Vintners</b>			18,587	Telekom Austria Ta Com NPV (Bearer)	351,108	0.15
22,088	C&C Group Ord EUR 0.01	118,171	0.05		<b>Food Products</b>		
4,603	Pernod Ricard Com NPV	711,302	0.31	3,040	Danisco Com DKK 20.00	163,236	0.07
	<b>Diversified Industrials</b>			22,720	Groupe Danone Com EUR 0.25	1,270,275	0.56
618	Bekaert NV Com NPV	59,637	0.03	6,234	IAWS Group Ord EUR 0.30	89,583	0.04
17,695	Thyssenkrupp AG Com NPV	758,939	0.33	10,599	Kerry Group Series 'A' Ord EUR 0.125	189,616	0.08
	<b>Drug Retailers</b>			76,760	Parmalat SPA Com EUR 2.00	202,455	0.09
5,666	Celesio AG Com NPV (Regd)	260,069	0.11	82,800	Unilever NV CVA Com EUR 0.16	1,856,376	0.82
	<b>Durable Household Products</b>				<b>Food Retailers &amp; Wholesalers</b>		
15,130	Electrolux AB Series 'B' Com SEK 5.00	248,142	0.11	30,584	Carrefour Com EUR 2.50	1,571,100	0.69
3,108	Husqvarna AB Series 'A' Com NPV	28,797	0.01	3,040	Casino Guich-Perr Com EUR 1.53	227,878	0.10
16,557	Husqvarna AB Series 'B' Com NPV	153,847	0.07	641	Colruyt SA Com NPV	100,047	0.04
15,130	Securitas Direct AB Series 'B' Com NPV	31,421	0.01	3,802	Delhaize Group Com NPV	272,679	0.12
	<b>Electrical Components &amp; Equipment</b>			5,245	Kesko Oyj Series 'B' Com EUR 2.00	225,535	0.10
11,417	Schneider Electric Com EUR 8.00	1,110,988	0.49	61,690	Koninklijke Ahold NV Com EUR 0.30	603,945	0.27
					<b>Footwear</b>		
				11,360	Adidas-Salomon AG Com NPV	489,502	0.22
				570	Puma AG Com DEM5.00	168,372	0.07

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HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>EUROPEAN UNION (Continued)</b>				<b>Integrated Oil &amp; Gas</b>		
	<b>Full Line Insurance</b>			128,772	ENI SPA Com EUR 1.00 (Regd)	3,260,507	1.44
22,351	Allianz AG Com NPV (Regd)	3,508,213	1.55	7,034	Neste Oil Oyj Com NPV	178,382	0.08
52,810	Assic Generali SPA Com EUR 1.00	1,580,075	0.70	6,806	OMV AG Com NPV	308,992	0.14
77,234	AXA Com EUR 2.29	2,271,452	1.00	41,246	Repsol YPF SA Com EUR 1.00	1,092,194	0.48
75,614	Unipol Com NPV	175,424	0.08	105,967	Total SA Com EUR 2.50	5,854,677	2.58
	<b>Gambling</b>				<b>Investment Services</b>		
2,204	Bwin Interactive E Com NPV	41,986	0.02	10,267	Deutsche Boerse Com NPV	831,730	0.37
10,979	OPAP Com EUR 0.30	294,896	0.13		<b>Life Insurance</b>		
	<b>Gas Distribution</b>			20,850	Alleanza Assicuraz Com EUR 0.50	196,720	0.09
9,463	Gas Natural SDG Com EUR 1.00	369,719	0.16	2,850	CNP Assurance Com EUR 4.00	266,418	0.12
9,086	Gaz De France Com EUR 1.00	334,365	0.15	92,807	ING Groep NV CVA Com EUR 0.24	2,739,663	1.21
60,334	Snam Rete Gas Com EUR 1.00	259,587	0.11	13,991	Irish Life & Permanent Ord EUR 0.32	254,776	0.11
	<b>General Mining</b>				<b>Marine Transportation</b>		
18,900	Boliden AB Com NPV	290,851	0.13	45	A.P. Moller-Maersk Series 'B' Com NPV	430,709	0.19
	<b>Health Care Providers</b>				<b>Media Agencies</b>		
10,478	Fresenius Medical Care AG Com NPV	377,837	0.17	6,692	Publicis Groupe SA Com EUR 0.40	212,203	0.09
	<b>Heavy Construction</b>				<b>Medical Equipment</b>		
1,520	Acciona SA Com EUR 1.00	279,756	0.12	15,130	Getinge AB Series 'B' Com NPV	241,697	0.11
10,420	ACS Actividades Company Com EUR 0.50	420,134	0.19	21,439	GN Store Nord Com DKK 4.00	154,691	0.07
3,319	Bilfinger Berger Com NPV	199,937	0.09	3,012	William Demant Com DKK 1.00	194,483	0.09
9,463	Bouygues Com EUR 1.00	547,056	0.24		<b>Medical Supplies</b>		
3,040	Fomento de Construcciones y Contratas Com EUR 1.00	194,104	0.09	9,115	Essilor International Com EUR 0.35	406,073	0.18
3,078	Grupo Ferrovial SA Com EUR 1.00	198,069	0.09		<b>Mobile Telecommunications</b>		
2,090	Hochtief AG Com NPV	153,385	0.07	10,561	Cosmote Mobile Telephone Com EUR 0.47	241,002	0.11
5,242	Sacyr Vallehermoso SA Com EUR 1.00	152,018	0.07	4,864	Linde AG Com NPV	418,936	0.18
18,900	Skanska AB Series 'B' Com SEK 12.00	280,787	0.12	3,040	Mobistar Com NPV	180,728	0.08
21,144	Vinci Com EUR 2.50	1,104,563	0.49	92,617	Teliasonera AB Com SEK 3.20	527,698	0.23
9,276	YIT Corporation Com EUR 0.50	205,000	0.09		<b>Mortgage Finance</b>		
	<b>Hotels</b>			6,426	Hypo Real Estate Com NPV	258,647	0.11
8,870	Accor Com EUR 3.00	558,721	0.25		<b>Multiutilities</b>		
	<b>Industrial Machinery</b>			30,243	E.On AG Com NPV	3,724,123	1.64
7,566	Alfa Laval Ab Ord NPV	333,989	0.15	23,638	RWE AG (New) Series 'A' Com NPV	1,946,353	0.86
5,286	Alstom Com EUR 14.00 (Post-Consolidation)	701,188	0.31	50,920	Suez Com EUR 2.00	2,125,401	0.94
11,398	Gamesa Corporation Tecno Com EUR 0.17	333,278	0.15		<b>Nondurable Household Products</b>		
5,666	Heidelberger Druck Ord NPV	187,828	0.08	8,659	Henkel KGAA Non-Voting Pref NPV	327,916	0.14
5,666	Kone Corporation Class 'B' Ord NPV	271,401	0.12		<b>Oil Equipment &amp; Services</b>		
7,566	Metso Oyj Com EUR 1.70	355,753	0.16	2,855	Fugro NV Com EUR 0.05	145,605	0.06
47,633	Sandvik AB Com NPV	710,194	0.31	8,706	SBM Offshore NV Com EUR 0.25	239,502	0.11
21,127	SKF AB Series 'B' Com NPV	315,560	0.14	4,174	Technip Com NPV	243,595	0.11
1,900	Vallourec (Usin A T) Com EUR 4.00	372,457	0.16		<b>Paper</b>		
9,276	Vestas Wind Systems Com DKK 1.00	459,483	0.20	30,243	Stora Enso Oyj Series 'R' Com NPV	394,066	0.17
5,671	Zardoya-Otis Com EUR 0.10	130,887	0.06	24,958	Unipapel SA Com EUR 1.50	414,802	0.18
	<b>Industrial Suppliers</b>				<b>Personal Products</b>		
1,416	Grafton Group Unit EUR 0.05	13,848	0.01	5,666	Beiersdorf AG Series 'A B C' Com NPV	279,390	0.12
16,547	Grafton Units 1 (Ord & 1 'C' Ord & 4 'A') EUR 0.05	161,830	0.07	12,325	L'Oreal SA Com EUR 0.20	1,059,334	0.47
39,567	Hagemeyer NV Com EUR 1.20	123,053	0.05	34,065	Svenska Cellulosa Series 'B' Com SEK 10.00	432,621	0.19
					<b>Pharmaceuticals</b>		
				3,802	Altana AG Com NPV	63,684	0.03

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HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>EUROPEAN UNION (Continued)</b>				<b>Specialty Finance</b>		
20,643	Elan Corporation Ord EUR 0.05	286,525	0.13	4,469	Groupe Bruxelles Lambert SA Com NPV	386,122	0.17
2,850	Merck KGAA Ord NPV	267,302	0.12		<b>Steel</b>		
11,733	Novo-Nordisk A/S Series 'B' Com DKK 2.00	952,898	0.42	7,661	Acerinox SA Com EUR 0.25	141,422	0.06
49,648	Sanofi-Aventis Com EUR 2.00	2,974,908	1.31	44,596	Arcelor Mittal Steel Company NV Ord EUR 0.01	2,151,757	0.95
5,582	UCB SA Com NPV	229,867	0.10	7,225	Outokumpu Oyj Class 'A' Com NPV	159,817	0.07
	<b>Property &amp; Casualty Insurance</b>			4,138	Rautaruukki Oyj Class 'K' Com NPV	165,313	0.07
20,795	Sampo Oyj Com NPV	436,071	0.19	2,774	Salzgitter AG Ord NPV	400,898	0.18
1,900	Topdanmark A/S Com DKK 10.00 (Regd)	224,449	0.10	79	SSAB (Svenskt Stal) Series 'B' Com SEK 25.00	1,800	
	<b>Publishing</b>			11,064	SSAB (Svenskt Stal) Series 'A' Com NPV	275,720	0.12
22,688	Eniro AB Com NPV	201,151	0.09	6,046	Voest-Alpine AG Com NPV	363,969	0.16
6,046	Lagardere SCA Com EUR 6.10 (Regd)	362,216	0.16		<b>Telecommunications Equipment</b>		
6,880	Pagesjaunes Groupe Com EUR 0.20	102,374	0.05	114,140	Alcatel Series 'A' Com EUR 2.01	915,403	0.40
36,298	Reed Elsevier NV Com EUR 0.06	480,223	0.21	743,524	Ericsson LM Series 'B' Com NPV	2,023,935	0.89
13,991	Wolters Kluwer Com EUR 0.12	298,988	0.13	196,214	Nokia OYJ Com EUR 0.06	4,740,530	2.09
	<b>Real Estate Holding &amp; Development</b>				<b>Tobacco</b>		
20,535	Immoeast Immobilien Anlagen AG Com NPV	184,610	0.08	13,231	Altadis SA Com EUR 0.60 (Regd)	644,614	0.28
33,390	Immofinanz AG Com NPV	305,519	0.13	18,077	Swedish Match Com SEK 1.20	256,046	0.11
7,718	IVG Immobilien AG Com NPV	201,440	0.09		<b>Transportation Services</b>		
15,967	Meinl European Land Com EUR5.00	213,319	0.09	11,364	Abertis Infraestructuras SA Com EUR 3.00	252,281	0.11
	<b>Real Estate Investment Trusts</b>			13,155	Atlantia SPA Com EUR 1.00	320,982	0.14
422	Cofinimmo Com NPV	53,185	0.02	22,688	Brisa (Auto-Estrada) Com EUR 1.00	213,948	0.09
1,980	Corio NV Com EUR 10.00	112,979	0.05	13,544	Cintra Concesiones De Infraestructure Com EUR 0.20	156,162	0.07
4,410	Unibail Holding Com EUR 5.00	779,468	0.34		<b>Trucking</b>		
	<b>Reinsurance</b>			14,417	DSV Com DKK 1.00	240,466	0.11
10,223	Muenchener Rueckversicherung AG Com NPV (Regd)	1,293,210	0.57		<b>Tyres</b>		
	<b>Restaurants &amp; Bars</b>			6,616	Continental AG Ord NPV	630,769	0.28
5,286	Sodexho Alliance Com EUR 4.00	254,891	0.11	7,186	Michelin (CGDE) Com EUR 2.00	664,489	0.29
	<b>Semiconductors</b>			264,654	Pirelli & Company Com EUR 0.52	217,943	0.10
24,208	Asm Lithography Holding Com EUR 0.02	526,040	0.23		<b>Water</b>		
37,203	Infineon Technologies Ord NPV (Regd)	425,230	0.19	15,228	Veolia Environment Com EUR 5.00	857,032	0.38
33,879	Stmicroelectronics Com EUR 1.04	432,974	0.19		<b>EUROPEAN UNION - TOTAL</b>	<b>185,644,242</b>	<b>81.82</b>
	<b>Soft Drinks</b>				<b>NORWAY</b>		
7,566	Coca-Cola Hellenic Bottling Company SA Com EUR 0.50	264,507	0.12		<b>Aluminium</b>		
	<b>Software</b>			34,031	Norsk Hydro ASA Com NOK 3.6666	923,989	0.41
6,990	Business Objects Com EUR 1.00 (Regd)	225,707	0.10	34,031	DNB Norway ASA Com NOK 10.00	341,726	0.15
4,558	Dassault Systemes Com EUR 1.00	196,678	0.09		<b>Electricity</b>		
45,399	SAP AG Ord NPV	1,798,708	0.79	9,494	Renewable Energy Corporation Com NOK 1.00	263,158	0.12
	<b>Specialty Chemicals</b>				<b>Farming &amp; Fishing</b>		
12,476	Akzo Nobel NV Com EUR 2.00	720,489	0.32	69,873	Marine Harvest Com NOK 0.75	60,216	0.03
35,613	Bayer AG Ord NPV	2,057,719	0.91		<b>Food Products</b>		
6,806	Koninklijke DSM NV Com EUR 1.00	255,429	0.11	40,997	Orkla ASA Ord NOK 1.25	487,089	0.21
3,040	Solvay SA Com NPV	330,722	0.15		<b>Integrated Oil &amp; Gas</b>		
1,520	Umicore Com NPV	255,466	0.11	30,775	Statoil ASA Com NOK 2.50	650,437	0.29

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HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>NORWAY (Continued)</b>				<b>Energy</b>		
	<b>Life Insurance</b>			11,372	Petroleum Geo Services Com NOK 8.00	195,934	0.09
22,688	Storebrand ASA Series 'A' Com NOK 5.00	255,266	0.11	15,961	Seadrill Limited Com USD 2.00	218,190	0.10
	<b>Mobile Telecommunications</b>				<b>Fixed Line Telecommunications</b>		
37,849	Telenor AS Ord NOK 6.00	511,442	0.23	874	Swisscom AG Com CHF 1.00 (Regd)	224,573	0.10
	<b>Oil Equipment &amp; Services</b>				<b>Food Products</b>		
15,130	Acery SA Com USD 2.00	293,089	0.13	19,664	Nestle AG Com CHF 10.00 (Regd)	6,249,399	2.75
6,812	Aker Kvaerner Ord NOK 2.00	125,521	0.06	8,326	Numico (KON) NV Com EUR 0.25	448,855	0.20
5,984	Prosafe SE Com EUR 0.25	66,347	0.03		<b>Full Line Insurance</b>		
	<b>Paper</b>			6,958	Zurich Financial Services Com CHF 2.50	1,453,090	0.64
16,189	Norske Skogsindustrier Series 'A' Com NOK 10.00	144,206	0.06		<b>Industrial Machinery</b>		
	<b>Specialty Chemicals</b>			4,596	Schindler Holding AG Com CHF 0.10 Part Certs	206,472	0.09
13,727	Yara International Com NOK 1.70	267,208	0.12	184	Sulzer AG Com CHF 0.03 (Regd)	178,726	0.08
	<b>Telecommunications Equipment</b>				<b>Life Insurance</b>		
5,652	Tandberg ASA Com NOK 1.00	90,438	0.03	69,557	Aegon NV Com EUR 0.12	931,368	0.41
	<b>NORWAY - TOTAL</b>	<b>4,480,132</b>	<b>1.98</b>	1,663	Swiss Life Holding Com CHF 46.00 (Regd)	288,488	0.13
	<b>SWITZERLAND</b>				<b>Materials</b>		
	<b>Automobiles</b>			2,915	SSAB Svenskt Series 'A' Com NPV (Fully Paid Shares)	67,676	0.03
380	Porsche AG Non-Voting Pref NPV	495,904	0.22		<b>Marine Transportation</b>		
6,426	Valeo Com EUR 3.00	228,573	0.10	3,192	Kuehne & Nagel International Com CHF 1.00 (Regd)	218,586	0.10
	<b>Banks</b>				<b>Media</b>		
53,764	Credit Suisse Group Com CHF 0.50 (Regd)	2,578,507	1.14	376,771	Seat Pagine Gialle Com EUR 0.03	152,215	0.07
100,154	UBS AG Com CHF 0.10	3,815,327	1.68		<b>Medical Equipment</b>		
	<b>Building Materials &amp; Fixtures</b>			1,178	Nobel Biocare AG Com CHF 2.00	234,210	0.10
2,280	Geberit AG Com CHF 1.00	245,687	0.11	3,984	Sonova Holding AG Com CHF 0.05 (Regd)	258,309	0.11
9,463	Holcim Limited Com CHF 2.00 (Regd)	747,405	0.33	2,280	Synthes Incorporated Com CHF 0.001	191,013	0.08
3,040	Imerys Com EUR 2.00	204,318	0.09		<b>Pharmaceuticals</b>		
4,558	Titan Cement Company Com EUR 2.00	165,091	0.07	115,282	Novartis AG Com CHF 0.50 (Regd)	4,440,612	1.96
	<b>Business Support Services</b>			34,280	Roche Holding AG Genusscheine Com NPV	4,353,637	1.92
228	SGS SA Com CHF 20.00 (Regd)	200,010	0.09		<b>Real Estate Holding &amp; Development</b>		
	<b>Business Training &amp; Employment Agencies</b>			1,137	Klepierre Com EUR 4.00	131,437	0.06
6,388	Adecco SA Com CHF 1.00 (Regd)	305,591	0.13	2,280	PSP Swiss Property AG Com CHF 14.80	90,108	0.04
	<b>Capital Goods</b>				<b>Reinsurance</b>		
29,735	Atlas Copco AB Series 'A' Com SEK 1.25	361,797	0.16	16,526	Swiss Reinsurance Com CHF 0.10 (Regd)	1,020,325	0.45
14,867	Atlas Copco AB Series 'B' Com SEK 1.25	172,184	0.08		<b>Specialty Chemicals</b>		
	<b>Clothing &amp; Accessories</b>			4,136	Ciba Spezialitaten Com CHF 1.00 (Regd)	165,218	0.07
26,486	Compagnie Financiere Richemont Class 'A' Com CHF 1.00	1,196,297	0.53	15,809	Clariant Com CHF 4.25 (Regd)	154,038	0.07
2,660	Swatch Group Com CHF 0.45 (Regd)	109,406	0.05	304	Givaudan AG Com CHF 10.00	200,241	0.08
1,710	Swatch Group Com CHF 2.25 (Bearer)	374,760	0.17	3,535	Lonza AG Com CHF 1.00 (Regd)	253,233	0.11
	<b>Computer Hardware</b>			4,900	Syngenta Com CHF 0.10	672,286	0.29
11,809	Logitech International Com CHF 0.25	233,712	0.10		<b>Transportation &amp; Logistics</b>		
	<b>Electronic Equipment</b>			11,360	TUI AG Com NPV (Regd)	215,386	0.09
102,471	ABB Com CHF 2.50 (Regd)	1,832,044	0.81		<b>SWITZERLAND - TOTAL</b>	<b>36,480,238</b>	<b>16.08</b>

# iSHARES MSCI EUROPE EX-UK

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE EUR	% OF FUND
	<b>TOTAL VALUE OF INVESTMENTS</b>		
	<b>AT BID PRICES</b>	<b>226,604,612</b>	<b>99.88</b>
	<b>CASH*</b>	<b>7,830,924</b>	<b>3.45</b>
	<b>OTHER NET LIABILITIES</b>	<b>(7,664,138)</b>	<b>(3.38)</b>
	<b>TOTAL VALUE OF FUND AT BID</b>		
	<b>MARKET PRICES</b>	<b>226,771,398</b>	<b>99.95</b>
	Adjustment from bid market prices to last traded market prices	112,314	0.05
	<b>TOTAL VALUE OF FUND AT LAST</b>		
	<b>TRADED MARKET PRICES</b>	<b>226,883,712</b>	<b>100.00</b>

\*All cash holdings are held with The Governor & Company of the Bank of Ireland.

# iSHARES MSCI EUROPE EX-UK

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE PERIOD ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS EUR	LARGEST PURCHASES	COST EUR
Total SA Com EUR2.50	1,217,230	Total SA Com EUR2.50	4,047,494
Nestle AG Com CHF10.00 (Regd)	1,132,667	Nestle AG Com CHF10.00 (Regd)	3,875,948
Novartis AG Com CHF0.50 (Regd)	826,533	Novartis AG Com CHF0.50 (Regd)	3,307,200
Roche Holding AG Genusscheine Com NPV	818,145	Roche Holding AG Genusscheine Com NPV	3,136,696
Nokia OYJ Com EUR0.06	817,740	UBS AG Com CHF0.10	3,071,799
UBS AG Com CHF0.10	767,612	Banco Santander Com EUR0.50 (Regd)	2,988,148
Banco Santander Com EUR0.50 (Regd)	764,477	Nokia OYJ Com EUR0.06	2,654,353
Credit Suisse Group Com CHF0.50 (Regd)	756,239	Siemens AG Com NPV (Regd)	2,563,193
Telefonica SA Com EUR1.00	724,875	Telefonica SA Com EUR1.00	2,540,721
Siemens AG Com NPV (Regd)	709,786	Allianz AG Com NPV (Regd)	2,537,565
E.On AG Com NPV	664,608	BNP Paribas Com EUR2.00	2,450,221
Allianz AG Com NPV (Regd)	653,302	E.On AG Com NPV	2,321,328
ENI SPA Com EUR1.00 (Regd)	593,060	Sanofi-Aventis Com EUR2.00	2,226,495
BNP Paribas Com EUR2.00	591,839	ENI SPA Com EUR1.00 (Regd)	2,224,533
ABN-Amro Holdings Com NPV	574,824	Banco Bilbao Vizcaya Argentaria Com EUR0.49	2,189,388
AXA Com EUR2.29	573,396	ABN-Amro Holdings Com NPV	2,121,709
Banco Bilbao Vizcaya Argentaria Com EUR0.49	547,373	Credit Suisse Group Com CHF0.50 (Regd)	2,097,675
Sanofi-Aventis Com EUR2.00	545,533	ING Groep NV CVA Com EUR0.24	2,036,792
Daimlerchrysler AG Ord NPV (Regd)	528,821	Daimlerchrysler AG Ord NPV (Regd)	1,935,130
ING Groep NV CVA Com EUR0.24	509,915	Deutsche Bank AG Com NPV (Regd)	1,870,129



# iSHARES MSCI EUROPE EX-UK

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Dividends	3,702	412	137
Securities lending income	261	-	-
Interest income	41	8	2
Other income	3	-	-
<b>Income</b>	<b>4,007</b>	<b>420</b>	<b>139</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
Management fees	396	172	29
<b>Expenses</b>	<b>396</b>	<b>172</b>	<b>29</b>

Included in expenses are audit fees of €5,558 (February 2007: €10,939 August 2006: €nil) and directors fees of €2,191 (February 2007: €4,516 August 2006: €nil)

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Cost at beginning of period	103,307	-	-
Cost at end of period	220,726	103,307	29,995
Fair value at beginning of period	109,249	-	-
<b>Fair value at end of period</b>	<b>226,605</b>	<b>109,249</b>	<b>31,158</b>

### 5. DEBTORS

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Dividends receivable	82	6	7
Securities lending income receivable	16	-	-
Interest income receivable	7	5	1
Sales of securities awaiting settlement	-	225	-
Subscriptions of units awaiting settlement	142	-	-
<b>Debtors</b>	<b>247</b>	<b>236</b>	<b>8</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 €'000s	28 February 2007 €'000s	31 August 2006 €'000s
Accrued expenses	100	38	12
Purchase of securities awaiting settlement	5,828	162	112
Redemption awaiting settlement	123	-	-
<b>Creditors</b>	<b>6,051</b>	<b>200</b>	<b>124</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares '000s	28 February 2007 No. of Shares '000s	31 August 2006 No. of Shares '000s
Balance at beginning of period	3,800	-	-
Issued during the period	5,200	3,800	1,800
Redeemed during the period	(1,400)	-	(600)
<b>Balance at end of period</b>	<b>7,600</b>	<b>3,800</b>	<b>1,200</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007.

### 9. FINANCE COST – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year.

Pay date	Six months ended 31 August 2007 €'000s	Year ended 28 February 2007 €'000s	Six months ended 31 August 2006 €'000s
September 2006	-	84	83
December 2006	-	31	-
March 2007	-	91	-
June 2007	2,241	-	-
September 2007	1,860*	-	-
	<b>4,101</b>	<b>206</b>	<b>83</b>
Equalisation Income	(1,061)	(27)	-
Equalisation Expense	341	-	-
	<b>3,381</b>	<b>179</b>	<b>83</b>

\*Outstanding at period end



# iSHARES MSCI EUROPE EX-UK

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to the risk that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's currency exposure at 31 August 2007 and comparatives for 28 February 2007 and 31 August 2006:

	<b>31 August 2007</b>	<b>28 February 2007</b>	<b>31 August 2006</b>
	<b>Net</b>	<b>Net</b>	<b>Net</b>
	<b>currency</b>	<b>currency</b>	<b>currency</b>
	<b>exposure</b>	<b>exposure</b>	<b>exposure</b>
	<b>€</b>	<b>€</b>	<b>€</b>
CHF	37,327,752	16,504,938	4,807,828
DKK	112,249	2,033,836	-
GBP	2,449	-	-
SEK	324,840	6,153,414	-
NOK	4,605,201	2,220,346	-
USD	6,629	-	761,045
	<b>42,379,120</b>	<b>26,912,534</b>	<b>5,568,873</b>

#### Fair Value and Cash Flow Interest Rate Risk

The Fund does not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund does not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are sated in note 13 on pages 17 and 18.

# iSHARES MSCI JAPAN

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Operating income	2	15,545	21,475	11,246
Net (losses)/gains on financial assets at fair value through profit or loss		(135,420)	113,362	(26,540)
<b>Total investment income</b>		<b>(119,875)</b>	<b>134,837</b>	<b>(15,294)</b>
Operating expenses	3	(7,008)	(11,109)	(5,415)
<b>Net income</b>		<b>(126,883)</b>	<b>123,728</b>	<b>(20,709)</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	9	(8,268)	(9,445)	(6,059)
Interest expense		(224)	(77)	-
<b>(Loss)/profit before tax</b>		<b>(135,375)</b>	<b>114,206</b>	<b>(26,768)</b>
Non-reclaimable withholding tax		(205)	(1,026)	(812)
Adjustment from bid market prices to last traded market prices		(4,338)	4,096	-
<b>(Decrease)/increase in Net Assets Attributable to Redeemable Participating Shareholders</b>		<b>(139,918)</b>	<b>117,276</b>	<b>(27,580)</b>

There are no recognised gains or losses arising in the period other than the decrease in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		2,319,258	1,689,126	1,684,760*
(Decrease)/increase in net assets attributable to Redeemable Participating Shareholders		(139,918)	117,276	(27,580)
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		261,710	764,877	339,081
Payment on redemption of Redeemable Participating Shares		(269,812)	(252,021)	(218,623)
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>2,171,238</b>	<b>2,319,258</b>	<b>1,777,638</b>

# iSHARES MSCI JAPAN

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	2,166,544	2,310,398	1,777,358
Debtors	5	5,702	39,789	7,463
Cash and bank balances		1,157	108,244	703
<b>Total current assets</b>		<b>2,173,403</b>	<b>2,458,431</b>	<b>1,785,524</b>
<b>Current liabilities</b>				
Creditors	6	(6,289)	(147,635)	(7,886)
Distributions to Redeemable Participating Shareholders payable	9	-	-	-
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(6,289)</b>	<b>(147,635)</b>	<b>(7,886)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>2,167,114</b>	<b>2,310,796</b>	-
Adjustment from bid market prices to last traded market prices		4,124	8,462	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>2,171,238</b>	<b>2,319,258</b>	<b>1,777,638</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>156,000,000</b>	<b>157,200,000</b>	<b>130,200,000</b>
<b>Net asset value per Redeemable Participating share</b>		<b>\$13.92</b>	<b>\$14.75</b>	<b>\$13.65</b>

The accompanying notes form an integral part of these financial statements.

\* The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by \$4,366,000 to account for assets as fair value in accordance with applicable accounting standards. (See Note 1(a)).

# iSHARES MSCI JAPAN

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>JAPAN</b>				<b>Brewers</b>		
	<b>Airlines</b>			311,400	Asahi Breweries Com NPV	4,601,891	0.21
473,000	All Nippon Airways Com NPV	1,881,146	0.09	597,000	Kirin Holdings Company Com NPV	7,426,769	0.34
697,000	Japan Airlines Corporation Com NPV	1,581,426	0.07	205,000	Sapporo Holdings Com NPV	1,167,235	0.05
	<b>Aluminium</b>				<b>Broadcasting &amp; Entertainment</b>		
346,000	Nippon Light Metal Com NPV	758,176	0.03	386	Fuji Television Com NPV	789,216	0.04
	<b>Apparel Retailers</b>			1,690	Jupiter Telecommunications Com NPV	1,296,131	0.06
45,300	Aoyama Trading Com NPV	1,211,491	0.06	86,600	Toho Company Limited Com NPV	1,822,922	0.08
40,600	Fast Retailing Company Com NPV	2,374,740	0.11	27,600	Tokyo Broadcasting Com NPV	816,702	0.04
15,700	Shimamura Company Com NPV	1,451,960	0.07		<b>Broadline Retailers</b>		
	<b>Auto Parts &amp; Equipment</b>			483,900	Aeon Company Com NPV	6,600,059	0.30
146,800	Aisin Seiki Company Com NPV	5,521,701	0.25	173,000	Daimaru Incorporated Com NPV	1,864,099	0.09
368,700	Denso Corporation Com NPV	12,882,155	0.59	104,000	Hankyu Department Stores Com NPV	906,181	0.04
147,700	Koyo Seiko Com NPV	2,343,271	0.11	139,100	Isetan Company Limited Com NPV	1,831,226	0.08
130,000	NGK Spark Plug Company Com NPV	2,147,694	0.10	221,500	Marui Company Com NPV	2,530,009	0.12
110,000	NHK Spring Com NPV	984,083	0.05	297,000	Mitsukoshi Limited Com NPV	1,316,982	0.06
81,800	NOK Corporation Com NPV	1,584,273	0.07	219,000	Takashimaya Company Com NPV	2,342,751	0.11
118,800	Stanley Electric Com NPV	2,592,969	0.12	131,000	UNY Company Com NPV	1,140,310	0.05
40,200	Tokai Rika Company Limited Com NPV	1,071,630	0.05		<b>Building Materials &amp; Fixtures</b>		
52,000	Toyoda Gosei Com NPV	1,673,295	0.08	722,000	Asahi Glass Company Com NPV	9,019,160	0.42
48,100	Toyota Boshoku Corporation Com NPV	1,456,507	0.07	141,000	Central Glass Company Com NPV	726,196	0.03
136,400	Toyota Industries Com NPV	5,754,182	0.27	201,700	JS Group Corporation Com NPV	3,993,456	0.18
	<b>Automobiles</b>			276,000	Matsushita Electric Work Com NPV	3,373,955	0.16
1,180,000	Honda Motor Company Com NPV	38,683,517	1.78	423,000	Nippon Sheet Glass Com NPV	2,492,421	0.11
1,711,200	Nissan Motor Company Com NPV	16,386,421	0.75	165,000	Sanwa Shutter Corporation Com NPV	965,104	0.04
2,047,600	Toyota Motor Corporation Com NPV	118,883,214	5.48	271,000	Sumitomo Osaka Cement Com NPV	668,645	0.03
139,500	Yamaha Motor Company Com NPV	3,658,543	0.17	705,000	Taiheiyo Cement Com NPV	2,773,411	0.13
	<b>Banks</b>			218,000	Toto Com NPV	1,737,756	0.08
246,000	77th Bank Com NPV	1,655,351	0.08		<b>Business Support Services</b>		
209,000	Bank of Kyoto Com NPV	2,482,793	0.11	26,000	Meitec Corporation Com NPV	834,405	0.04
904,000	Bank of Yokohama Com NPV	6,418,427	0.30	159,100	Secom Company Com NPV	7,700,047	0.35
569,000	Chiba Bank Com NPV	4,574,973	0.21	717,600	Sojitz Corporation Com NPV	2,990,129	0.14
452,000	Fukuoka Financial Group Incorporated Com NPV	2,581,409	0.12		<b>Business Training &amp; Employment Agencies</b>		
274,000	Gunma Bank Com NPV	1,893,405	0.09	941	Goodwill Group Com NPV	195,725	0.01
302,000	Hachijuni Bank Com NPV	2,329,189	0.11		<b>Clothing &amp; Accessories</b>		
378,000	Hiroshima Bank Com NPV	2,145,745	0.10	259,500	Citizen Holdings Company Limited Com NPV	2,408,851	0.11
890,000	Hokuhoku Financial Incorporated Com NPV	2,579,821	0.12	152,000	Gunze Com NPV	763,180	0.04
523,000	Joyo Bank Com NPV	2,856,050	0.13	115,000	Nisshinbo Industries Com NPV	1,409,783	0.06
6,134	Mitsubishi UFJ Financial Com NPV	58,209,894	2.68	101,000	Onward Holdings Com NPV	1,188,492	0.05
553,000	Mitsui Trust Holding Incorporated Com NPV	4,594,220	0.21	502,000	Toyobo Company Com NPV	1,164,974	0.05
7,425	Mizuho Financial Group Incorporated Com NPV	46,888,667	2.16	77,000	Wacoal Holdings Corporation Com NPV	964,534	0.04
488,000	Nishi-Nippon City Com NPV	1,524,013	0.07		<b>Commercial Vehicles &amp; Trucks</b>		
4,297	Resona Holdings Com NPV	8,971,004	0.41	215,000	Hino Motors Com NPV	1,533,926	0.07
222	Sapporo Hokuyo Holdings Com NPV	2,355,692	0.11	78,300	Hitachi Construction Machinery Com NPV	2,749,264	0.13
1,064,000	Shinsei Bank Com NPV	3,543,148	0.16	674,600	Komatsu Com NPV	20,718,423	0.95
444,000	Shizouka Bank Com NPV	4,623,284	0.21	1,015,000	Kawasaki Heavy Industries Com NPV	3,975,413	0.18
4,982	Sumitomo Mitsui Financial Group Com NPV	39,283,509	1.81	827,000	Kubota Corporation Com NPV	6,399,681	0.29
956,000	Sumitomo Trust & Banking Com NPV	7,826,804	0.36				
157,000	Suruga Bank Com NPV	2,056,041	0.09				

# iSHARES MSCI JAPAN

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>JAPAN (Continued)</b>				<b>Distillers &amp; Vintners</b>		
543,000	Mitsui Engineer & Shipbuilding Com NPV	2,834,103	0.13	139,000	Takara Holdings Com NPV	793,840	0.04
445,000	Sumitomo Heavy Industries Com NPV	4,975,370	0.23		<b>Diversified Industrials</b>		
	<b>Commodity Chemicals</b>			994,000	IHI Corporation Com NPV	3,224,294	0.15
913,000	Asahi Kasei Corporation Com NPV	6,844,645	0.32	841,000	Mitsubishi Materials Com NPV	4,657,913	0.21
347,000	Denki Kagaku Kogyo Com NPV	1,763,214	0.08	2,312,000	Toshiba Corporation Com NPV	20,803,312	0.96
267,000	Kuraray Company Com NPV	3,503,490	0.16		<b>Drug Retailers</b>		
297,000	Mitsubishi Gas Chemical Com NPV	2,498,167	0.12	27,300	Matsumoto Kiyoshi Company Limited Com NPV	551,111	0.03
488,000	Mitsui Chemicals Com NPV	4,420,480	0.20		<b>Durable Household Products</b>		
822,000	Showa Denko Com NPV	2,992,572	0.14	89,800	Makita Corporation Com NPV	3,462,934	0.16
1,181,000	Sumitomo Chemical Company Com NPV	8,802,864	0.41	27,600	Rinnai Corporation Com NPV	857,180	0.04
629,000	Teijin Com NPV	3,136,453	0.14		<b>Electrical Components &amp; Equipment</b>		
1,019,000	Toray Industries Com NPV	7,762,386	0.36	137,500	Alps Electric Company Com NPV	1,610,879	0.07
350,000	Tosoh Corporation Com NPV	2,137,773	0.10	443,000	Fuji Electric Holdings Com NPV	1,910,883	0.09
710,000	UBE Industries Com NPV	2,217,314	0.10	260,000	Fujikura Com NPV	1,545,443	0.07
	<b>Computer Hardware</b>			492,000	Furukawa Electric Com NPV	2,334,469	0.11
1,412,000	Fujitsu Com NPV	9,635,440	0.44	23,200	Hirose Electric Com NPV	2,790,044	0.13
1,549,000	NEC Corporation Com NPV	7,282,966	0.34	143,000	Hitachi Cable Com NPV	831,489	0.04
457,000	Oki Electric Industry Com NPV	816,107	0.04	96,100	Ibiden Company Limited Com NPV	8,133,037	0.37
100,200	Seiko Epson Corporation Com NPV	2,601,924	0.12	22,600	Mabuchi Motor Company Com NPV	1,468,127	0.07
	<b>Computer Services</b>			260,000	Minebea Company Com NPV	1,581,331	0.07
46,300	CSK Holdings Corporation Com NPV	1,697,580	0.08	55,700	Mitsumi Electric Com NPV	2,080,671	0.10
24,400	Itochu Techno-Solutions Corporation Com NPV	957,771	0.04	160,900	Murata Manufacturing Com NPV	11,271,259	0.52
88,300	Nomura Research Institute Com NPV	2,955,648	0.14	198,000	NGK Insulators Com NPV	6,525,126	0.30
972	NTT Data Communication System Com NPV	4,687,469	0.22	82,500	Nidec Corporation Com NPV	5,772,117	0.27
5,020	Obic Company Limited Com NPV	986,547	0.05	550,900	Sumitomo Electric Com NPV	8,730,564	0.40
11,500	Otsuka Corporation Com NPV	1,154,812	0.05	78,000	Taiyo Yuden Company Limited Com NPV	1,557,779	0.07
	<b>Consumer Electronics</b>			96,400	TDK Corporation Com NPV	8,175,059	0.38
175,700	Casio Computer Company Com NPV	2,670,779	0.12	79,300	Ushio Incorporated Com NPV	1,542,695	0.07
1,484,000	Matsushita Electrical Industrial Com NPV	25,732,993	1.19		<b>Electricity</b>		
120,700	Pioneer Corporation Com NPV	1,468,205	0.07	504,500	Chubu Electric Power Com NPV	13,405,167	0.62
1,245,000	Sanyo Electric Company Com NPV	1,922,573	0.09	114,420	Electric Power Development Company Limited Com NPV	4,185,315	0.19
759,000	Sharp Corporation Com NPV	13,194,021	0.61	136,200	Hokkaido Electric Power Com NPV	3,066,747	0.14
759,400	Sony Corporation Com NPV	36,425,518	1.68	583,300	Kansai Electric Power Com NPV	13,561,605	0.62
	<b>Consumer Finance</b>			289,100	Kyushu Electric Power Com NPV	7,681,732	0.35
48,530	Acom Company Com NPV	1,444,408	0.07	325,400	Tohoku Electric Power Com NPV	7,733,917	0.36
69,000	Aeon Credit Service Company Com NPV	847,656	0.04	922,200	Tokyo Electric Power Com NPV	24,106,163	1.11
60,650	Aiful Corporation Com NPV	1,211,273	0.06		<b>Electronic Equipment</b>		
124,800	Credit Saison Company Com NPV	3,273,019	0.15	2,554,000	Hitachi Com NPV	16,458,939	0.76
29,100	Hitachi Credit Corporation Com NPV	363,264	0.02	314,400	Hoya Corporation Com NPV	10,903,576	0.50
56,550	Promise Company Com NPV	1,551,387	0.07	26,790	Keyence Corporation Com NPV	5,928,167	0.27
84,990	Takefuji Corporation Com NPV	2,272,950	0.10	123,700	Kyocera Corporation Com NPV	11,301,238	0.52
	<b>Containers &amp; Packaging</b>			259,000	Nippon Electric Glass Com NPV	3,740,379	0.17
125,900	Toyo Seikan Kaisha Com NPV	2,384,079	0.11	161,000	Omron Corporation Com NPV	4,194,625	0.19
	<b>Delivery Services</b>				<b>Electronic Office Equipment</b>		
293,000	Yamato Holdings Company Limited Com NPV	4,289,531	0.20	807,450	Canon Com NPV	46,044,467	2.12
				58,200	Canon Marketing Japan Com NPV	1,129,707	0.05
				509,000	Ricoh Company Com NPV	11,219,385	0.52
					<b>Exploration &amp; Production</b>		
				14,200	Idemitsu Kosan Company Limited Com NPV	1,548,445	0.07

# iSHARES MSCI JAPAN

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>JAPAN (Continued)</b>				<b>Industrial Machinery</b>		
630	Inpex Holdings Com NPV	5,761,118	0.27	271,000	Amada Company Com NPV	2,931,752	0.14
953,000	Nippon Oil Corporation Com NPV	8,007,781	0.37	111,000	Chiyoda Corporation Com NPV	1,908,493	0.09
230,000	Tonen General Sekiyu Com NPV	2,273,908	0.10	65,000	Daifuku Company Limited Com NPV	763,749	0.04
	<b>Fixed Line Telecommunications</b>			196,900	Daikin Industries Com NPV	8,816,037	0.41
3,938	Nippon Telephone & Telegraph Corporation Com NPV	18,243,592	0.84	280,000	Ebara Corporation Com NPV	1,256,093	0.06
	<b>Food Products</b>			144,200	Fanuc Limited Com NPV	14,007,609	0.65
473,000	Ajinomoto Company Com NPV	5,965,802	0.27	51,400	Glory Limited Com NPV	1,503,222	0.07
52,000	House Food Corporation Com NPV	845,171	0.04	262,000	Japan Steel Works Limited Com NPV	3,878,635	0.18
113,000	Kikkoman Corporation Com NPV	1,525,644	0.07	162,000	JGC Corporation Com NPV	2,844,067	0.13
210,000	Meiji Dairies Corporation Com NPV	1,166,717	0.05	43,000	Komori Corporation Com NPV	1,012,725	0.05
255,000	Meiji Seika Kaisha Com NPV	1,183,540	0.05	83,200	Kurita Water Industries Com NPV	2,526,541	0.12
201,000	Nichirei Corporation Com NPV	939,844	0.04	1,462,000	Mitsubishi Electric Corporation Com NPV	17,128,033	0.79
138,000	Nippon Meat Packers Com NPV	1,490,540	0.07	2,429,000	Mitsubishi Heavy Industries Com NPV	14,836,147	0.68
147,200	Nisshin Seifun Group Com NPV	1,347,360	0.06	335,000	NSK Limited Com NPV	2,872,708	0.13
70,300	Nissin Food Products Com NPV	2,219,713	0.10	291,000	NTN Corporation Com NPV	2,377,406	0.11
78,700	QP Corporation Com NPV	731,904	0.03	110,000	Okuma Corporation Com NPV	1,636,026	0.08
68,000	Toyo Suisan Kaisha Com NPV	1,185,006	0.05	55,400	OSG Manufacturing Corporation Com NPV	689,184	0.03
77,300	Yakult Honsha Company Com NPV	1,770,534	0.08	42,300	SMC Corporation Com NPV	5,590,614	0.26
79,000	Yamazaki Company Limited Com NPV	590,208	0.03	92,000	THK Company Limited Com NPV	1,873,097	0.09
	<b>Food Retailers &amp; Wholesalers</b>			148,000	Yaskawa Electric Corporation Com NPV	1,804,115	0.08
30,600	Circle K Sunkus Company Com NPV	491,807	0.02	162,400	Yokogawa Electrical Com NPV	2,013,275	0.09
44,200	Familiymart Com NPV	1,132,502	0.05		<b>Industrial Suppliers</b>		
48,700	Lawson Incorporated Com NPV	1,613,320	0.07	1,143,000	Itochu Corporation Com NPV	12,345,563	0.57
622,340	Seven & I Holdings Company Limited Com NPV	16,482,627	0.76	1,218,000	Marubeni Corporation Com NPV	9,908,761	0.46
	<b>Footwear</b>			1,026,200	Mitsubishi Corporation Com NPV	28,772,376	1.33
124,000	Asics Corporation Com NPV	1,602,485	0.07	1,273,000	Mitsui & Company Com NPV	26,302,333	1.21
	<b>Gambling</b>			806,600	Sumitomo Corporation Com NPV	13,889,260	0.64
42,200	Sankyo Company Limited Com NPV	1,729,284	0.08		<b>Integrated Oil &amp; Gas</b>		
	<b>Gas Distribution</b>			21,400	Japan Petroleum Exploration Com NPV	1,364,327	0.06
1,533,000	Osaka Gas Company Com NPV	5,673,614	0.26	664,000	Nippon Mining Holdings Com NPV	5,986,110	0.28
1,712,000	Tokyo Gas Company Com NPV	8,448,121	0.39	134,200	Showa Shell Sekiyu Com NPV	1,626,632	0.07
	<b>Heavy Construction</b>				<b>Internet</b>		
82,000	Comsys Holdings Com NPV	917,517	0.04	157	Access Company Limited Com NPV	375,180	0.02
61,500	Daito Trust Construction Com NPV	2,896,864	0.13	1,032	Eaccess Limited Com NPV	534,185	0.02
763,000	Haseko Corporation Com NPV	2,053,712	0.09	11,658	Yahoo Japan Corporation Com NPV	4,314,611	0.20
697,000	Kajima Corporation Com NPV	2,892,266	0.13		<b>Investment Services</b>		
92,000	Kinden Corporation Com NPV	779,399	0.04	51,300	Benesse Corporation Com NPV	1,872,053	0.09
224,000	Nishimatsu Construction Com NPV	728,534	0.03	1,011,000	Daiwa Securities Group Com NPV	9,986,585	0.46
456,000	Obayashi Corporation Com NPV	2,344,615	0.11	79,400	Matsui Securities Company Limited Com NPV	660,325	0.03
121,000	Okumura Corporation Com NPV	676,427	0.03	200,000	Mitsubishi UFJ Securities Com NPV	1,927,274	0.09
462,000	Shimizu Corporation Com NPV	2,937,445	0.14	289,500	Nikko Cordial Corporation Com NPV	3,728,797	0.17
737,000	Taisei Corporation Com NPV	2,339,783	0.11	1,341,900	Nomura Holdings Com NPV	23,732,001	1.09
171,000	Toda Corporation Com NPV	927,913	0.04	1,179	SBI E-Trade Securities Com NPV	1,047,638	0.05
	<b>Home Construction</b>			7,177	SBI Holding Incorporated Com NPV	1,916,302	0.09
392,000	Daiwa House Industries Com NPV	5,191,045	0.24	387,000	Shinko Securities Com NPV	1,836,259	0.08
98,300	Leopalace21 Corporation Com NPV	3,035,966	0.14		<b>Life Insurance</b>		
345,000	Sekisui Chemical Com NPV	2,544,753	0.12	149,400	T&D Holdings Incorporated Com NPV	8,635,465	0.40
382,000	Sekisui House Com NPV	4,936,686	0.23				
	<b>Home Improvement Retailers</b>						
26,800	Nitori Company Limited Com NPV	1,389,535	0.06				
34,900	Shimachu Company Com NPV	945,400	0.04				

# iSHARES MSCI JAPAN

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>JAPAN (Continued)</b>				<b>Property &amp; Casualty Insurance</b>		
	<b>Marine Transportation</b>			562,000	Millea Holdings Incorporated Com NPV	21,672,259	1.00
407,000	Kawasaki Kisen Kai Com NPV	5,245,723	0.24	920,000	Mitsui Sumitomo Insurance Company Com NPV	10,333,779	0.48
823,000	Mitsui Osk Lines Com NPV	12,098,451	0.56	636,000	Sompo Japan Insurance Com NPV	7,099,892	0.33
841,000	Nippon Yusen KK Com NPV	8,278,316	0.38		<b>Publishing</b>		
	<b>Media Agencies</b>			472,000	Dai Nippon Printing Com NPV	6,881,594	0.32
26,000	Asatsu DK Com NPV	868,050	0.04	428,000	Toppan Printing Company Com NPV	4,283,138	0.20
1,442	Dentsu Incorporated Com NPV	4,005,728	0.18		<b>Real Estate Holding &amp; Development</b>		
19,020	Hakuhodo Dy Holdings Com NPV	1,319,249	0.06	40,900	Aeon Mall Company Limited Com NPV	1,224,371	0.06
	<b>Medical Equipment</b>			772	KK Davinci Advisors Com NPV	535,468	0.02
128,600	Terumo Corporation Com NPV	6,035,319	0.28	891,000	Mitsubishi Estate Com NPV	23,751,800	1.09
	<b>Mobile Telecommunications</b>			636,000	Mitsui Fudosan Company Com NPV	16,515,205	0.76
20,300	Hikari Tsushin Incorporated Com NPV	590,182	0.03	39,200	Nomura Real Estate Holdings Com NPV	1,105,845	0.05
1,866	KDDI Corporation Com NPV	14,375,516	0.66	864	NTT Urban Development Corporation Com NPV	1,542,924	0.07
12,174	NTT Docomo Com NPV	18,589,466	0.86	289,000	Sumitomo Realty & Development Com NPV	9,449,251	0.44
	<b>Nondurable Household Products</b>			214,000	Tokyo Tatemono Com NPV	2,819,117	0.13
61,700	Kokuyo Company Limited Com NPV	624,372	0.03	320,000	Tokyu Land Corporation Com NPV	2,945,607	0.14
	<b>Nonferrous Metals</b>				<b>Real Estate Investment Trusts</b>		
215,000	Dowa Holdings Com NPV	2,392,702	0.11	403	Japan Prime Realty Investment Com NPV	1,630,565	0.08
189,000	Dowa Holdings Incorporated Com NPV (Nil Paid Rights)	-	-	291	Japan Real Estate Investment Com NPV	3,213,389	0.15
448,000	Mitsui Mining & Sm Com NPV	1,816,503	0.08	260	Japan Retail Fund Real Estate Investment Trust Com NPV	2,108,441	0.10
411,000	Sumitomo Metal Mining Com NPV	8,137,385	0.37	349	Nippon Building Fund Incorporated Com NPV	4,456,024	0.21
14,700	Sumitomo Titanium Corporation Com NPV	1,150,231	0.05	183	Nomura Real Estate Office Fund Incorporated Com NPV	1,720,830	0.08
19,600	Toho Titanium Company Com NPV	683,121	0.03		<b>Recreational Products</b>		
	<b>Paper</b>			371,000	Fuji Photo Film Company Com NPV	16,099,124	0.74
687	Nippon Paper Group Com NPV	2,305,508	0.11	364,000	Konica Minolta Holdings Com NPV	5,690,100	0.26
634,000	Oji Paper Company Com NPV	3,155,916	0.15	235,000	Nikon Corporation Com NPV	7,318,725	0.34
	<b>Personal Products</b>			172,000	Olympus Corporation Com NPV	7,300,522	0.34
26,000	Aderans Company Com NPV	474,399	0.02	53,700	Shimano Incorporated Com NPV	1,718,734	0.08
394,000	Kao Corporation Com NPV	11,148,859	0.51	132,600	Yamaha Corporation Com NPV	2,796,937	0.13
27,880	Kose Corporation Com NPV	757,641	0.03		<b>Recreational Services</b>		
258,000	Shiseido Company Com NPV	5,375,232	0.25	37,900	Oriental Land Company Com NPV	2,135,073	0.10
30,600	Uni-Charm Corporation Com NPV	1,758,150	0.08	241	Round One Corporation Com NPV	563,439	0.03
	<b>Pharmaceuticals</b>				<b>Semiconductors</b>		
19,900	Alfresa Holdings Com NPV	1,320,200	0.06	122,300	Advantest Corporation Com NPV	4,494,655	0.21
406,314	Astellas Pharmaceutical Com NPV	18,753,223	0.86	172,000	Dainippon Screen Com NPV	1,200,431	0.06
211,500	Chugai Pharmaceutical Company Com NPV	3,795,195	0.17	73,100	Elpida Memory Incorporated Com NPV	2,812,630	0.13
529,509	Daiichi Sankyo Company Limited Com NPV	14,389,452	0.66	26,900	NEC Electronics Corporation Com NPV	737,972	0.03
191,000	Eisai Company Com NPV	7,925,721	0.37	76,600	Rohm Company Com NPV	6,799,931	0.31
252,000	Kyowa Hakko Kogyo Com NPV	2,441,410	0.11	80,000	Sanken Electric Company Com NPV	553,509	0.03
111,100	Mediceo Holdings Com NPV	1,703,185	0.08	48,300	Shinko Electric Industries Com NPV	1,066,713	0.05
109,000	Nippon Kayaku Company Com NPV	866,057	0.04	85,500	Sumco Corporation Com NPV	4,558,426	0.21
55,800	Santen Pharmaceutical Com NPV	1,367,140	0.06	129,400	Tokyo Electron Com NPV	9,243,256	0.43
230,000	Shionogi & Company Limited Com NPV	3,339,430	0.15	25,400	Tokyo Seimitsu Company Com NPV	760,367	0.04
49,900	Suzuken Company Com NPV	1,644,464	0.08				
112,000	Taisho Pharmaceutical Company Com NPV	2,178,838	0.10				
639,200	Takeda Pharmaceutical Company Limited Com NPV	43,508,501	2.00				
156,000	Tanabe Seiyaku Company Com NPV	1,884,139	0.09				



# iSHARES MSCI JAPAN

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>JAPAN (Continued)</b>						
	<b>Soft Drinks</b>						
43,400	Coca-Cola West Holding Com NPV	956,623	0.04	3,102,000	Sumitomo Metal Industries Com NPV	15,655,178	0.72
46,300	ITO EN Limited Com NPV	1,156,352	0.05	79,600	Tokyo Steel Manufacturing Com NPV	1,049,980	0.05
13,890	ITO EN Limited Pref NPV	243,653	0.01	158,600	Toyota Tsusho Corporation Com NPV	3,926,860	0.18
	<b>Software</b>				<b>Tobacco</b>		
24,800	Fuji Soft Incorporated Com NPV	512,410	0.02	3,411	Japan Tobacco Incorporated Com NPV	18,833,110	0.87
27,300	Oracle Corporation Japan Com NPV	1,194,073	0.05		<b>Toys</b>		
26,300	TIS Incorporated Com NPV	567,226	0.03	72,700	Konami Company Com NPV	1,821,969	0.08
74,000	Trend Micro Incorporated Com NPV	3,032,394	0.14	159,550	Namco Bandai Holding Incorporated Com NPV	2,306,913	0.11
	<b>Specialized Consumer Services</b>			75,000	Nintendo Corporation Com NPV	34,615,882	1.59
68,100	Park24 Company Limited Com NPV	648,599	0.03	144,400	Sega Sammy Holdings Incorporated Com NPV	2,190,012	0.10
5,032	Rakuten Incorporated Com NPV	1,862,337	0.09		<b>Transportation Services</b>		
	<b>Specialty Chemicals</b>			206,000	Kamigumi Company Com NPV	1,759,393	0.08
218,000	Daicel Chemical Industries Com NPV	1,536,522	0.07	87,000	Mitsubishi Logistics Com NPV	1,186,619	0.05
498,000	Dainippon Ink & Chemical Com NPV	2,045,016	0.09		<b>Travel &amp; Tourism</b>		
78,600	Hitachi Chemical Com NPV	1,596,886	0.07	1,192	Central Japan Railway Com NPV	13,265,582	0.61
133,200	JSR Corporation Com NPV	2,976,215	0.14	2,581	East Japan Railway Company Com NPV	20,462,744	0.94
239,000	Kaneka Corporation Com NPV	1,931,959	0.09	917,400	Hankyu Hanshin Holdings Com NPV	4,637,850	0.21
176,000	Kansai Paint Company Com NPV	1,355,890	0.06	311,000	Keihin Electric Express Railway Company Limited Com NPV	1,953,224	0.09
899,000	Mitsubishi Chemical Holdings Com NPV	8,383,893	0.39	426,000	Keio Corporation Com NPV	2,616,676	0.12
423,000	Mitsubishi Rayon Com NPV	2,693,129	0.12	224,000	Keisei Electric Railway Company Com NPV	1,227,106	0.06
89,000	Nippon Shokubai Company Com NPV	788,535	0.04	1,233,000	Kintetsu Corporation Com NPV	3,659,164	0.17
119,000	Nissan Chemical Industries Com NPV	1,487,564	0.07	485,000	Odakyu Electric Railway Com NPV	2,949,791	0.14
126,300	Nitto Denko Corporation Com NPV	5,872,898	0.27	605,000	Tobu Railway Company Com NPV	2,708,838	0.12
309,800	Shin-Etsu Chemical Com NPV	22,343,337	1.03	810,000	Tokyu Corporation Com NPV	5,045,249	0.23
165,000	Sumitomo Bakelite Com NPV	1,049,088	0.05	1,302	West Japan Railway Com NPV	6,267,662	0.29
206,000	Taiyo Nippon Sanso Com NPV	1,816,262	0.08		<b>Trucking</b>		
162,000	Tokuyama Corporation Com NPV	2,198,387	0.10	603,000	Nippon Express Company Com NPV	3,168,071	0.15
137,000	Zeon Corporation Com NPV	1,384,005	0.06	111,000	Seino Holdings Com NPV	1,095,492	0.05
	<b>Specialty Finance</b>				<b>Tyres</b>		
25,200	Jafoo Company Limited Com NPV	1,032,653	0.05	464,800	Bridgestone Com NPV	9,302,817	0.43
29,960	Mitsubishi UFJ Lease & Finance Company Limited Com NPV	1,178,602	0.05	125,000	Sumitomo Rubber Com NPV	1,384,635	0.06
68,640	Orix Corporation Com NPV	14,596,696	0.67		<b>JAPAN - TOTAL</b>	<b>2,166,544,379</b>	<b>99.79</b>
	<b>Specialty Retailers</b>				<b>TOTAL VALUE OF INVESTMENTS</b>		
22,400	Autobacs Seven Company Com NPV	589,397	0.03		<b>AT BID PRICES</b>	<b>2,166,544,379</b>	<b>99.79</b>
57,000	Edion Corporation Com NPV	602,873	0.03		<b>CASH*</b>	<b>1,156,876</b>	<b>0.05</b>
49,100	Hitachi High-Technologies Company Com NPV	1,145,801	0.05		<b>OTHER NET LIABILITIES</b>	<b>(586,663)</b>	<b>(0.03)</b>
18,800	Ryohin Keikaku Company Limited Com NPV	1,214,787	0.06		<b>TOTAL VALUE OF FUND AT BID</b>		
561,100	Softbank Corporation Com NPV	10,746,167	0.49		<b>MARKET PRICES</b>	<b>2,167,114,592</b>	<b>99.81</b>
19,310	USS Com NPV	1,294,386	0.06		Adjustment from bid market prices to last traded market prices	4,123,897	0.19
64,280	Yamada Denki Company Com NPV	6,438,259	0.30		<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>2,171,238,489</b>	<b>100.00</b>
	<b>Steel</b>						
260,000	Daido Steel Company Com NPV	2,173,489	0.10				
436,200	JFE Holdings Incorporated Com NPV	28,373,791	1.31				
2,006,000	Kobe Steel Limited Com NPV	7,285,735	0.34				
4,384,000	Nippon Steel Corporation Com NPV	30,672,682	1.41				
609,000	Nisshin Steel Company Com NPV	2,427,279	0.11				

\*All cash holdings are held with The Governor & Company of the Bank of Ireland.



# iSHARES MSCI JAPAN

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS USD	LARGEST PURCHASES	COST USD
Toyota Motor Corporation Com NPV	24,333,572	Toyota Motor Corporation Com NPV	15,876,948
Mitsubishi UFJ Financial Com NPV	12,931,212	Mitsubishi UFJ Financial Com NPV	8,608,009
Nikko Cordial Corporation Com NPV	10,005,267	Mizuho Financial Group Incorporated Com NPV	6,859,910
Takeda Pharmaceutical Company Limited Com NPV	7,739,261	Sumitomo Mitsui Financial Group Com NPV	5,403,886
Nippon Steel Corporation Com NPV	5,921,791	Canon Com NPV	5,170,151
NTT DoCoMo Com NPV	5,792,952	Millea Holdings Incorporated Com NPV	5,143,706
Mizuho Financial Group Incorporated Com NPV	5,615,259	Takeda Pharmaceutical Company Limited Com NPV	5,057,952
Canon Com NPV	5,422,370	Nikko Cordial Corporation Com NPV	5,057,191
Sumitomo Mitsui Financial Group Com NPV	5,315,293	Honda Motor Company Com NPV	4,882,030
Honda Motor Company Com NPV	5,137,446	Mitsui & Company Com NPV	4,803,066
Sony Corporation Com NPV	4,740,153	Sony Corporation Com NPV	4,576,207
Millea Holdings Incorporated Com NPV	4,496,758	Nippon Steel Corporation Com NPV	3,757,620
Nintendo Corporation Com NPV	4,174,768	JFE Holdings Incorporated Com NPV	3,736,941
Matsushita Electrical Industrial Com NPV	3,601,362	Matsushita Electrical Industrial Com NPV	3,605,856
JFE Holdings Incorporated Com NPV	3,331,622	Tokyo Electric Power Com NPV	3,545,484
Mitsubishi Corporation Com NPV	3,305,904	Shin-Etsu Chemical Com NPV	3,383,098
Mitsui & Company Com NPV	3,305,456	Resona Holdings Com NPV	3,277,227
T&D Holdings Incorporated Com NPV	3,289,005	Nomura Holdings Com NPV	3,103,415
Tokyo Electric Power Com NPV	3,244,669	Toshiba Corporation Com NPV	2,953,791
Komatsu Com NPV	3,062,601	Nintendo Corporation Com NPV	2,926,589

# iSHARES MSCI JAPAN

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Dividends	14,797	21,078	11,244
Securities lending income	555	397	-
Interest income	193	-	-
Other income	-	-	2
<b>Income</b>	<b>15,545</b>	<b>21,475</b>	<b>11,246</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Management fees	7,008	11,109	5,415
<b>Expenses</b>	<b>7,008</b>	<b>11,109</b>	<b>5,415</b>

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Cost at beginning of period	1,988,111	1,436,345	1,436,345
Cost at end of period	2,004,711	1,988,111	1,589,502
Fair value at beginning of period	2,310,398	1,684,547	1,684,547
<b>Fair value at end of period</b>	<b>2,166,544</b>	<b>2,310,398</b>	<b>1,777,358</b>

### 5. DEBTORS

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Dividends receivable	875	1,167	625
Securities lending income receivable	97	77	-
Subscriptions of units awaiting settlement	-	27,136	-
Sales of securities awaiting settlement	4,730	11,409	6,838
<b>Debtors</b>	<b>5,702</b>	<b>39,789</b>	<b>7,463</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Accrued expenses	1,381	1,162	1,027
Purchases of securities awaiting settlement	4,886	146,404	6,775
Redemptions awaiting settlement	-	6	-
Interest expense payable	22	63	84
<b>Creditors</b>	<b>6,289</b>	<b>147,635</b>	<b>7,886</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares '000s	28 February 2007 No. of Shares '000s	31 August 2006 No. of Shares '000s
Balance at beginning of period	157,200	121,200	121,200
Issued during the period	18,000	54,000	24,600
Redeemed during the period	(19,200)	(18,000)	(15,600)
<b>Balance at end of period</b>	<b>156,000</b>	<b>157,200</b>	<b>130,200</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund did not hold any open futures as at 31 August 2007. The fund did not hold any open futures at 28 February 2007 and 31 August 2006.

### 9. FINANCE COST – DIVIDENDS

Dividends will normally be declared semi annually with a view to being paid in January and July of each year. The Directors intend to maintain a dividend policy that enables the Company to qualify each financial year as a distributing fund under chapter V of part XVII of the Income and Corporation Taxes Act 1988, of the United Kingdom.

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
<b>Pay date</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
July 2006	-	6,059	6,059
January 2007	-	3,562	-
July 2007	8,548	-	-
	<b>8,548</b>	<b>9,621</b>	<b>6,059</b>
Equalisation income	(398)	(966)	-
Equalisation Expense	118	790	-
	<b>8,268</b>	<b>9,445</b>	<b>6,059</b>

# iSHARES MSCI JAPAN

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Company may invest in securities denominated in currencies other than its functional currency. Consequently, the Company is exposed to the risk that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Company's assets which are denominated in currencies other than the reporting currency.

The table below shows the Fund's net currency exposure at 31 August 2007 and comparatives for 31 August 2006:

	31 August 2007	28 February 2007	31 August 2006
	Net currency exposure	Net currency exposure	Net currency exposure
Currency	\$	\$	\$
JPY	2,168,099,735	2,291,471,075	11,261,337
GBP	97,914	78,435	30
EUR	-	333	6
	<b>2,168,197,649</b>	<b>2,291,549,843</b>	<b>11,261,373</b>

#### Fair Value and Cash Flow Interest Rate Risk

The Fund did not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

# iSHARES MSCI KOREA

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Operating income	2	402	1,513	102
Net gains/(losses) on financial assets at fair value through profit or loss		29,664	3,427	(1,965)
<b>Total investment income</b>		<b>30,066</b>	<b>4,940</b>	<b>(1,863)</b>
Operating expenses	3	(482)	(486)	(197)
<b>Net income</b>		<b>29,584</b>	<b>4,454</b>	<b>(2,060)</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	9	(44)	(710)	4
Interest expense		(10)	-	-
<b>Profit/(loss) before tax</b>		<b>29,530</b>	<b>3,744</b>	<b>(2,056)</b>
Non-reclaimable withholding tax		(60)	(227)	(15)
Adjustment from bid market prices to last traded market prices		650	(288)	-
<b>Increase/(decrease) in net assets attributable to Redeemable Participating Shareholders</b>		<b>30,120</b>	<b>3,229</b>	<b>(2,071)</b>

There are no recognised gains or losses arising in the period other than the increase in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		94,490	29,008	28,893*
Increase/(decrease) in net assets attributable to Redeemable Participating Shareholders from Operations		30,120	3,229	(2,071)
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		66,109	62,253	38,550
Payment on redemption of Redeemable Participating Shares		(3,593)	-	-
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>187,126</b>	<b>94,490</b>	<b>65,372</b>

# iSHARES MSCI KOREA

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	186,243	94,401	65,334
Debtors	5	440	1,195	101
Cash and bank balances		8,389	-	87
<b>Total current assets</b>		<b>195,072</b>	<b>95,596</b>	<b>65,522</b>
<b>Current liabilities</b>				
Creditors	6	(8,333)	(63)	(150)
Distributions to Redeemable Participating Shareholders payable	9	(90)	(766)	-
Bank overdraft		-	(104)	-
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(8,423)</b>	<b>(933)</b>	<b>(150)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>186,649</b>	<b>94,663</b>	<b>-</b>
Adjustment from bid market prices to last traded market prices		477	(173)	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>187,126</b>	<b>94,490</b>	<b>65,372</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>4,800,000</b>	<b>3,100,000</b>	<b>2,300,000</b>
<b>Net asset value per Redeemable Participating share</b>		<b>\$38.98</b>	<b>\$30.48</b>	<b>\$28.42</b>

The accompanying notes form an integral part of these financial statements.

\* The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by \$115,000 to account for assets as fair value in accordance with applicable accounting standards. (See Note 1(a))

# iSHARES MSCI KOREA

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>SOUTH KOREA</b>				<b>Consumer Electronics</b>		
	<b>Airlines</b>			36,279	LG Electronics Incorporated Com KRW5000.00	2,791,733	1.49
13,963	Korean Air Lines Com KSWN5000.00	945,005	0.50	6,690	LG Electronics Pref KRW5000.00	295,194	0.16
	<b>Auto Parts &amp; Equipment</b>				<b>Delivery Services</b>		
40,450	Hyundai Autonet Company Limited Ord KRW500.00	319,030	0.17	33,988	Asiana Airlines Ord KRW5000.00	326,024	0.17
21,920	Hyundai Mobis Com KRW5000.00	2,266,176	1.21		<b>Diversified Industrials</b>		
	<b>Automobiles</b>			17,410	Hanwha Corporation Com KRW5000.00	1,115,205	0.60
14,550	Hyundai Motor Company 2nd Pref KRW5000.00	575,332	0.31	8,770	Hysoung Corporation Com KRW5000.00	642,152	0.34
59,280	Hyundai Motor Company Com KRW5000.00	4,422,702	2.36		<b>Durable Household Products</b>		
74,090	Kia Motors Corporation Com KRW5000.00	998,922	0.53	17,310	Woongjin Coway Com KRW500.00	538,718	0.29
	<b>Banks</b>				<b>Electrical Components &amp; Equipment</b>		
48,660	Daegu Bank Com KRW5000.00	902,408	0.48	7,460	LS Cable Limited Com KRW5000.00	766,474	0.41
44,960	Hana Financial Holdings Group Com KRW5000.00	2,125,208	1.13	23,160	Samsung Electronics Mechanics Com KRW5000.00	1,286,050	0.69
129,800	Kookmin Bank Com KRW5000.00	10,444,871	5.58		<b>Electricity</b>		
97,980	Korea Exchange Bank Com KRW5000.00	1,550,763	0.83	99,010	Korea Electric Power Com KRW5000.00	4,410,997	2.36
48,430	Pusan Bank Com KSWN5000.00	895,561	0.48		<b>Electronic Equipment</b>		
125,140	Shinhan Financial Group Com KRW5000.00	7,615,767	4.07	41,470	LG Philips LCD Company Limited Com KRW5000.00	1,772,392	0.95
	<b>Brewers</b>			13,262	Samsung SDI Limited Com KRW5000.00	872,119	0.47
4,940	Hite Brewery Company Com KRW5000.00	639,712	0.34	20,840	Samsung Techwin Com KSW5000.00	1,508,165	0.81
	<b>Broadline Retailers</b>				<b>Exploration &amp; Production</b>		
5,718	Hyundai Department Store Com KRW5000.00	636,857	0.34	22,952	SK Energy Company Limited Com KRW5000.00	3,155,671	1.69
3,370	Lotte Shopping Centre Com KRW5000.00	1,257,128	0.67		<b>Fixed Line Telecommunications</b>		
5,458	Shinsegae Department Store Com KRW5000.00	3,606,672	1.93	52,960	KT Corporation Com KRW5001.00	2,503,358	1.34
	<b>Building Materials &amp; Fixtures</b>				<b>Food Products</b>		
2,035	KCC Corporation Com KRW5000.00	1,025,905	0.55	6,810	CJ Corporation Com KRW5000.00	900,016	0.48
	<b>Business Support Services</b>			275	Lotte Confect Com KRW5000.00	448,734	0.24
7,330	S1 Corporation Com KRW500.00	393,746	0.21	1,298	Nong Shim Company Com KRW5000.00	320,263	0.17
	<b>Clothing &amp; Accessories</b>			1,383	Orion Corporation Com KRW5000.00	374,401	0.20
17,420	Cheil Industries Com KRW5000.00	956,174	0.51		<b>Gambling</b>		
	<b>Commercial Vehicles &amp; Trucks</b>			41,460	Kangwon Land Incorporated Com KRW500.00	992,035	0.53
37,020	Daewoo Shipbuilding & Marine Engineering Com KRW5000.00	2,217,452	1.19		<b>Heavy Construction</b>		
4,640	Hyundai Mipo Dock Com KRW5000.00	1,364,924	0.73	10,730	Daelim Industrial Com KRW5000.00	1,789,763	0.96
66,810	Samsung Heavy Industries Com KRW5000.00	3,364,532	1.80	59,080	Daewoo Engineering Com KRW5000.00	1,687,550	0.90
	<b>Commodity Chemicals</b>			9,949	Hanjin Heavy Industries & Construction Com KRW5000.00	853,605	0.46
21,270	Hanwha Chemical Com KRW5000.00	556,545	0.30	17,090	Hyundai Engineering & Construction Com KRW5000.00	1,377,036	0.73
5,540	Honam Petrochem CP Com KRW5000.00	856,168	0.46	13,780	LG Construction Company Com KRW5000.00	2,166,320	1.16
16,160	LG Chemicals Com KRW5000.00	1,665,518	0.89	12,350	Samsung Engineering Company Limited Com KRW5000.00	1,401,839	0.75
10,540	LG Petrochemical Com KRW5000.00	511,132	0.27		<b>Home Construction</b>		
6,570	Samsung Fine Chemicals Com KRW5000.00	370,427	0.20	24,730	Hyundai Development Com KRW5000.00	2,206,129	1.18

# iSHARES MSCI KOREA

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>SOUTH KOREA (Continued)</b>				<b>Personal Products</b>		
	<b>Industrial Machinery</b>			1,248	AmorePacific Corporation Com KRW5000.00	867,249	0.46
12,090	Doosan Heavy Industries & Construction Company Limited Com KRW5000.00	1,140,384	0.61	4,220	LG Household & Health Care Com KRW5000.00	629,683	0.34
29,350	Doosan Infracore 'C' Com KRW5000.00	1,071,396	0.57	1,107	Pacific Corporation Com KRW5000.00	220,043	0.12
16,140	Hyundai Heavy Industries Com KRW5000.00	6,382,030	3.41		<b>Pharmaceuticals</b>		
	<b>Industrial Suppliers</b>			2,256	Hanmi Pharmaceuticals Company Limited Com KRW2500.00	367,885	0.20
18,380	Daewoo International Corporation Com KRW5000.00	779,669	0.42	2,992	Yuhan Corporation Com KRW5000.00	640,972	0.34
12,034	LG International Corporation Com KRW5000.00	400,171	0.21		<b>Property &amp; Casualty Insurance</b>		
51,240	Samsung Corporation Com KRW5000.00	3,517,033	1.88	13,800	Dongbu Insurance Company Limited Ord KRW500.00	573,621	0.31
	<b>Insurance</b>			14,144	Samsung Fire & Marine Insurance Com KRW500.00	2,758,702	1.47
27,790	Hyundai Fire & Marine Com KRW5000.00	568,684	0.30		<b>Reinsurance</b>		
	<b>Integrated Oil &amp; Gas</b>			28,270	Korean Reinsurance Company Com KRW500.00	382,658	0.20
17,390	Ssangyong Oil Corporation Com KRW2500.00	1,408,622	0.75		<b>Semiconductors</b>		
	<b>Internet</b>			42,627	Samsung Electronics Com KRW5000.00	26,759,715	14.30
3,888	Daum Communication Com KRW500.00	275,568	0.15	7,929	Samsung Electronics Pref KRW5000.00	3,680,340	1.97
5,520	NCsoft Corporation Com KRW500.00	455,955	0.24		<b>Soft Drinks</b>		
14,750	NHN Corporation Com KRW500.00	2,814,015	1.50	240	Lotte Chilsung Beverages Com KRW5000.00	358,369	0.19
	<b>Investment Services</b>				<b>Specialty Finance</b>		
44,010	Daewoo Securities Com KRW5000.00	1,362,633	0.73	3,681	Hanjin Heavy Industry Com KRW5000.00	166,739	0.09
15,790	Daishin Securities Com KRW5000.00	537,693	0.29	9,348	SK Holding Company Limited Com KRW5000.00	1,434,705	0.77
45,720	Hyundai Securities Com KRW5000.00	1,396,086	0.75		<b>Steel</b>		
15,390	Korea Investment Holdings Company Com KRW5000.00	982,532	0.52	14,400	Dongkuk Steel Mill Company Limited Com KRW5000.00	666,859	0.36
33,250	LG Investment & Securities Company Com KRW5000.00	933,800	0.50	19,650	Hyundai Steel Company Com KRW5000.00	1,566,555	0.84
7,863	Mirae Asset Securities Com KRW5000.00	703,124	0.38	28,594	Posco Com KRW5000.00	17,462,682	9.33
20,680	Samsung Securities Company Com KRW5000.00	1,763,283	0.94		<b>Textiles &amp; Apparel</b>		
26,901	Tong Yang Investment Bank Ord KRW5000.00	507,485	0.27	9,096	LG Fashion Corporation Com KRW5000.00	270,965	0.14
	<b>Marine Transportation</b>				<b>Tobacco</b>		
20,810	Hanjin Shipping Com KRW5000.00	1,164,428	0.62	42,670	Korea Tobacco & Ginseng Corporation Com KRW5000.00	3,215,313	1.72
15,460	Hyundai Merchant Marine Company Limited Com KRW5000.00	818,931	0.44		<b>Tyre</b>		
	<b>Media Agencies</b>			35,480	Hankook Tire Company Com KRW5000.00	777,100	0.41
1,433	Cheil Communications Com KRW5000.00	413,901	0.22		<b>SOUTH KOREA - TOTAL</b>	<b>186,243,034</b>	<b>99.53</b>
	<b>Mobile Telecommunications</b>						
30,350	KT Freetell Com KRW5000.00	989,832	0.53				
11,867	SK Telecom Com KRW500.00	2,605,491	1.39				
15,170	SK Telecom Company Limited Spon ADR Rep 01/9 KRW500.00	415,203	0.22				
	<b>Nonferrous Metals</b>						
4,000	Korea Zinc Com KRW5000.00	795,097	0.42				
9,300	Poongsan Com KRW5000.00	253,253	0.14				

# iSHARES MSCI KOREA

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>TOTAL VALUE OF INVESTMENTS AT BID PRICE</b>	<b>186,243,034</b>	<b>99.53</b>
	CASH*	8,389,331	4.48
	OTHER NET LIABILITIES	(7,983,181)	(4.27)
	<b>TOTAL VALUE OF FUND AT BID MARKET PRICE</b>	<b>186,649,184</b>	<b>99.74</b>
	Adjustment from bid market prices to last traded market prices	477,251	0.26
	<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>187,126,435</b>	<b>100.00</b>

\*All cash holdings are held with The Governor & Company of the Bank of Ireland.



# iSHARES MSCI KOREA

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS USD	LARGEST PURCHASES	COST USD
Samsung Electronics Com KRW5000.00	2,268,095	Samsung Electronics Com KRW5000.00	10,347,380
SK Corporation Com KRW5000.00	906,940	Posco Com KRW5000.00	5,482,285
Hyundai Heavy Industries Com KRW5000.00	615,970	Shinhan Financial Group Com KRW5000.00	4,593,699
Posco Com KRW5000.00	595,376	Kookmin Bank Com KRW5000.00	4,202,640
Kookmin Bank Com KRW5000.00	453,489	Hyundai Heavy Industries Com KRW5000.00	2,087,688
Samsung Electronics Pref KRW5000.00	291,673	Hyundai Motor Company Com KRW5000.00	1,740,323
KT Freetell Com KRW5000.00	200,333	Korea Electric Power Com KRW5000.00	1,657,173
Shinhan Financial Group Com KRW5000.00	189,044	Samsung Electronics Pref KRW5000.00	1,448,821
Hyundai Motor Company Com KRW5000.00	182,871	Shinsegae Department Store Com KRW5000.00	1,320,172
Korea Electric Power Com KRW5000.00	175,949	Hyundai Steel Company Com KRW5000.00	1,239,516
Shinsegae Department Store Com KRW5000.00	151,631	Doosan Heavy Industries & Construction Company Limited Com KRW5000.00	1,231,587
Korea Tobacco & Ginseng Corporation Com KRW5000.00	146,804	Korea Exchange Bank Com KRW5000.00	1,153,448
LG Chemicals Com KRW5000.00	125,181	Korea Tobacco & Ginseng Corporation Com KRW5000.00	1,151,426
LG Electronics Incorporated Com KRW5000.00	116,710	Samsung Heavy Industries Com KRW5000.00	1,148,614
Samsung Heavy Industries Com KRW5000.00	113,107	LG Electronics Incorporated Com KRW5000.00	1,057,329
Samsung Corporation Com KRW5000.00	111,280	Samsung Corporation Com KRW5000.00	1,048,065
Korea Zinc Com KRW5000.00	105,460	Hanwha Corporation Com KRW5000.00	1,044,541
Samsung Fire & Marine Insurance Com KRW500.00	104,761	Samsung Fire & Marine Insurance Com KRW500.00	1,022,969
Tong Yang Investment Bank Ord KRW5000.00	103,365	NHN Corporation Com KRW500.00	1,015,880
NHN Corporation Com KRW500.00	100,080	KT Corporation Com KRW5001.00	921,956

# iSHARES MSCI KOREA

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007	Year ended 28 February 2007	Six months ended 31 August 2006
	\$'000s	\$'000s	\$'000s
Dividends	397	1,510	98
Interest income	5	3	4
<b>Income</b>	<b>402</b>	<b>1,513</b>	<b>102</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007	Year ended 28 February 2007	Six months ended 31 August 2006
	\$'000s	\$'000s	\$'000s
Management fees	482	486	197
<b>Expenses</b>	<b>482</b>	<b>486</b>	<b>197</b>

Included in expenses are audit fees of \$7,578 (February 2007: \$14,450 August 2006: \$nil) and directors fees of \$2,960 (February 2007: \$5,966 August 2006: \$nil).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007	28 February 2007	31 August 2006
	\$'000s	\$'000s	\$'000s
Cost at beginning of the period	88,850	26,797	26,797
Cost at end of the period	152,509	88,850	65,079
Fair value at beginning of the period	94,401	28,823	28,823
<b>Fair value at end of the period</b>	<b>186,243</b>	<b>94,401</b>	<b>65,334</b>

### 5. DEBTORS

	31 August 2007	28 February 2007	31 August 2006
	\$'000s	\$'000s	\$'000s
Dividends receivable	-	1,193	-
Interest income receivable	3	2	2
Sales of securities awaiting settlement	437	-	99
<b>Debtors</b>	<b>440</b>	<b>1,195</b>	<b>101</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007	28 February 2007	31 August 2006
	\$'000s	\$'000s	\$'000s
Accrued expenses	127	63	48
Purchases awaiting settlement	8,206	-	102
<b>Creditors</b>	<b>8,333</b>	<b>63</b>	<b>150</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007	28 February 2007	31 August 2006
	No. of Shares '000s	No. of Shares '000s	No. of Shares '000s
Issued during the period	3,100	1,000	1,000
Redeemed during the period	1,800	2,100	1,300
Balance at beginning of period	(100)	-	-
<b>Balance at end of period</b>	<b>4,800</b>	<b>3,100</b>	<b>2,300</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The fund did not hold any open futures at 28 February 2007 and 31 August 2006.

### 9. FINANCE COST-DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year. The Directors intend to maintain a dividend policy that enables the Company to qualify each financial year as a distributing fund under chapter V of part XVII of the Income and Corporation Taxes Act 1988, of the United Kingdom.

	Six months ended 31 August 2007	Year ended 28 February 2007	Six months ended 31 August 2006
	\$'000s	\$'000s	\$'000s
<b>Pay date</b>			
August	-	15	-
March	2	766	15
September 2007	90*	-	-
	<b>92</b>	<b>781</b>	<b>15</b>
Equalisation income	(48)	(92)	(19)
Equalisation expense	-	21	-
	<b>44</b>	<b>710</b>	<b>(4)</b>

\* Outstanding at end of period

# iSHARES MSCI KOREA

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to the risk that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's currency exposure at 31 August 2007 and comparatives for 28 February 2007 and 31 August 2006:

Currency	31 August 2007 Net Currency exposure \$	28 February 2007 Net Currency exposure \$	31 August 2006 Net Currency exposure \$
CHF	(1)	-	(37)
EUR	-	-	(132)
GBP	1	-	37
KRW	185,916,725	95,617,277	65,268
	<b>185,916,725</b>	<b>95,617,277</b>	<b>65,136</b>

#### Fair value and cash flow interest rate risk

The Fund does not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

# iSHARES MSCI NORTH AMERICA

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended* 28 February 2007 \$'000s	Six months ended* 31 August 2006 \$'000s
Operating income	2	865	655	165
Net gains on financial assets at fair value through profit or loss		5,639	2,754	291
<b>Total investment income</b>		<b>6,504</b>	<b>3,409</b>	<b>456</b>
Operating expenses	3	(194)	(134)	(34)
<b>Net income</b>		<b>6,310</b>	<b>3,275</b>	<b>422</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	9	(489)	(347)	(87)
Interest expense		-	-	-
<b>Profit before tax</b>		<b>5,821</b>	<b>2,928</b>	<b>335</b>
Non-reclaimable withholding tax		(134)	(100)	(25)
Adjustment from bid market prices to last traded market prices		(12)	40	-
<b>Increase in Net Assets Attributable to Redeemable Participating Shareholders</b>		<b>5,675</b>	<b>2,868</b>	<b>310</b>

There are no recognised gains or losses arising in the period other than the increase in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended* 28 February 2007 \$'000s	Six months ended* 31 August 2006 \$'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		76,396	-	-
Increase in net assets attributable to Redeemable Participating Shareholders from Operations		5,675	2,868	310
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		131,438	73,528	35,014
Payment on redemption of Redeemable Participating Shares		(17,672)	-	-
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>195,837</b>	<b>76,396</b>	<b>35,324</b>

# iSHARES MSCI NORTH AMERICA

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	195,386	76,206	35,244
Debtors	5	17,722	213	62
Cash and bank balances		929	255	220
<b>Total current assets</b>		<b>214,037</b>	<b>76,674</b>	<b>35,526</b>
<b>Current liabilities</b>				
Creditors	6	(17,741)	(121)	(115)
Distributions to Redeemable Participating Shareholders payable	9	(487)	(197)	(87)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(18,228)</b>	<b>(318)</b>	<b>(202)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>195,809</b>	<b>76,356</b>	-
Adjustment from bid market prices to last traded market prices		28	40	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>195,837</b>	<b>76,396</b>	<b>35,324</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>6,800,000</b>	<b>2,800,000</b>	<b>1,200,000</b>
<b>Net asset value per Redeemable Participating share</b>		<b>\$28.80</b>	<b>\$27.28</b>	<b>\$29.44</b>

The accompanying notes form an integral part of these financial statements.

\*For the period commencing 25 May 2006

# iSHARES MSCI NORTH AMERICA

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>CANADA</b>				<b>Heavy Construction</b>		
	<b>Aerospace</b>			5,134	Snc-Lavalin Group Com NPV	199,905	0.10
9,700	Bombardier Incorporated Class 'B' Sub-Voting Com NPV	56,759	0.03		<b>Integrated Oil &amp; Gas</b>		
	<b>Aluminium</b>			10,173	Encana Corporation Com NPV	595,176	0.30
5,008	Alcan Incorporated Com NPV	491,355	0.25	6,800	Husky Energy Incorporated Com NPV	248,769	0.13
	<b>Asset Managers</b>			3,400	Imperial Oil Com NPV	148,490	0.08
5,032	CI Financial Income Fund Com NPV	120,300	0.06	6,773	Petro-Canada Com NPV	344,524	0.18
3,400	IGM Financial Incorporated Com NPV	165,910	0.08	6,773	Suncor Energy Incorporated Com NPV	605,687	0.31
	<b>Auto Parts &amp; Equipment</b>				<b>Life Insurance</b>		
3,400	Magna International Incorporated Class 'A' Sub-Voting Com NPV	304,758	0.16	3,569	Great-West Lifeco Com NPV	120,243	0.06
	<b>Banks</b>			20,343	Manulife Financial Corporation Com NPV	786,528	0.40
6,773	Bank of Montreal Com NPV	415,465	0.21	4,834	Power Corporation Canada Sub-Voting Com NPV	184,157	0.10
13,573	Bank of Nova Scotia Com NPV	669,765	0.34	3,400	Power Financial Corporation Com NPV	131,005	0.07
5,646	Canadian Imperial Bank Com NPV	510,347	0.26	6,773	Sun Life Financial Incorporated Com NPV	325,189	0.17
3,400	National Bank of Canada Com NPV	176,517	0.09		<b>Mobile Telecommunications</b>		
20,343	Royal Bank of Canada Com NPV (Canadian Line)	1,043,832	0.53	6,800	Rogers Communications Class 'B' Com NPV	307,650	0.16
	<b>Broadcasting &amp; Entertainment</b>				<b>Nonferrous Metals</b>		
6,800	Shaw Communication Class 'B' CNV Com NPV	157,489	0.08	4,080	Cameco Incorporated Com NPV	164,187	0.08
	<b>Drug Retailers</b>			6,800	Teck Cominco Limited Class 'B' Sub-Voting Com NPV	289,009	0.15
4,148	Shoppers Drug Mart Corporation Com NPV	207,822	0.11		<b>Publishing</b>		
	<b>Exploration &amp; Production</b>			3,400	Thomson Corporation Com NPV	143,412	0.07
6,773	Canadian Natural Resources Com NPV	462,076	0.24		<b>Railroads</b>		
1,939	Enerplus Res Fund Trust Units Series 'G' Com NPV	81,347	0.04	6,773	Canadian National Railways Com NPV	356,625	0.18
6,800	Nexen Incorporated Com NPV	189,823	0.10	3,400	Canadian Pacific Railway Com NPV	238,323	0.12
3,161	Penn West Energy Trust SBI Com NPV	90,391	0.05		<b>Real Estate Holding &amp; Development</b>		
13,573	Talisman Energy Incorporated Com NPV	232,493	0.12	10,169	Brookfield Asset Management Incorporated Class 'A' Com NPV	344,238	0.18
1,938	Western Oil Sands Incorporated Class 'A' Com NPV	68,408	0.03	2,822	Brookfield Properties Corporation Com NPV	64,424	0.03
	<b>Fixed Line Telecommunications</b>				<b>Specialty Chemicals</b>		
5,340	BCE Incorporated Com NPV (Canadian Line)	203,888	0.10	6,151	Potash Corporation Sask Com NPV	543,842	0.28
87	Bell Aliant Regional Communications Income Fund Com NPV	2,587	-		<b>Specialty Retailers</b>		
3,400	Telus Corporation Non-Voting Shares Com NPV	175,681	0.09	3,400	Canadian Tire Corporation Class 'A' Non-Voting Com NPV	248,704	0.13
	<b>Food Retailers &amp; Wholesalers</b>				<b>Telecommunications Equipment</b>		
3,400	Loblaw Companies Com NPV	144,890	0.07	5,756	Nortel Networks Corporation Com NPV	100,391	0.05
	<b>Gas Distribution</b>			8,774	Research In Motion Com NPV	747,720	0.38
6,773	Enbridge Incorporated Com NPV	227,677	0.12		<b>CANADA - TOTAL</b>	<b>14,126,370</b>	<b>7.22</b>
	<b>Gold Mining</b>				<b>UNITED STATES</b>		
13,573	Barrick Gold Corporation Com NPV	440,351	0.22		<b>Aerospace</b>		
10,542	Goldcorp Incorporated Com NPV	248,241	0.13	10,173	Boeing Company Com USD5.00	983,729	0.50
				4,325	Lockheed Martin Corporation Com USD1.00	428,781	0.22
				3,400	Rockwell Collins Incorporated Com USD0.01	234,158	0.12

# iSHARES MSCI NORTH AMERICA

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (Continued)</b>			16,369	The Bank of New York Mellon Corporation Com USD 0.01	661,799	0.34
6,800	Textron Com USD0.125	396,712	0.20	23,728	US Bancorp Com USD 0.01	767,601	0.39
13,573	United Technologies Com USD1.00	1,012,953	0.52	25,553	Wachovia Corporation Com USD 3.333333	1,251,586	0.64
	<b>Aluminium</b>			13,573	Washington Mutual Com NPV	498,401	0.25
10,173	Alcoa Com USD1.00	371,620	0.19	40,671	Wells Fargo & Company Com USD 1.667	1,486,118	0.76
	<b>Apparel Retailers</b>			3,400	Zions Bancorp Com NPV	239,802	0.12
3,400	Abercrombie & Fitch Company Class 'A' Com USD0.01	267,580	0.14		<b>Biotechnology</b>		
3,400	Chicos Fas Incorporated Com USD0.02	54,332	0.03	14,529	Amgen Incorporated Com USD 0.0001	726,450	0.37
3,400	Kohls Corporation Com USD0.01	201,620	0.10	4,356	Biogen Idec Incorporated Com NPV	277,695	0.14
3,400	Limited Brands Incorporated Com USD0.50	78,744	0.04	4,556	Celgene Corporation Com USD 0.01	292,131	0.15
3,400	Ross Stores Incorporated Com USD0.01	94,452	0.05	6,773	Genentech Incorporated Com USD 0.02	506,688	0.26
9,695	The Gap Incorporated Com USD0.05	181,878	0.09	3,400	Genzyme Corporation Com USD 0.01	212,058	0.11
6,773	TJX Companies Com USD 1.00	206,509	0.11	13,546	Gilead Sciences Com USD 0.001	491,991	0.25
	<b>Asset Managers</b>				<b>Brewers</b>		
2,375	Franklin Resources Com USD0.10	312,954	0.16	10,173	Anheuser Busch Com USD 1.00	502,343	0.26
3,365	Price T Rowe Group Com USD0.20	172,423	0.09		<b>Broadcasting &amp; Entertainment</b>		
5,306	State Street Corporation Com USD1.00	325,576	0.17	10,173	CBS Corporation Class 'B' Com USD 0.001	320,551	0.16
	<b>Auto Parts &amp; Equipment</b>			3	Citadel Broadcasting Company Com USD 0.01	12	-
3,400	Genuine Parts Company Com USD1.00	168,912	0.09	6,773	Clear Channel Communications Com USD 0.10	252,362	0.13
3,400	Johnson Controls Com USD0.167	384,540	0.20	25,416	Comcast Corporation Class 'A' Com USD 0.01	661,833	0.34
	<b>Banks</b>			10,173	Directv Group Incorporated Com USD 0.01	237,336	0.12
59,080	Bank of America Corporation Com USD 0.01	2,994,174	1.53	3,400	Echostar Communications Class 'A' Com USD 0.01	143,718	0.07
6,773	BB&T Corporation Com USD 5.00	269,091	0.14	6,767	Liberty Media International Class 'A' Com USD 0.01	276,838	0.14
66,496	Citigroup Com USD 0.01	3,117,332	1.59	6,768	Liberty Media International Class 'C' Com USD 0.01	266,998	0.14
3,400	Comerica Com USD 5.00	189,652	0.10	8,911	Liberty Media-Interactive Series 'A' Com USD 0.01	168,863	0.09
3,400	Commerce Bancorp Incorporated Com USD 1.00	124,882	0.06	23,660	News Corporation Limited Class 'A' Com USD 0.01	478,642	0.24
2,800	Compass Bancshares Com USD 2.00 (Assented Line)	182,700	0.09	7,249	News Corporation Limited Class 'B' Com USD 0.01	157,593	0.08
300	Compass Bancshares Com USD 2.00	19,575	0.01	30,515	Sirius Satellite Radio Incorporated Com USD 0.001	90,324	0.05
6,773	Fifth Third Bancorp Com NPV	241,525	0.12	57,141	Time Warner Com USD 0.01	1,084,536	0.55
10,173	Hudson City Bancorp Incorporated Com USD 0.01	144,660	0.07	10,173	Viacom Incorporated Class 'B' Com USD 0.001	401,427	0.20
46,081	JP Morgan Chase & Company Com USD 1.00	2,051,526	1.05	27,122	Walt Disney Productions Com USD 0.01	911,299	0.47
6,773	Keycorp Com USD 1.00	225,541	0.12		<b>Broadline Retailers</b>		
3,400	Marshall & Ilsley Corporation Com USD 1.00	148,614	0.08	3,400	Amazon Ord USD 0.10	271,286	0.14
6,773	National City Corporation Com USD 4.00	182,261	0.09	6,773	Costco Wholesale Com USD 0.005	417,759	0.21
6,773	New York Community Bancorp Com USD 0.01	119,814	0.06	6,773	IAC Interactive Corporation Com USD 0.01 (New)	188,289	0.10
3,400	Northern Trust Corporation Com USD 1.666	208,726	0.11	6,773	Macys Incorporated Com USD 0.01	214,840	0.11
4,624	PNC Financial Services Group Com USD 5.00	325,391	0.17	3,400	Penney (JC) Com USD 0.50	233,784	0.12
12,181	Regions Financial Corporation Com USD 0.625	381,265	0.19	819	Sears Holding Corporation Ord USD 0.01	117,330	0.06
7,113	Sovereign Bancorp Com USD 1.00	128,603	0.07				
4,596	Suntrust Banks Com USD 1.00	361,935	0.18				
6,773	Synovus Financial Com USD 1.00	187,070	0.10				

# iSHARES MSCI NORTH AMERICA

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (Continued)</b>			47,467	Sun Microsystems Com USD 0.00067	253,474	0.13
10,173	Target Corporation Com USD 0.167	670,706	0.34		<b>Computer Services</b>		
32,932	Wal-Mart Stores Incorporated Com USD 0.10	1,436,823	0.73	2,278	Cognizant Technology Com USD 0.01	167,387	0.09
	<b>Building Materials &amp; Fixtures</b>			3,400	Computer Sciences Com USD 1.00	190,230	0.10
3,400	American Standard Companies Incorporated Com USD 0.01	125,222	0.06	6,773	Electronic Data Systems Corporation Com USD 0.10	155,034	0.08
3,400	Fortune Brands Com USD 3.125	282,506	0.14	20,343	IBM Corporation Com USD 0.20	2,373,825	1.21
3,400	Masco Corporation Com USD 1.00	88,468	0.05	6,773	Verisign Com USD 0.001	217,820	0.11
3,400	Sherwin-Williams Com USD 1.00	234,634	0.12		<b>Consumer Electronics</b>		
2,660	Vulcan Materials Com USD 1.00	239,427	0.12	1,666	Harman International Industries Com USD 0.01	188,908	0.10
	<b>Business Support Services</b>				<b>Consumer Finance</b>		
6,773	Accenture Com USD 0.00002	279,115	0.14	13,573	American Express Com USD 0.20	795,649	0.41
3,400	Donnelley (R.R.) & Sons Com USD 1.25	121,788	0.06	5,819	Capital One Financial Com USD 0.01	376,257	0.19
6,773	IMS Health Com USD 0.01	202,784	0.10	6,777	Discover Financial Services Com USD 0.01	156,820	0.08
	<b>Business Training &amp; Employment Agencies</b>			892	Mastercard Incorporated Class 'A' Com USD 0.0001	122,195	0.06
3,400	Manpower Com USD 0.01	238,884	0.12	6,773	SLM Corporation Com USD 0.20	340,546	0.17
2,856	Monster Worldwide Com USD 0.001	97,532	0.05		<b>Containers &amp; Packaging</b>		
3,400	Robert Half International Com USD 0.001	108,596	0.06	3,400	Meadwestvaco Corporation Com USD 5.00	107,406	0.05
	<b>Clothing &amp; Accessories</b>			3,400	Temple Inland Com USD 1.00	187,272	0.10
6,773	Coach Incorporated Com USD 0.01	301,602	0.15		<b>Defence</b>		
1,261	Hanesbrands Incorporated Com USD 0.01	37,780	0.02	4,593	General Dynamics Corporation Com USD 1.00	360,826	0.18
	<b>Coal</b>			3,400	L-3 Communications Com USD 0.01	334,934	0.17
3,230	Consol Energy Incorporated Com USD 0.01	128,812	0.07	3,400	Northrop Grumman Corporation Com USD 1.00	268,056	0.14
3,332	Peabody Energy Corporation Com USD 0.01	141,643	0.07	6,773	Raytheon Company Com USD 0.01	415,456	0.21
	<b>Commercial Vehicles &amp; Trucks</b>				<b>Delivery Services</b>		
10,173	Caterpillar Com USD 1.00	770,808	0.39	2,883	Expeditors International of Washington Com USD 0.01	127,313	0.07
3,400	Deere & Company Com USD 1.00	462,604	0.24	3,400	Fedex Corporation Com USD 0.10	372,912	0.19
5,100	Paccar Com USD 1.00	435,642	0.22	8,745	United Parcel Service Com USD 0.01	663,396	0.34
	<b>Commodity Chemicals</b>				<b>Diversified Industrials</b>		
3,400	Air Products & Chemicals Com USD 1.00	306,034	0.16	10,173	3M Company Com USD 0.01	925,641	0.47
13,573	Dow Chemical Company Com USD 2.50	578,617	0.30	3,400	Dover Corporation Com USD 1.00	167,960	0.09
12,246	Du Pont Nemours Com USD 0.30	596,993	0.30	3,400	Eaton Corporation Com USD 0.50	320,348	0.16
5,821	Lyondell Chemical Company Com USD 1.00	269,862	0.14	138,274	General Electric Company Com USD 0.06	5,374,710	2.74
3,400	Praxair Com USD 0.01	257,244	0.13	3,468	Harsco Corporation Com USD 1.25	192,994	0.10
	<b>Communication</b>			10,173	Honeywell International Com USD 1.00	571,214	0.29
15,249	Comcast Corporation Class 'A' Special Com USD 1.00	394,339	0.20	3,400	ITT Corporation Com USD 1.00	231,166	0.12
	<b>Computer Hardware</b>			3,400	Rockwell Automation Incorporated Com USD 1.00	239,564	0.12
11,156	Apple Computer Com NPV	1,543,209	0.79	6,776	Tyco International Limited Com USD 0.20	299,228	0.15
30,515	Dell Incorporated Com USD 0.01	861,438	0.44		<b>Drug Retailers</b>		
30,515	EMC Corporation (Mass) Com USD 0.01	599,925	0.31	3,400	Amerisource Bergen Corporation Class 'A' Com USD 0.01	162,690	0.08
37,295	Hewlett-Packard Com USD 0.01	1,839,016	0.94	6,773	Cardinal Health Com NPV	463,138	0.24
3,400	Lexmark International Class 'A' Com USD 1.00	126,684	0.06	3,400	McKesson Corporation Com USD 0.01	194,514	0.10
4,834	Network Appliance Com NPV	134,482	0.07	3,400	Omnicare Com USD 1.00	110,942	0.06
6,773	Seagate Technology Com USD 0.00001	174,879	0.09				



# iSHARES MSCI NORTH AMERICA

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (Continued)</b>						
13,573	Walgreen Company Com USD 0.078	611,735	0.31	3,196	Newfield Exploration Company Com USD 0.01	138,994	0.07
	<b>Durable Household Products</b>			3,196	Noble Energy Incorporated Com USD 3.3333	191,984	0.10
6,773	Newell Rubbermaid Com USD 1.00	174,676	0.09	13,573	Occidental Petroleum Com USD 0.20	769,453	0.39
3,400	Stanley Works Com USD 2.50	192,916	0.10	1,639	Pioneer Natural Resources Com USD 0.01	67,281	0.03
	<b>Electrical Components &amp; Equipment</b>			1,967	Range Resources Corporation Com USD 0.01	71,422	0.04
10,785	Emerson Electric Company Com USD 1.00	530,946	0.27	2,273	Southwestern Energy Company Com USD 0.10	84,533	0.04
13,573	Flextronics International Com USD 0.01	154,325	0.08	3,400	Sunoco Com USD 1.00	248,676	0.13
3,400	Jabil Circuit Incorporation Com USD 0.001	75,480	0.04	3,400	Ultra Petroleum Corporation Com NPV	181,560	0.09
6,776	Tyco Electronics Limited Com USD 0.20	236,279	0.12	7,756	Valero Energy Corporation Com USD 0.01	531,364	0.27
	<b>Electricity</b>			4,630	XTO Energy Incorporated Com USD 0.01	251,687	0.13
10,173	AES Corporation Com USD 0.01	184,233	0.09		<b>Financial Administration</b>		
3,400	Ameren Corporation Com USD 0.01	172,652	0.09	6,773	Automatic Data Processing Com USD 0.10	309,797	0.16
6,773	American Electric Power Company Com USD 6.50	301,263	0.15	1,698	Broadridge Financial Solutions Incorporated Com USD 0.01	30,853	0.02
3,400	Consolidated Edison Com USD 0.10	156,196	0.08	1,833	Fidelity National Info Com USD 0.01	86,884	0.04
3,400	Constellation Energy Com NPV	281,996	0.14	10,173	First Data Corporation Com USD 0.01	337,947	0.17
4,662	Dominion Resources New Com NPV	397,109	0.20	3,400	Fiserv Incorporated Com USD 0.01	158,100	0.08
3,400	DTE Energy Company Com NPV	162,554	0.08	3,400	Paychex Com USD 0.01	150,824	0.08
3,400	Edison International Com NPV	179,214	0.09	10,173	Western Union Company Com USD 0.01	191,558	0.10
3,400	Entergy Corporation Com USD 0.01	352,308	0.18		<b>Fixed Line Telecommunications</b>		
10,173	Exelon Corporation Com NPV	718,926	0.37	81,802	AT&T Incorporated Com USD 1.00	3,261,446	1.67
3,400	Firstenergy Corporation Com USD 0.10	208,896	0.11	6,773	Leucadia National Corporation Com USD 1.00	300,586	0.15
5,136	FPL Group Com USD 0.01	302,202	0.15	20,343	Qwest Communications International Com USD 0.01	182,070	0.09
3,407	Mirant Corporation Com USD 0.02	132,771	0.07	38,732	Verizon Communications Com USD 0.10	1,622,096	0.83
4,760	PG&E Corporation Com NPV	211,820	0.11		<b>Food Products</b>		
6,773	PP&L Corporation Com USD 0.01	326,865	0.17	6,773	Archer Daniels Midland Company Com NPV	228,250	0.12
3,400	Progress Energy Incorporated Com NPV	155,992	0.08	3,400	Bunge Limited Com USD 0.01	310,896	0.16
3,400	Public Service Enterprises Com NPV	288,966	0.15	3,400	Campbell Soup Company Com USD 0.0375	128,350	0.07
10,173	Southern Company Com USD 5.00	361,040	0.18	6,773	Conagra Foods Com USD 5.00	174,134	0.09
6,773	TXU Corporation Com NPV	456,500	0.23	3,400	Dean Foods Company Com USD 1.00	91,324	0.05
6,773	Xcel Energy Com USD 2.50	139,592	0.07	4,356	General Mills Com USD 0.10	243,413	0.12
	<b>Electronic Equipment</b>			3,400	Heinz (HJ) Company Com USD 0.25	153,306	0.08
4,834	Agilent Technologies Com USD 0.01	175,668	0.09	3,400	Hershey Company Com USD 1.00	158,100	0.08
3,400	Danaher Corporation Com USD 0.01	264,044	0.13	3,400	Kellogg Company Com USD 0.25	186,762	0.10
10,173	Transcanada Corporation Com NPV	353,317	0.18	22,161	Kraft Foods Incorporated Class 'A' Com NPV	710,482	0.36
	<b>Electronic Office Equipment</b>			10,173	Sara Lee Corporation Com USD 0.01	169,075	0.09
2,967	Pitney Bowes Com USD 1.00	132,536	0.07	3,400	Wrigley (Will) Junior Com NPV	198,050	0.10
10,173	Xerox Corporation Com USD 1.00	174,263	0.09		<b>Food Retailers &amp; Wholesalers</b>		
	<b>Equity Investment Instruments</b>			10,173	Kroger Company Com USD 1.00	270,398	0.14
3,400	Allied Capital Corporation Com USD 0.0001	101,388	0.05	6,773	Safeway Com USD 0.01	214,907	0.11
	<b>Exploration &amp; Production</b>						
6,773	Anadarko Petroleum Com USD 0.10	331,742	0.17				
4,356	Apache Corporation Com USD 1.25	337,067	0.17				
4,590	Chesapeake Energy Corporation Com USD 0.01	147,890	0.08				
6,773	Devon Energy Com USD 0.10 (New)	510,075	0.26				
3,400	EOG Resources Com USD 0.01	229,024	0.12				

# iSHARES MSCI NORTH AMERICA

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (Continued)</b>						
8,234	Sysco Corporation Com USD 3.3333	274,851	0.14	6,773	Dr Horton Incorporated Com USD 0.01	102,340	0.05
3,400	Whole Foods Market Com NPV	150,246	0.08	3,400	Lennar Corporation Class 'A' Com USD 0.10	96,118	0.05
	<b>Footwear</b>			3,400	Pulte Homes Incorporated Com USD 0.01	56,576	0.03
6,800	Nike Class 'B' Com NPV	383,112	0.20		<b>Home Improvement Retailers</b>		
	<b>Forestry</b>			27,122	Home Depot Com USD 0.05	1,039,586	0.53
3,400	Weyerhaeuser Company Com USD 1.25	231,778	0.12	20,343	Lowe's Company Com USD 0.50	631,854	0.32
	<b>Full Line Insurance</b>				<b>Hotels</b>		
29,495	American International Group Com USD 2.50	1,946,670	0.99	3,400	Hilton Hotel Corporation Com USD 2.50	156,230	0.08
4,282	Hartford Financial Services Com USD 0.01	380,713	0.19	6,773	Marriott International Class 'A' Com USD 0.01	300,857	0.15
	<b>Furnishings</b>			3,400	Starwood Hotels & Resorts Com USD 0.01	207,808	0.11
6,773	Leggett & Platt Com USD 0.01	138,169	0.07	2,720	Wyndham Worldwide Corporation Com USD 0.01	86,768	0.04
	<b>Gambling</b>				<b>Industrial Machinery</b>		
3,400	Harrah's Entertainment Com USD 0.10	291,618	0.15	6,773	Illinois Tool Works Com NPV	393,985	0.20
3,400	International Game Technology Com USD 0.01	129,778	0.07	3,400	Ingersoll Rand Company Class 'A' Com USD 2.00	176,562	0.09
3,400	Las Vegas Sands Corporation Com USD 0.001	338,980	0.17	3,400	Parker Hannifin Corporation Com USD 0.50	365,398	0.19
	<b>Gas Distribution</b>				<b>Industrial Suppliers</b>		
3,644	Nisource Com NPV	68,653	0.04	3,400	Fastenal Com USD 0.01	154,564	0.08
6,800	Questar Corporation Com NPV	339,796	0.17	3,400	Grainger (WW) Com USD 0.50	311,474	0.16
8,473	Spectra Energy Corporation Com USD 0.001	196,997	0.10		<b>Insurance Brokers</b>		
	<b>Gold Mining</b>			3,400	Aon Corporation Com USD 1.00	147,288	0.08
6,773	Newmont Mining Com USD 1.60	286,227	0.15	6,773	Marsh & McLennan Com USD 1.00	180,500	0.09
	<b>Health Care Providers</b>				<b>Integrated Oil &amp; Gas</b>		
6,773	Aetna Incorporated Com USD 0.01	344,813	0.18	28,098	Chevron Corporation Com USD 0.75	2,465,880	1.26
2,933	Cigna Corporation Com USD 0.25	151,577	0.08	77,969	Exxon Mobil Corporation Com NPV	6,684,282	3.41
2,652	Coventry Health Care Com USD 0.01	152,145	0.08	3,400	Hess Corporation Com USD 1.00	208,658	0.11
21,480	CVS Caremark Corporation Com USD 0.01	810,655	0.41	9,386	Marathon Oil Company Com USD 1.00	505,812	0.26
2,686	Davita Incorporated Com USD 0.001	154,499	0.08		<b>Internet</b>		
6,800	Express Scripts Incorporated Class 'A' Com USD 0.01	371,756	0.19	3,400	Google Incorporated Com USD 0.001	1,749,606	0.89
3,400	Health Net Incorporated Com USD 0.001	186,286	0.10	16,946	Yahoo! Com USD 0.00017	384,674	0.20
3,400	Laboratory Corporation of America Holdings Com USD 0.01	264,044	0.13		<b>Investment Services</b>		
3,400	Medco Health Solutions Com USD 0.01	290,530	0.15	3,400	Ameriprise Financial Com USD 0.01	207,434	0.11
3,400	Quest Diagnostics Com USD 0.01	186,150	0.10	584	CME Group Incorporated Com USD 0.01	324,003	0.17
16,946	Unitedhealth Group Com USD 0.01	847,469	0.43	5,753	E-Trade Group Com USD 0.01	89,517	0.05
7,756	Wellpoint Incorporated Com USD 0.01	625,056	0.32	5,480	Goldman Sachs Group Com USD 0.01	964,535	0.49
	<b>Heavy Construction</b>			1,743	Legg Mason Com USD 0.10	151,327	0.08
1,570	Jacobs Engineering Group Com USD 1.00	103,761	0.05	6,773	Lehman Brothers Holdings Com USD 0.10	371,364	0.19
	<b>Holding and other Investment offices</b>			10,651	Merrill Lynch & Company Com USD 1.333	784,979	0.40
3,130	Canadian Oil Sands Trust Com NPV	89,948	0.05	13,573	Morgan Stanley Com USD 0.01	846,548	0.43
	<b>Home Construction</b>			1,220	NYSE Euronext Incorporated Com USD 0.01	88,755	0.05
3,400	Centex Corporation Com USD 0.25	98,294	0.05	13,573	Schwab (Charles) Corporation Com USD 0.01	268,745	0.14
					<b>Life Insurance</b>		
				6,773	Aflac Com USD 0.10	361,069	0.18

# iSHARES MSCI NORTH AMERICA

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (Continued)</b>			42,129	Procter & Gamble Company Com USD 1.00	2,751,445	1.40
5,515	Genworth Financial Incorporated Class 'A' Com USD 0.001	159,825	0.08		<b>Nonferrous Metals</b>		
3,400	Lincoln National Corporation Com USD 1.25	206,992	0.11	5,678	Freeport-McMoran Copper & Gold Class 'B' Com USD 0.10	496,371	0.25
10,173	Metlife Com USD 0.01	651,581	0.33		<b>Oil Equipment &amp; Services</b>		
3,400	Principal Financial Group Com USD 0.01	188,666	0.10	3,878	Baker Hughes Com USD 1.00	324,627	0.17
5,719	Prudential Financing Incorporated Com USD 0.01	513,452	0.26	3,400	BJ Services Com USD 0.10	84,354	0.04
6,773	Unum Group Com USD 0.10	165,735	0.08	1,467	Cameron International Corporation Com USD 0.01	119,957	0.06
	<b>Media Agencies</b>			3,400	Ensco International Incorporated Com USD 0.10	184,348	0.09
6,800	Omnicom Group Com USD 0.15	346,324	0.18	3,400	GlobalSantaFe Corporation Com USD 0.01	240,006	0.12
	<b>Medical Equipment</b>			13,573	Halliburton Com USD 2.50	469,490	0.24
3,400	Applera Corporation Applied Biosystems Group Com USD 0.01	107,474	0.05	2,244	National Oilwell Varco Com USD 0.01	287,232	0.15
16,946	Boston Scientific Com USD 0.10	217,417	0.11	4,080	Nabors Industries Com USD 0.001	120,727	0.06
6,776	Covidien Limited Com USD 0.20	269,888	0.14	6,800	Noble Corporation Com USD 0.10	333,608	0.17
16,946	Medtronic Com USD 0.10	895,427	0.46	3,400	Patterson Energy Com USD 0.01	72,998	0.04
6,773	St Jude Medical Com USD 0.10	295,100	0.15	15,656	Schlumberger Com USD 0.01	1,510,804	0.77
3,400	Stryker Corporation Com USD 0.10	227,120	0.12	3,400	Smith International Incorporated Com USD 1.00	227,834	0.12
7,185	Thermo Electron Company Com USD 1.00	389,643	0.20	3,878	Transocean Incorporated Com USD 0.01	407,539	0.21
3,400	Varian Medical Systems Incorporated Com USD 1.00	137,326	0.07	4,356	Weatherford International Bermuda Com USD 1.00	254,303	0.13
3,400	Zimmer Holdings Incorporated Com USD 0.01	266,322	0.14		<b>Paper</b>		
	<b>Medical Supplies</b>			6,773	International Paper Company Com USD 1.00	237,800	0.12
3,400	Bard (CR) Com USD 0.25	283,526	0.14		<b>Personal Products</b>		
10,173	Baxter International Com USD 1.00	557,073	0.28	6,773	Avon Products Com USD 0.25	232,653	0.12
3,400	Becton Dickinson Com USD 1.00	261,596	0.13	3,400	Estee Lauder Companies Class 'A' Com USD 0.01	141,406	0.07
	<b>Mobile Telecommunications</b>			6,773	Kimberly Clark Corporation Com USD 1.25	465,237	0.24
5,143	Alltel Corporation Com USD 1.00	351,061	0.18		<b>Pharmaceuticals</b>		
3,400	NII Holdings Incorporated Com USD 0.001	269,212	0.14	20,343	Abbott Laboratories Com NPV	1,056,005	0.54
37,295	Sprint Nextel Corporation Group Com USD 2.50	705,621	0.36	25,664	Bristol Myers Squibb Com USD 0.10	748,106	0.38
	<b>Mortgage Finance</b>			13,573	Eli Lilly & Company Com NPV	778,412	0.40
8,234	Countrywide Financial Corporation Com USD 0.05	163,445	0.08	3,400	Hospira Incorporated Com USD 0.01	131,410	0.07
13,573	Fannie Mae Com NPV	890,525	0.45	39,234	Johnson & Johnson Com USD 1.00	2,424,269	1.24
3,572	Fidelity National Financial Com USD 0.0001	64,975	0.03	28,576	Merck & Company Com USD 0.01	1,433,658	0.73
10,173	Freddie Mac Com USD 0.21	626,759	0.32	94,932	Pfizer Com USD 0.05	2,358,111	1.20
1,116	MGIC Investment Corporation Com USD 1.00	33,659	0.02	16,946	Wyeth Com USD 0.333	784,600	0.40
1,057	Radian Group Incorporated Com USD 0.001	18,645	0.01		<b>Pipelines</b>		
	<b>Multi Utilities</b>			10,173	El Paso Corporation Com USD 3.00	161,446	0.08
3,953	Centerpoint Energy Com NPV	64,118	0.03		<b>Property &amp; Casualty Insurance</b>		
16,946	Duke Energy Corporation Com NPV	310,790	0.16	3,978	ACE Limited Com USD 0.04166	229,769	0.12
3,400	Sempra Energy Corporation Com NPV	187,102	0.10	7,756	Allstate Corporation Com USD 0.01	424,641	0.22
6,773	Williams Com USD 1.00	209,963	0.11	3,400	Ambac Financial Group Com USD 0.01	213,588	0.11
1,563	Wisconsin Energy Com USD 0.01	69,257	0.04	5,440	Chubb Corporation Com USD 1.00	278,147	0.14
	<b>Nondurable Household Products</b>			10,173	Progressive Corporation Com USD 1.00	206,919	0.11
3,400	Clorox Company Com USD 1.00	203,320	0.10	10,173	The Travelers Companies Incorporated Com NPV	514,143	0.26
				2,210	XI Capital Class 'A' Com USD 0.01	168,402	0.09

# iSHARES MSCI NORTH AMERICA

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (Continued)</b>						
	<b>Publishing</b>			3,400	Kla-Tencor Corporation Com USD 0.001	195,398	0.10
5,817	Gannett Company Com USD 1.00	273,399	0.14	3,026	Lam Research Corporation Com USD 0.001	162,073	0.08
1,938	Idearc Incorporated Com NPV	66,144	0.03	3,400	Linear Technology Com NPV	115,362	0.06
4,728	McGraw-Hill Companies Com USD 1.00	238,575	0.12	6,773	Marvell Tech Group Com USD 0.002	112,093	0.06
	<b>Railroads</b>			3,400	Maxim Integrated Com USD 0.001	102,034	0.05
4,794	Burlington Northern Santa Fe Com USD 0.01	389,033	0.20	3,400	Microchip Technology Com USD 0.001	130,832	0.07
6,773	CSX Corporation Com USD 1.00	277,693	0.14	9,422	Micron Technology Com USD 0.10	107,882	0.06
6,773	Norfolk Southern Corporation Com USD 1.00	346,845	0.18	6,773	National Semiconductor Com USD 0.50	178,265	0.09
3,400	Union Pacific Corporation Com USD 2.50	379,338	0.19	5,787	Nvidia Corporation Com USD 0.001	295,658	0.15
	<b>Real Estate Investment Trusts</b>			2,550	Sandisk Corporation Com USD 0.001	142,953	0.07
3,400	Archstone-Smith Trust SBI USD 0.01	199,920	0.10	20,343	Texas Instruments Com USD 1.00	696,544	0.36
3,400	Boston Properties Com USD 0.01	340,238	0.17	6,773	Xilinx Com USD 0.01	172,982	0.09
3,400	Developers Diversi Com NPV	181,832	0.09		<b>Soft Drinks</b>		
3,400	Equity Residential Com USD 0.01	136,816	0.07	27,122	Coca Cola Com USD 0.25	1,458,621	0.74
3,400	General Growth Properties Incorporated Com USD 0.10	169,014	0.09	21,912	Pepsico Capital Com USD 0.017	1,490,673	0.76
6,773	Host Hotels & Resorts Com USD 1.00	150,970	0.08		<b>Software</b>		
3,400	Kimco Realty Com USD 1.00	145,588	0.07	6,773	Adobe Systems Com USD 0.0001	289,546	0.15
3,400	Macerich Company Com USD 0.01	276,148	0.14	3,400	Autodesk Com USD 0.01	157,318	0.08
3,400	Plum Creek Timber Company Com USD 0.01	142,562	0.07	10,173	Bea Systems Incorporated Com USD 0.001	123,907	0.06
3,400	Prologis SBI USD 0.01	204,544	0.10	6,773	CA Incorporated Com USD 0.10	170,612	0.09
3,400	Public Storage Com USD 0.01	257,652	0.13	6,773	Cadence Design Systems Incorporated Com USD 0.01	147,042	0.08
3,400	Simon Property Group Incorporated Com USD 0.001	322,728	0.16	3,706	Citrix Systems Com USD 0.001	134,565	0.07
3,400	Vornado Realty Trust Com USD 0.04	362,406	0.19	6,773	Intuit Com USD 0.01	184,700	0.09
	<b>Recreational Products</b>			118,654	Microsoft Corporation Com USD 0.0000125	3,402,997	1.74
3,400	Brunswick Corporation Com USD 0.75	85,510	0.04	54,240	Oracle Corporation Com USD 0.01	1,098,360	0.56
6,773	Eastman Kodak Com USD 2.50	180,636	0.09		<b>Specialized Consumer Services</b>		
	<b>Recreational Services</b>			3,400	Apollo Group Incorporated Class 'A' Com NPV	199,206	0.10
6,773	Carnival Corporation Com USD 0.01	308,781	0.16	6,773	Block (H&R) Com NPV	134,376	0.07
	<b>Restaurants &amp; Bars</b>			13,573	Ebay Com USD 0.001	461,889	0.24
16,946	McDonalds Corporation Com USD 0.01	834,591	0.43		<b>Specialty Chemicals</b>		
10,173	Starbucks Corporation Com USD 0.001	280,266	0.14	6,977	Monsanto Company Com USD 0.01	486,576	0.25
4,592	Tim Hortons Incorporated Com USD 0.001	152,041	0.08	3,400	PPG Industries Com USD 1.666	249,390	0.13
3,400	Wendys International Incorporated Com USD 0.10	111,826	0.06	3,400	Rohm & Haas Company Com USD 2.50	192,236	0.10
6,800	Yum Brands Incorporated Com NPV	222,496	0.11		<b>Specialty Finance</b>		
	<b>Semiconductors</b>			3,400	Cit Group Incorporated Com USD 0.01	127,738	0.07
6,773	Advanced Micro Devices Com USD 0.01	88,049	0.04	3,400	Moodys Corporation Com USD 1.00	155,890	0.08
6,773	Altera Com USD 0.001	161,130	0.08	1,050	Nymex Holdings Incorporated Com USD 0.01	135,471	0.07
3,400	Analog Devices Com USD 0.167	125,392	0.06		<b>Specialty Retailers</b>		
16,946	Applied Materials Com USD 0.01	361,289	0.18	3,400	Bed Bath & Beyond Com USD 0.01	117,572	0.06
6,773	Broadcom Corporation Com USD 0.0001	233,398	0.12	6,773	Best Buy Company Com USD 0.10	297,538	0.15
77,486	Intel Corporation Com USD 0.001	1,989,066	1.02	3,400	Office Depot Com USD 0.01	83,130	0.04
				10,173	Staples Com USD 0.0006	241,304	0.12
				3,400	Tiffany & Company Com USD 0.01	174,522	0.09
					<b>Steel</b>		
				3,400	Nucor Corporation Com USD 0.40	179,860	0.09

# iSHARES MSCI NORTH AMERICA

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (Continued)</b>		
3,400	United States Steel Corporation Com USD 1.00	321,232	0.16
	<b>Telecommunications Equipment</b>		
5,304	Amer Tower Corporation Class 'A' Com USD 0.01	210,144	0.11
81,587	Cisco Systems Com USD 0.001	2,596,914	1.33
20,343	Corning Com USD 0.50	475,416	0.24
4,250	Crown Castle International Corporation Com USD 0.01	156,230	0.08
6,773	Juniper Networks Com USD 0.00001	222,628	0.11
30,515	Motorola Com USD 3.00	517,229	0.26
22,429	Qualcomm Com USD 0.0001	892,897	0.45
10,173	Tellabs Com USD 0.01	107,324	0.05
	<b>Tobacco</b>		
28,000	Altria Group Incorporated Com USD 0.333333	1,943,480	0.99
	<b>Toys</b>		
3,400	Electronic Arts Com NPV	179,791	0.09
6,773	Mattel Com USD 1.00	146,500	0.08

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>Travel &amp; Tourism</b>		
1,360	Avis Budget Group Com USD 0.01	31,565	0.02
	<b>Waste &amp; Disposal Services</b>		
6,773	Waste Management Com USD 0.01 (New)	255,137	0.13
	<b>UNITED STATES - TOTAL</b>	<b>181,260,005</b>	<b>92.56</b>
	<b>TOTAL VALUE OF INVESTMENTS AT BID PRICES</b>	<b>195,386,375</b>	<b>99.78</b>
	<b>CASH*</b>	<b>928,541</b>	<b>0.47</b>
	<b>OTHER NET LIABILITIES</b>	<b>(506,301)</b>	<b>(0.26)</b>
	<b>TOTAL VALUE OF INVESTMENTS AT BID MARKET PRICES</b>	<b>195,808,615</b>	<b>99.99</b>
	Adjustment from bid market prices to last traded market prices	28,085	0.01
	<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>195,836,700</b>	<b>100.00</b>

\* All cash holdings are held with The Governor & Company of the Bank of Ireland.

# iSHARES MSCI NORTH AMERICA

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS USD	LARGEST PURCHASES	COST USD
Exxon Mobil Corporation Com NPV	586,668	Exxon Mobil Corporation Com NPV	4,421,553
General Electric Company Com USD0.06	469,101	General Electric Company Com USD0.06	3,600,255
Microsoft Corporation Com USD0.0000125	316,500	Microsoft Corporation Com USD0.0000125	2,318,704
Citigroup Com USD0.01	305,830	Citigroup Com USD0.01	2,225,414
AT&T Incorporated Com USD1.00	289,879	AT&T Incorporated Com USD1.00	2,177,044
Bank of America Corporation Com USD0.01	263,111	Bank of America Corporation Com USD0.01	2,000,742
Potash Corporation Sask Com NPV	231,544	Procter & Gamble Company Com USD1.00	1,838,109
Procter & Gamble Company Com USD1.00	230,969	Cisco Systems Com USD0.001	1,707,825
Pfizer Com USD0.05	217,727	Johnson & Johnson Com USD1.00	1,638,440
Dollar General Corporation Com USD0.50	217,036	Chevron Corporation Com USD0.75	1,593,071
Johnson & Johnson Com USD1.00	216,586	Pfizer Com USD0.05	1,586,594
Chevron Corporation Com USD0.75	205,752	IBM Corporation Com USD0.20	1,526,223
JP Morgan Chase & Company Com USD1.00	205,284	JP Morgan Chase & Company Com USD1.00	1,441,749
IBM Corporation Com USD0.20	190,806	American International Group Com USD2.50	1,369,510
Cisco Systems Com USD0.001	188,935	Altria Group Incorporated Com USD0.333333	1,334,529
American International Group Com USD2.50	187,987	Intel Corporation Com USD0.001	1,245,773
Goldman Sachs Group Com USD0.01	168,154	Hewlett-Packard Com USD0.01	1,188,995
Altria Group Incorporated Com USD0.333333	166,502	Google Incorporated Com USD0.001	1,178,898
Intel Corporation Com USD0.001	164,459	Verizon Communications Com USD0.10	1,084,608
Research In Motion Com NPV	162,368	Pepsico Capital Com USD0.017	1,044,446

# iSHARES MSCI NORTH AMERICA

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Dividends	859	647	161
Interest income	6	8	4
<b>Income</b>	<b>865</b>	<b>655</b>	<b>165</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Management fees	194	134	34
<b>Expenses</b>	<b>194</b>	<b>134</b>	<b>34</b>

Included in expenses are audit fees of \$7,578 (February 2007: \$14,450 August 2006: \$nil) and directors fees of \$2,960 (February 2007: \$5,966 August 2006: \$nil).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Cost at beginning of period	73,532	-	-
Cost at end of period	189,287	73,532	34,970
Fair value at beginning of period	76,206	-	36,039
Fair value at end of period	<b>195,386</b>	<b>76,206</b>	<b>35,244</b>

### 5. DEBTORS

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Dividends receivable	204	116	58
Interest income receivable	2	2	4
Sales of securities awaiting settlement	233	95	-
Subscriptions of units awaiting settlement	17,283	-	-
<b>Debtors</b>	<b>17,722</b>	<b>213</b>	<b>62</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Accrued expenses	52	25	14
Purchases of securities awaiting settlement	17,689	96	101
<b>Creditors</b>	<b>17,741</b>	<b>121</b>	<b>115</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares '000s	28 February 2007 No. of Shares '000s	31 August 2006 No. of Shares '000s
Balance at beginning of period	2,800	-	-
Issued during the period	4,600	2,800	1,600
Redeemed during the period	(600)	-	(400)
<b>Balance at end of period</b>	<b>6,800</b>	<b>2,800</b>	<b>1,200</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The Fund did not hold any open futures as at 28 February 2007 and 31 August 2006.

### 9. FINANCE COSTS – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year.

Pay date	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
September 2006	-	89	87
December 2006	-	136	-
March 2007	-	197	-
June 2007	257	-	-
September 2007	487*	-	-
Equalisation Income	744	422	87
Equalisation Expense	(255)	(80)	-
	-	5	-
	<b>489</b>	<b>347</b>	<b>87</b>

\*Outstanding at period end

### 10. FINANCIAL INSTRUMENTS AND RISKS

# iSHARES MSCI NORTH AMERICA

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Fund's assets which are denominated in currencies other than its own currency..

The table below shows the Fund's currency exposure at 31 August 2007 and comparatives for 28 February 2007 and 31 August 2006:

	31 August 2007 Net currency exposure \$	28 February 2007 Net currency exposure \$	31 August 2006 Net currency exposure \$
Currency			
CAD	12,887,439	5,092,026	2,571,634
GBP	246	(82,129)	-
	12,887,685	50,009,897	2,571,634

### Fair Value and Cash Flow Interest Rate Risk

The Fund does not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.



# iSHARES MSCI TAIWAN

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Operating income	2	17,075	5,079	4,949
Net gains/(losses) on financial assets at fair value through profit or loss		7,493	17,198	(8,830)
<b>Total investment income</b>		<b>24,568</b>	<b>22,277</b>	<b>(3,881)</b>
Operating expenses	3	(835)	(1,086)	(468)
<b>Net income</b>		<b>23,733</b>	<b>21,191</b>	<b>(4,349)</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	9	(4,961)	(2,986)	(3,245)
Interest Expense		(22)	(69)	(81)
<b>Profit before tax</b>		<b>18,750</b>	<b>18,136</b>	<b>(7,675)</b>
Non-reclaimable withholding tax		(1,714)	(1,180)	(973)
Adjustment from bid market prices to last traded market prices		(100)	302	-
<b>Increase/(decrease) in net assets attributable to Redeemable Participating Shareholders</b>		<b>16,936</b>	<b>17,258</b>	<b>(8,648)</b>

There are no recognised gains or losses arising in the year other than the increase in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		206,398	61,206	61,147*
Increase/(decrease) in net assets attributable to Redeemable Participating Shareholders from Operations		16,936	17,258	(8,648)
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		57,985	133,474	104,526
Payment on redemption of Redeemable Participating Shares		(6,902)	(5,540)	(5,873)
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>274,417</b>	<b>206,398</b>	<b>151,152</b>

# iSHARES MSCI TAIWAN

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
<b>Current assets</b>				
Investments at fair value	4	273,474	206,471	150,952
Debtors	5	2,445	5,919	4,531
Cash and bank balances		5,602	-	2,006
<b>Total current assets</b>		<b>281,521</b>	<b>212,390</b>	<b>157,489</b>
<b>Current liabilities</b>				
Creditors	6	(1,923)	(6,248)	(3,331)
Cash and bank balances		-	(105)	-
Distributions to Redeemable Participating Shareholders payable	9	(5,442)	-	(3,006)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(7,365)</b>	<b>(6,353)</b>	<b>(6,337)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period (at bid prices)</b>		<b>274,156</b>	<b>206,037</b>	-
Adjustment from bid market prices to last traded market prices		261	361	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>274,417</b>	<b>206,398</b>	<b>151,152</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>7,300,000</b>	<b>6,000,000</b>	<b>5,100,000</b>
<b>Net asset value per Redeemable Participating Share</b>		<b>\$37.59</b>	<b>\$34.40</b>	<b>\$29.64</b>

The accompanying notes form an integral part of these financial statements.

\* The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by \$59,000 to account for assets as fair value in accordance with applicable accounting standards. (See Note 1(a))

# iSHARES MSCI TAIWAN

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>TAIWAN</b>			769,732	Wistron Corporation Com TWD 10.00	1,397,223	0.51
	<b>Airlines</b>			295,560	Zyxxel Communications Com TWD 10.00	514,111	0.19
977,031	China Airlines Com TWD10.00	383,423	0.13		<b>Consumer Electronics</b>		
972,111	Eva Airways Corporation Com TWD 10.00	357,924	0.13	156,685	Inventec Appliance Com TWD10.00	317,178	0.12
	<b>Automobiles</b>				<b>Durable Household Products</b>		
427,914	China Motor Company Com TWD 10.00	378,650	0.14	1,315,000	Teco Electronics & Machinery Com TWD 10.00	733,234	0.27
553,046	Yulon Motor Com TWD10.00	603,341	0.22		<b>Electrical Components &amp; Equipment</b>		
	<b>Banks</b>			685,000	Compeq Manufacturing Company Com TWD10.00	292,691	0.11
2,744,000	Chang HWA Bank Com TWD10.00	1,717,131	0.63	74,750	Motech Industries Com TWD10.00	638,792	0.23
	<b>Building Materials &amp; Fixtures</b>			114,000	Nan Ya Printed Circuit Board Com TWD10.00	739,295	0.27
1,144,345	Asia Cement Corporation Com TWD 10.00	1,605,599	0.59	437,836	Phoenix Precision Com TWD10.00	506,180	0.18
1,971,615	Taiwan Cement Com TWD10.00	2,521,354	0.92	258,120	Tripod Technology Com TWD 10.00	1,059,888	0.39
549,689	Taiwan Glass Com TWD10.00	498,900	0.18	594,880	Unimicron Technology Corporation Com TWD10.00	932,007	0.34
	<b>Business Support Services</b>			1,982,000	Walsin Lihwa Corporation Com TWD 10.00	964,002	0.35
55,457	Innolux Display Corporation Com TWD 10.00	232,758	0.08	605,789	Ya Hsin Industrial Com TWD10.00	109,412	0.04
202,480	Taiwan Secom Company Com TWD 10.00	334,409	0.12	1,758,000	Yageo Corporation Com TWD10.00	671,257	0.24
	<b>Clothing &amp; Accessories</b>				<b>Electronic Equipment</b>		
2,045,249	Far Eastern Textile Com TWD10.00	2,404,790	0.88	132,440	Asia Optical Company Incorporated Com TWD10.00	489,641	0.18
641,060	Formosa Taffeta Company Com TWD10.00	727,528	0.27	4,608,616	Au Optronics Corporation Com TWD 10.00	6,661,746	2.43
	<b>Commodity Chemicals</b>			208,593	Cheng Uei Precision Com TWD 10.00	510,120	0.19
1,404,000	Formosa Petrochemical Com TWD 10.00	3,905,791	1.42	1,100,700	Delta Electronic Com TWD10.00	4,086,056	1.49
	<b>Computer Hardware</b>			256,547	Epistar Corporation Com TWD10.00	1,201,143	0.44
1,712,508	Acer Incorporated Com TWD10.00	2,999,575	1.09	611,169	Hon Hai Precision Com TWD10.00	4,519,083	1.65
203,840	Advantech Company Limited Com TWD10.00	615,863	0.22	179,000	Kinsus Interconnect Technology Corporation Com TWD10.00	615,670	0.22
1,561,000	Benq Corporation Com TWD 10.00	733,219	0.27	676,062	Wintek Corporation Com TWD10.00	774,422	0.28
3,077,950	Chi Mei Optoelectronics Com TWD 10.00	3,110,689	1.13		<b>Electronic Office Equipment</b>		
4,373,000	Chungwha Picture Com TWD 10.00	1,123,763	0.41	815,614	Kinpo Electronics Com TWD10.00	310,190	0.11
2,050,000	CMC Magnetics Corporation Com TWD10.00	903,891	0.33	3,962,546	<b>Fixed Line Telecommunications</b>		
2,320,154	Compal Electronics Com TWD10.00	2,573,340	0.94	2,028,460	Chunghwa Telecom Com TWD10.00	7,024,726	2.56
314,957	Foxconn Technology Company Com TWD10.00	2,858,560	1.04		<b>Food Products</b>		
3,693,000	Hannstar Display 'C' Com TWD 10.00	974,758	0.36		Uni-President Enterprises Corporation Com TWD10.00	2,351,241	0.86
341,960	High Tech Computer Com TWD 10.00	4,637,326	1.69		<b>Food Retailers &amp; Wholesalers</b>		
3,162,849	Hon Hai Precision Com TWD10.00	23,386,622	8.52	348,000	President Chain Com TWD10.00	903,773	0.33
1,416,000	Innolux Display Corporation Com TWD10.00	5,943,089	2.17		<b>Footwear</b>		
1,105,098	Inventec Corporation Com TWD 10.00	704,940	0.26	1,424,009	Pou Chen Corporation Com TWD 10.00	1,421,894	0.52
1,389,373	Lite-On Technology Com TWD10.00	2,193,592	0.80		<b>Industrial Machinery</b>		
791,396	Mitac International Com TWD10.00	985,678	0.36	283,452	Catcher Technology Com TWD 10.00	2,267,685	0.83
1,435,675	Quanta Computer Com TWD10.00	2,336,306	0.85		<b>Investment Services</b>		
1,748,000	Ritek Corporation Com TWD10.00	524,946	0.19	1,306,912	Polaris Securities Com TWD10.00	667,337	0.24
569,495	Synnex Tech International Com TWD 10.00	1,563,570	0.57		<b>Marine Transportation</b>		
2,863,000	Tatung Company Limited Com TWD 10.00	1,340,445	0.49	785,040	Evergreen Marine Com TWD10.00	507,912	0.19
				326,000	U-Ming Marine Com TWD10.00	968,151	0.35

# iSHARES MSCI TAIWAN

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or traded on a Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>TAIWAN (Continued)</b>			386,743	Oriental Union Chemists Com TWD 10.00	392,615	0.14
789,600	Wan Hai Lines Com TWD10.00	557,522	0.20	485,000	Taiwan Fertilizer Com TWD10.00	990,606	0.36
876,000	Yangming Marine Com TWD10.00	617,201	0.22		<b>Specialty Finance</b>		
	<b>Mobile Telecommunications</b>			4,233,879	Cathay Financial Holding Com TWD 10.00	9,417,458	3.43
1,788,000	Taiwan Cellular Corporation Com TWD 10.00	2,254,032	0.82	6,471,750	China Development Financial Holding Com TWD 10.00	2,628,002	0.96
	<b>Paper</b>			5,202,319	Chinatrust Financial Holding Com TWD 10.00	3,909,740	1.42
898,340	Yuen Foong Yu Manufacturing Com TWD 10.00	378,403	0.14	2,141,100	E-Sun Financial Holdings Com TWD 10.00	1,125,734	0.41
	<b>Real Estate Holding &amp; Development</b>			3,238,805	First Financial Holdings Com TWD 10.00	2,232,880	0.81
689,000	Cathay Real Estate Com TWD10.00	320,499	0.12	2,642,000	Fubon Financial Holding Company Com TWD10.00	2,273,790	0.83
	<b>Recreational Products</b>			4,109,265	Fuhwa Financial Holdings Com TWD 10.00	2,334,880	0.85
75,094	Largan Precision Com TWD10.00	609,872	0.22	2,506,000	Hua Nan Financial Com TW10.00	1,644,138	0.60
	<b>Semiconductors</b>			6,374,000	Mega Financial Holdings Company Limited Com TWD 10.00	3,950,068	1.44
2,829,492	Advanced Semiconductor Com TWD 10.00	2,786,705	1.02	2,591,484	Shin Kong Financial Com TWD 10.00	2,520,884	0.92
2,313,377	Asustek Computer Com TWD10.00	6,898,279	2.51	4,597,491	Sinopac Holdings Com TWD10.00	2,173,425	0.79
437,000	Giga-Byte Tech Com TWD10.00	397,285	0.14	4,253,000	Taishin Financial Com TWD10.00	2,120,120	0.77
2,257,520	Inotera Memories Incorporated Com TWD 10.00	2,254,168	0.82	1,070,100	Waterland Financial Holding Com TWD 10.00	329,146	0.12
2,107,490	Macronix International Com TWD 10.00	1,309,238	0.48		<b>Steel</b>		
618,555	Mediatek Incorporated Com TWD 10.00	10,497,009	3.83	6,498,134	China Steel Corporation Com TWD 10.00	8,812,130	3.21
534,837	Micro-Star International Com TWD 10.00	552,682	0.20	723,730	Yieh Phui Enterprise Com TWD 10.00	320,205	0.12
684,140	Mosel Vitelic Incorporated Com TWD10.00	811,664	0.30		<b>Telecommunications Equipment</b>		
1,733,782	Nanya Technology Corporation Com TWD10.00	1,274,106	0.46	164,980	Compal Communications Incorporated Com TWD10.00	387,965	0.12
323,846	Novatek Microelectronics Com TWD 10.00	1,305,237	0.48	10,985	Compal Electronics Com TWD10.00	12,184	-
5,466,731	Powerchip Semiconductor Corporation Com TWD10.00	2,700,315	0.98	460,848	D-Link Corporation Com TWD10.00	1,015,293	0.37
288,500	Powertech Technology Com TWD 10.00	1,158,406	0.42		<b>Tyres</b>		
4,491,000	Promos Technologies Incorporated Com TWD10.00	1,388,169	0.51	495,485	Cheng Shin Rubber Com TWD10.00	908,416	0.33
283,626	Realtek Semiconductor Com TWD 10.00	1,388,090	0.51		<b>TAIWAN - TOTAL</b>	<b>273,474,114</b>	<b>99.65</b>
1,903,867	Siliconware Precision Com TWD 10.00	3,830,927	1.40		<b>TOTAL VALUE OF INVESTMENTS</b>		
15,794,944	Taiwan Semiconductor Ord TWD 10.00	29,963,437	10.92		<b>AT BID PRICES</b>	<b>273,474,114</b>	<b>99.65</b>
13,102,360	United Microelectronics Com TWD 10.00	7,325,632	2.67		<b>CASH*</b>	<b>5,601,537</b>	<b>2.04</b>
634,851	Vanguard International Semiconductor Corporation Com TWD10.00	540,602	0.20		<b>OTHER NET LIABILITIES</b>	<b>(4,919,308)</b>	<b>(1.79)</b>
706,000	Via Technologies Com TWD10.00	503,843	0.18		<b>TOTAL VALUE OF FUND AT BID</b>		
2,503,000	Winbond Electronic Com TWD10.00	753,198	0.27		<b>MARKET PRICES</b>	<b>274,156,343</b>	<b>99.90</b>
	<b>Specialty Chemicals</b>				Adjustment from bid market prices to last traded market prices	261,070	0.10
390,808	Eternal Chemical Com TWD10.00	453,588	0.17		<b>TOTAL VALUE OF FUND AT LAST</b>		
2,101,150	Formosa Chemical & Fibre Com TWD10.00	5,119,320	1.87		<b>TRADED MARKET PRICES</b>	<b>274,417,413</b>	<b>100.00</b>
3,046,050	Formosa Plastics Com TWD10.00	7,559,971	2.75				
3,769,570	Nan Ya Plastic Com TWD10.00	9,127,205	3.33				

\* All cash holdings are held with The Governor & Company of the Bank of Ireland.

# iSHARES MSCI TAIWAN

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS USD	LARGEST PURCHASES	COST USD
Taiwan Semiconductor Ord TWD10.00	2,789,929	Taiwan Semiconductor Ord TWD10.00	6,737,277
Hon Hai Precision Com TWD10.00	1,906,886	Hon Hai Precision Com TWD10.00	5,917,330
Cathay Financial Holding Com TWD10.00	764,594	Inotera Memories Incorporated Com TWD10.00	2,651,413
Mediatek Incorporated Com TWD10.00	754,021	Cathay Financial Holding Com TWD10.00	2,276,518
Au Optronics Corporation Com TWD10.00	753,900	Mediatek Incorporated Com TWD10.00	2,093,505
Chunghwa Telecom Com TWD10.00	702,478	Promos Technologies Incorporated Com TWD10.00	1,801,910
United Microelectronics Com TWD10.00	641,399	Nan Ya Plastic Com TWD11.00	1,688,608
China Steel Corporation Com TWD10.00	637,518	Innolux Display Corporation Com TWD10.00	1,669,448
Nan Ya Plastic Com TWD11.00	622,632	China Steel Corporation Com TWD10.00	1,618,978
Formosa Plastics Com TWD10.00	538,269	United Microelectronics Com TWD10.00	1,598,373
Fu Sheng Industrial Com TWD10.00	453,190	Au Optronics Corporation Com TWD10.00	1,594,901
Formosa Chemical & Fibre Com TWD10.00	376,450	Formosa Plastics Com TWD10.00	1,537,304
Chinatrust Financial Holding Com TWD10.00	342,506	Asustek Computer Com TWD10.00	1,510,258
Mega Financial Holdings Company Limited Com TWD10.00	341,838	Nanya Technology Corporation Com TWD10.00	1,481,294
Siliconware Precision Com TWD10.00	320,532	Chunghwa Telecom Com TWD10.00	1,385,886
Taiwan Cement Com TWD10.00	311,786	High Tech Computer Com TWD10.00	1,330,689
Delta Electronic Com TWD10.00	303,939	Wistron Corporation Com TWD10.00	1,262,835
Compal Electronics Com TWD10.00	294,929	Tripod Technology Com TWD10.00	1,059,910
Formosa Petrochemical Com TWD10.00	281,072	Epistar Corporation Com TWD10.00	1,053,011
High Tech Computer Com TWD10.00	273,941	Formosa Chemical & Fibre Com TWD10.00	1,011,745

# iSHARES MSCI TAIWAN

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007	Year ended 28 February 2007	Six months ended 31 August 2006
	\$'000s	\$'000s	\$'000s
Dividends	17,034	5,079	4,949
Securities lending income	23	-	-
Interest income	18	-	-
<b>Income</b>	<b>17,075</b>	<b>5,079</b>	<b>4,949</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007	Year ended 28 February 2007	Six months ended 31 August 2006
	\$'000s	\$'000s	\$'000s
Management fees	835	1,086	468
<b>Expenses</b>	<b>835</b>	<b>1,086</b>	<b>468</b>

Included in expenses are audit fees of \$7,578 (February 2007: \$14,450 August 2006:\$2,800) and directors fees of \$2,960 (February 2007: \$5,966 August 2006:\$2,983).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007	28 February 2007	31 August 2006
	\$'000s	\$'000s	\$'000s
Cost at beginning of period	187,170	58,621	58,621
Cost at end of period	239,915	187,170	156,687
Fair value at beginning of period	206,471	61,154	61,154
Fair value at end of period	<b>273,474</b>	<b>206,471</b>	<b>150,952</b>

### 5. DEBTORS

	31 August 2007	28 February 2007	August 31 2006
	\$'000s	\$'000s	\$'000s
Dividends receivable	1,799	-	1,743
Interest income receivable	8	-	-
Sales of securities awaiting settlement	638	5,919	2,788
<b>Debtors</b>	<b>2,445</b>	<b>5,919</b>	<b>4,531</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007	28 February 2007	31 August 2006
	\$'000s	\$'000s	\$'000s
Accrued expenses	203	138	108
Purchases of securities awaiting settlement	1,720	6,089	3,198
Interest expense payable	-	21	25
<b>Creditors</b>	<b>1,923</b>	<b>6,248</b>	<b>3,331</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007	28 February 2007	31 August 2006
	No. of Shares '000s	No. of Shares '000s	No. of Shares '000s
Issued during the period	6,000	2,000	2,000
Redeemed during the period	1,500	4,200	3,300
Balance at beginning of period	(200)	(200)	(200)
<b>Balance at end of period</b>	<b>7,300</b>	<b>6,000</b>	<b>5,100</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The fund did not hold any open futures at 28 February 2007 and 31 August 2006.

### 9. FINANCE COST – DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year.

	Six months ended 31 August 2007	Year ended 28 February 2007	Six months ended 31 August 2006
	\$'000s	\$'000s	\$'000s
Pay date			
June 2006	-	-	-
September 2006	-	3,028	3,006
December 2006	-	-	-
March 2007	-	-	-
September 2007	5,442*	-	-
	<b>5,442</b>	<b>3,028</b>	<b>3,006</b>
Equalisation income	(504)	(344)	-
Equalisation expense	23	302	239
	<b>4,961</b>	<b>2,986</b>	<b>3,245</b>

\*Outstanding at period end

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other

# iSHARES MSCI TAIWAN

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. Financial instruments and risks (continued)

currencies may change in a manner which has an adverse affect on the value of that portion of the Fund's assets which are denominated in currencies other than its own currency.

The table below shows the Fund's currency exposure at 31 August 2007 and comparatives for 28 February 2007 and 31 August 2006:

	31 August 2007	28 February 2007	31 August 2006
	Net currency exposure	Net currency exposure	Net currency exposure
Currency	\$	\$	\$
EUR	-	98	(224)
GBP	10	1,048	(2)
CHF	(1)	-	(37)
TWD	271,035,975	205,999,997	153,510,149
	<b>271,035,984</b>	<b>206,001,143</b>	<b>153,509,886</b>

### Fair value and cash flow interest rate risk

The Fund does not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

# iSHARES MSCI WORLD

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Operating Income	2	9,811	6,110	2,882
Net Gains on Financial Assets at Fair Value through Profit or Loss		34,574	33,448	8,698
<b>Total investment income</b>		<b>44,385</b>	<b>39,558</b>	<b>11,580</b>
Operating expenses	3	(1,754)	(1,286)	(482)
<b>Net income</b>		<b>42,631</b>	<b>38,272</b>	<b>11,098</b>
<b>Finance costs</b>				
Distributions to Redeemable Participating Shareholders	9	(6,842)	(3,766)	(2,202)
Interest expense		(2)	-	-
<b>Profit before tax</b>		<b>35,787</b>	<b>34,506</b>	<b>8,896</b>
Non-reclaimable withholding tax		(912)	(817)	(164)
Adjustment from bid market prices to last traded market prices		78	123	-
<b>Increase in net assets attributable to Redeemable Participating Shareholders</b>		<b>34,953</b>	<b>33,812</b>	<b>8,732</b>

There are no recognised gains or losses arising in the year other than the increase in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		527,244	154,580	154,507*
Increase in net assets attributable to Redeemable Participating Shareholders from Operations		34,953	33,812	8,732
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		340,877	373,994	112,667
Payment on redemption of Redeemable Participating Shares		(83,182)	(35,142)	-
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>819,892</b>	<b>527,244</b>	<b>275,906</b>



# iSHARES MSCI WORLD

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	818,393	526,316	275,307
Debtors	5	5,640	3,686	521
Cash and bank balances		4,592	1,402	1,204
<b>Total current assets</b>		<b>828,625</b>	<b>531,404</b>	<b>277,032</b>
<b>Current liabilities</b>				
Creditors	6	(5,513)	(3,148)	(41)
Distributions to Redeemable Participating Shareholders payable	9	(3,494)	(1,208)	(1,085)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(9,007)</b>	<b>(4,356)</b>	<b>(1,126)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>819,618</b>	<b>527,048</b>	-
Adjustment from bid market prices to last traded market prices		274	196	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>819,892</b>	<b>527,244</b>	<b>275,906</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>24,800,000</b>	<b>16,800,000</b>	<b>9,200,000</b>
<b>Net asset value per Redeemable Participating share</b>		<b>\$33.06</b>	<b>\$31.38</b>	<b>\$29.99</b>

The accompanying notes form an integral part of these financial statements.

\* The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by \$73,000 to account for assets at fair value in accordance with applicable accounting standards. (See Note 1(a))

# iSHARES MSCI WORLD

## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>AUSTRALIA</b>				<b>Exploration &amp; Production</b>		
	<b>Banks</b>			24,680	Canadian Natural Resources Com NPV	1,683,751	0.21
49,705	Australia & New Zealand Banking Group Com NPV	1,171,879	0.14	37,095	Encana Corporation Com NPV	2,170,260	0.26
37,384	Commonwealth Bank of Australia Com NPV	1,669,715	0.20	10,800	Nexen Incorporated Com NPV	301,483	0.04
62,059	National Australia Bank Com NPV	2,015,485	0.25	56,370	Talisman Energy Incorporated Com NPV	965,566	0.12
69,889	Suncorp-Metway Limited Com NPV	1,137,164	0.14		<b>Gas Distribution</b>		
56,305	Westpac Banking Corporation Com NPV	1,243,658	0.15	11,420	Enbridge Incorporated Com NPV	383,887	0.05
	<b>Brewers</b>				<b>Gold Mining</b>		
217,035	Fosters Group Ord NPV	1,114,149	0.14	24,785	Barrick Gold Corporation Com NPV	804,104	0.10
	<b>Broadline Retailers</b>			10,269	Goldcorp Incorporated Com NPV	241,812	0.03
123,838	Coles Group Limited Com NPV	1,413,500	0.17		<b>Integrated Oil &amp; Gas</b>		
	<b>Business Support Services</b>			11,573	Imperial Oil Com NPV	505,433	0.06
23,750	Brambles Limited Com NPV	266,641	0.03	24,900	Petro-Canada Com NPV	1,266,596	0.15
	<b>Containers &amp; Packaging</b>			13,190	Suncor Energy Incorporated Com NPV	1,179,538	0.14
185,175	Amcor Com NPV	1,140,414	0.14		<b>Life Insurance</b>		
	<b>Exploration &amp; Production</b>			62,240	Manulife Financial Corporation Com NPV	2,406,405	0.29
12,647	Woodside Petroleum Com NPV	460,946	0.06	10,274	Power Corporation Canada Sub-Voting Com NPV	391,400	0.05
	<b>Food Retailers &amp; Wholesalers</b>			24,785	Sun Life Financial Incorporated Com NPV	1,189,989	0.15
74,719	Woolworths Com NPV	1,818,766	0.22		<b>Mobile Telecommunications</b>		
	<b>Gambling</b>			49,170	Rogers Communications Class 'B' Com NPV	2,224,584	0.27
15,246	Tabcorp Holdings Com NPV	189,648	0.02		<b>Nonferrous Metals</b>		
	<b>General Mining</b>			5,800	Cameco Incorporated Com NPV	233,404	0.03
93,256	BHP Limited Com NPV	2,914,106	0.36	37,700	Teck Cominco Ltd Class 'B' Sub-Voting Com NPV	1,602,299	0.19
24,099	Rio Tinto Limited Com NPV	1,828,627	0.22		<b>Publishing</b>		
	<b>Home Improvement Retailers</b>			24,825	Thomson Corporation Com NPV	1,047,116	0.13
31,220	Wesfarmers Limited Com NPV	977,863	0.12		<b>Railroads</b>		
	<b>Investment Services</b>			24,900	Canadian National Railways Com NPV	1,311,084	0.16
6,457	MacQuarie Bank Com NPV	384,947	0.05		<b>Real Estate Holding &amp; Development</b>		
	<b>Real Estate Investment Trusts</b>			7,650	Brookfield Asset Management Incorporated Class 'A' Com NPV	258,965	0.03
82,560	DB Reef Trust Com NPV	134,333	0.02		<b>Specialty Chemicals</b>		
59,120	GPT Group Com NPV (Units)	227,499	0.03	4,000	Potash Corporation Sask Com NPV	353,661	0.04
29,183	Mirvac Group Stapled Securities Com NPV	127,019	0.02		<b>Telecommunications Equipment</b>		
39,438	Stockland Trust Group Com NPV	274,325	0.03	25,328	Nortel Networks Corporation Com NPV	441,747	0.05
80,064	Westfield Group Com NPV	1,353,527	0.16	17,100	Research In Motion Com NPV	1,457,262	0.18
	<b>Reinsurance</b>				<b>CANADA - TOTAL</b>	<b>31,248,606</b>	<b>3.81</b>
68,170	QBE Insurance Group Com NPV	1,916,133	0.23		<b>EUROPEAN UNION</b>		
	<b>Specialty Finance</b>				<b>Aerospace</b>		
30,500	AMP Limited Com NPV	260,043	0.03	29,386	Rolls Royce Group Ord GBP 0.20	302,885	0.04
	<b>AUSTRALIA - TOTAL</b>	<b>24,040,387</b>	<b>2.93</b>		<b>Apparel Retailers</b>		
	<b>CANADA</b>			25,050	Hennes & Mauritz Series 'B' Com SEK 0.25	1,411,093	0.17
	<b>Aluminium</b>				<b>Asset Managers</b>		
25,030	Alcan Incorporated Com NPV	2,455,796	0.30	32,929	Man Group Ord USD 0.03	327,780	0.04
	<b>Banks</b>						
18,630	Bank of Montreal Com NPV	1,142,790	0.14				
24,845	Bank of Nova Scotia Com NPV	1,225,986	0.15				
12,615	Canadian Imperial Bank Com NPV	1,140,281	0.14				
18,595	National Bank of Canada Com NPV	965,390	0.12				
36,990	Royal Bank of Canada Com NPV (Canadian line)	1,898,017	0.23				

# iSHARES MSCI WORLD

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>EUROPEAN UNION (Continued)</b>				<b>Brewers</b>		
	<b>Automobiles</b>			49,783	Sabmiller Ord USD 0.10	1,363,633	0.17
27,247	Daimlerchrysler AG Ord NPV (Regd)	2,422,191	0.30		<b>Broadcasting &amp; Entertainment</b>		
20,554	Fiat SPA Com EUR 5.00	545,554	0.07	97,383	British Sky Broadcasting Group Com GBP 0.50	1,325,878	0.16
9,945	Renault SA Com EUR 3.8 1	1,342,195	0.16	483,808	ITV Ord GBP 0.10	1,068,572	0.13
11,568	Volkswagen AG Com NPV	2,393,740	0.29	28,954	Vivendi Com EUR 5.50	1,184,541	0.14
	<b>Banks</b>				<b>Broadline Retailers</b>		
42,805	ABN-Amro Holdings Com NPV	1,991,619	0.24	58,221	Home Retail Group Com NPV	485,592	0.05
44,491	Allied Irish Banks Ord EUR 0.32	1,129,953	0.14	62,756	Marks & Spencer Group New Ord GBP 0.25	790,505	0.10
14,327	Alpha Bank Com EUR 3.90 (Regd)	466,016	0.06	5,523	Metro AG Ord NPV	477,203	0.06
17,587	Banca Popolare United Com EUR 2.50	449,300	0.05		<b>Building Materials &amp; Fixtures</b>		
90,854	Banco Bilbao Vizcaya Argentaria Com EUR 0.49	2,091,940	0.26	16,153	CIE De St Gobain Com EUR 4.00	1,758,343	0.21
24,648	Banco Popular Espanol Com EUR 0.10	448,915	0.05	35,985	CRH Ord EUR 0.32	1,550,187	0.19
166,268	Banco Santander Com EUR 0.50 (Regd)	3,035,043	0.37	4,962	Lafarge Com EUR 4.00	771,079	0.09
27,771	Bank of Ireland (Governor & Company of) Ord EUR 0.64	507,308	0.06	58,221	Experian Group Com NPV	613,596	0.07
8,075	Bank of Piraeus Com EUR 4.77 (Regd)	276,307	0.03	18,438	Burberry Group Ord GBP 0.0005	227,047	0.03
5,125	Bank of Piraeus Com EUR 4.77 (FP Shares)	7,615	-	11,076	LVMH Moet-Hennessy Com EUR 0.30	1,237,543	0.15
185,179	Barclays Ord GBP 0.25	2,289,649	0.28		<b>Commercial Vehicles &amp; Trucks</b>		
22,355	BNP Paribas Com EUR 2.00	2,359,410	0.29	3,660	Man AG Ord NPV	525,194	0.06
56,693	Capitalia SPA Com EUR 1.20	539,461	0.07	113,380	Volvo AB Series 'B' Com SEK 6.00	1,958,843	0.24
34,245	Commerzbank AG Ord NPV	1,401,002	0.17		<b>Commodity Chemicals</b>		
19,082	Credit Agricole SA Com EUR 3.00	720,575	0.09	11,035	Air Liquide Class 'L' Com EUR 5.50	1,407,316	0.17
12,450	Danske Bank A/S Com DKK 100.00	510,358	0.06	15,377	Basf AG Com NPV	2,032,543	0.25
14,872	Deutsche Bank AG Com NPV (Regd)	1,830,360	0.22		<b>Consumer Electronics</b>		
41,929	Dexia Com NPV	1,155,198	0.14	34,609	Philips Electronic (KON) Com EUR 0.20	1,364,938	0.17
8,027	EFG Eurobank Ergasias Com (FP Shares)	7,295	-		<b>Containers &amp; Packaging</b>		
8,027	EFG Eurobank Ergasias Com EUR2.75	273,570	0.03	103,938	Rexam Ord GBP 64.2857 14	1,095,412	0.13
5,533	Erste Bank Der Ost Com NPV	401,205	0.05		<b>Defence</b>		
26,113	Fortis Com NPV (Bel)	956,889	0.12	159,453	BAE Systems Ord GBP 0.025	1,485,906	0.18
101,534	HBOS Ord GBP 0.25	1,800,185	0.22		<b>Delivery Services</b>		
334,800	HSBC Holdings Ord USD 0.50 (UK Regd)	6,054,139	0.74	40,647	Deutsche Post AG Com NPV	1,180,276	0.14
273,692	Intesa Sanpaolo SPA Com EUR 0.52	2,053,974	0.25	11,803	TNT NV Com EUR 0.48	498,804	0.06
11,156	KBC Group Com NPV	1,399,479	0.17		<b>Distillers &amp; Vintners</b>		
138,712	Lloyds TSB Group Ord GBP 0.25	1,524,850	0.19	71,332	Diageo Ord GBP 28.935 185	1,522,253	0.19
49,638	Mediobanca SPA Com EUR 0.50	1,069,170	0.13	6,096	Pernod Ricard Com NPV	1,284,202	0.16
11,813	National Bank of Greece Com EUR 4.50 (Regd)	703,104	0.09		<b>Diversified Industrials</b>		
92,296	Nordic Bank AB Com NPV	1,405,642	0.17	27,149	Thyssenkrupp AG Com NPV	1,587,397	0.19
318,154	Royal Bank of Scotland Group Ord GBP 0.25	3,683,545	0.45		<b>Durable Household Products</b>		
13,293	Skand Enskilda Bank Series 'A' Com SEK 10.00	400,458	0.05	38,500	Electrolux AB Series 'B' Com SEK 5.00	860,791	0.10
8,636	Societe Generale Com EUR 1.25	1,393,338	0.17	10,783	Husqvarna AB Series 'A' Com NPV	136,199	0.02
25,000	Svenska Handelsbank Series 'A' Com SEK 4.30	693,250	0.08	44,044	Husqvarna AB Series 'B' Com NPV	557,916	0.07
232,613	Unicredito Italiano SPA Com EUR 0.50	1,997,791	0.24		<b>Electrical Components &amp; Equipment</b>		
				11,455	Schneider Electric Com EUR 8.00	1,519,596	0.19
					<b>Electricity</b>		
				27,091	Endesa SA Com EUR 1.20	1,472,841	0.18
				110,419	Enel Com EUR 1.00	1,138,750	0.14
				51,741	Fortum Oyj Com EUR 3.40	1,709,085	0.21

# iSHARES MSCI WORLD

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>EUROPEAN UNION (Continued)</b>				<b>Hotels</b>		
33,369	Iberdrola SA Com EUR 3.00	1,850,545	0.23	5,220	Accor Com EUR 3.00	448,247	0.05
24,960	Scottish & Southern Energy Ord GBP 0.50	712,893	0.09		<b>Industrial Machinery</b>		
	<b>Electronic Equipment</b>			3,000	Alstom Com EUR 14.00 (Post-Consolidation)	542,505	0.07
23,061	Invensys Ord GBP 0.10	158,617	0.02	9,757	IMI Ord GBP 0.25	110,899	0.01
24,678	Siemens AG Com NPV (Regd)	3,092,063	0.38	27,101	Sandvik AB Com NPV	550,845	0.07
	<b>Fixed Line Telecommunications</b>				<b>Industrial Suppliers</b>		
245,468	BT Group Ord GBP 0.05	1,562,108	0.19	45,128	Wolseley Ord GBP 0.25	943,934	0.12
269,479	Cable & Wireless Ord GBP 0.25	930,019	0.11		<b>Integrated Oil &amp; Gas</b>		
71,243	Deutsche Telekom Com NPV (Regd)	1,322,802	0.16	102,092	BG Group Ord GBP 0.10	1,634,012	0.20
53,544	France Telecom Com EUR 4.00	1,616,084	0.20	590,558	BP Com USD 0.25	6,640,857	0.81
10,746	Hellenic Telecom Org SA (OTE) Com EUR 2.39	351,588	0.04	75,918	ENI SPA Com EUR 1.00 (Regd)	2,620,499	0.32
99,172	Kon KPN NV Com EUR 0.24	1,546,645	0.19	17,974	OMV AG Com NPV	1,112,439	0.14
99,274	Portugal Telecom SA Com EUR 0.03 (Regd)	1,358,766	0.17	22,975	Repsol YPF SA Com EUR 1.00	829,371	0.10
358,085	Telecom Italia Di Risp Com EUR 0.55	800,581	0.10	79,904	Royal Dutch Shell Class 'B' Com EUR 0.07	3,117,035	0.38
301,554	Telecom Italia SPA Com EUR 0.55	850,964	0.10	111,530	Royal Dutch Shell Class 'A' Com EUR 0.07	4,328,261	0.53
154,151	Telefonica SA Com EUR 1.00	3,826,765	0.47	61,253	Total SA Com EUR 2.50	4,613,550	0.56
10,819	Telekom Austria Ta Com NPV (Bearer)	278,609	0.03		<b>Investment Services</b>		
	<b>Food Products</b>			5,836	Deutsche Boerse Com NPV	644,510	0.08
92,781	Cadbury Schweppes Ord GBP 0.125	1,095,728	0.13		<b>Life Insurance</b>		
18,549	Groupe Danone Com EUR 0.25	1,413,792	0.17	59,469	Aegon NV Com EUR 0.12	1,085,542	0.13
44,371	Unilever NV CVA Com EUR 0.16	1,356,158	0.17	77,969	Aviva Ord GBP 0.25	1,112,667	0.14
39,959	Unilever Ord GBP 0.0311	1,258,155	0.15	51,340	ING Groep NV CVA Com EUR 0.24	2,066,083	0.25
	<b>Food Retailers &amp; Wholesalers</b>			475,851	Legal & General Group Ord GBP 0.025	1,391,732	0.17
19,777	Carrefour Com EUR 2.50	1,384,986	0.17	158,307	Old Mutual Ord GBP 0.10	508,985	0.06
94,280	Koninklijke Ahold NV Com EUR 0.30	1,258,281	0.15	104,788	Prudential Ord GBP 0.05	1,484,823	0.18
44,987	Sainsbury (J) Ord GBP 0.28571428	502,252	0.06		<b>Marine Transportation</b>		
230,220	Tesco Ord GBP 0.05	1,972,391	0.24	124	A.P. Moller-Maersk Series 'B' Com NPV	1,617,964	0.20
	<b>Footwear</b>				<b>Media Agencies</b>		
6,029	Adidas-Salomon AG Com NPV	354,158	0.04	91,885	WPP Group Ord GBP 0.10	1,308,477	0.16
	<b>Full Line Insurance</b>				<b>Medical Supplies</b>		
14,371	Allianz AG Com NPV (Regd)	3,075,045	0.38	5,302	Essilor International Com EUR 0.35	322,005	0.04
32,396	Assic Generali SPA Com EUR 1.00	1,321,382	0.16		<b>Mobile Telecommunications</b>		
45,482	AXA Com EUR 2.29	1,823,518	0.22	3,157	Linde AG Com NPV	370,685	0.05
	<b>Gambling</b>			64,688	Teliasonera AB Com SEK 3.20	502,451	0.06
8,103	OPAP Com EUR 0.30	296,707	0.04	1,530,883	Vodafone Group Ord USD 0.11428571	4,931,325	0.60
	<b>Gas Distribution</b>				<b>Multiutilities</b>		
215,739	Centrica Ord GBP 0.061728395	1,675,352	0.20	17,817	E.On AG Com NPV	2,990,951	0.36
	<b>General Mining</b>			98,122	National Grid Ord GBP 0.11395	1,468,544	0.18
36,868	Anglo American Com USD 0.54945	2,111,955	0.26	15,202	RWE AG (New) Series 'A' Com NPV	1,706,425	0.21
62,456	BHP Billiton Com USD 0.50	1,832,964	0.22	32,744	Suez Com EUR 2.00	1,863,201	0.23
26,218	Rio Tinto Ord GBP 0.10 (Regd)	1,811,243	0.22		<b>Nondurable Household Products</b>		
15,158	Xstrata Ord USD 0.50	887,576	0.11	28,151	Reckitt Benckiser Ord GBP 0.10	1,531,978	0.19
	<b>Heavy Construction</b>				<b>Paper</b>		
19,722	ACS Actividades Company Com EUR 0.50	1,084,044	0.13	10,132	Mondi Com EUR 0.20	100,038	0.01
26,183	Vinci Com EUR 2.50	1,864,653	0.23	68,487	Stora Enso Oyj Series 'R' Com NPV	1,216,545	0.15
	<b>Home Improvement Retailers</b>				<b>Personal Products</b>		
247,227	Kingfisher Ord GBP 0.157142857	1,038,479	0.13	11,798	L'Oreal SA Com EUR 0.20	1,382,388	0.17

# iSHARES MSCI WORLD

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>EUROPEAN UNION (Continued)</b>				<b>EUROPEAN UNION - TOTAL</b>	<b>242,043,534</b>	<b>29.52</b>
	<b>Pharmaceuticals</b>				<b>HONG KONG</b>		
42,753	Astrazeneca Ord USD 0.25	2,107,582	0.26		<b>Apparel Retailers</b>		
182,256	GlaxoSmithKline Ord GBP 0.25	4,756,996	0.58		Esprit Holdings Ord HKD 0.10	364,254	0.04
18,350	Novo-Nordisk A/S Series 'B' Com DKK 2.00	2,031,650	0.25	25,000	<b>Diversified Industrials</b>		
27,902	Sanofi-Aventis Com EUR 2.00	2,279,201	0.28	124,000	Hutchison Whampoa Com HKD 0.25	1,230,974	0.15
	<b>Publishing</b>			93,000	Swire Pacific Series 'A' Com HKD 0.60	1,027,005	0.13
98,246	Reed Elsevier Ord GBP 0.125	1,186,030	0.14		<b>Electricity</b>		
36,967	Reuters Group Ord GBP 0.25	476,466	0.06	29,000	China Light & Power Holdings Com HKD 5.00	199,737	0.02
	<b>Real Estate Investment Trusts</b>				<b>Gas Distribution</b>		
5,846	British Land Company Ord GBP 0.25	152,231	0.02	480,100	Hong Kong & China Gas Com HKD 0.25	1,105,922	0.13
36,490	Land Securities Ord GBP 0.10	1,333,671	0.16		<b>Investment Services</b>		
	<b>Recreational Services</b>			31,000	Hong Kong Exchanges & Clearing Com HKD 1.00	570,161	0.07
17,685	Carnival Ord USD 1.66	782,990	0.10		<b>Real Estate Holding &amp; Development</b>		
	<b>Reinsurance</b>			62,000	Cheung Kong Holdings Com HKD 0.50	912,098	0.12
7,460	Muenchener Rueckversicherung AG Com NPV (Regd)	1,286,485	0.16	124,000	Sun Hung Kai Properties Com HKD 0.50	1,654,022	0.20
	<b>Semiconductors</b>				<b>HONG KONG - TOTAL</b>	<b>7,064,173</b>	<b>0.86</b>
52,123	Asm Lithography Holding Com EUR 0.02	1,544,062	0.19		<b>JAPAN</b>		
21,507	Infineon Technologies Ord NPV (Regd)	335,121	0.04		<b>Auto Parts &amp; Equipment</b>		
	<b>Software</b>			2,100	Aisin Seiki Companu Com NPV	78,989	0.01
24,685	SAP AG Ord NPV	1,333,285	0.16	4,800	Denso Corporation Com NPV	167,709	0.02
	<b>Specialty Chemicals</b>				<b>Automobiles</b>		
20,486	Akzo Nobel NV Com EUR 2.00	1,612,816	0.20	6,600	Honda Motor Company Com NPV	216,365	0.03
25,493	Bayer AG Ord NPV	2,008,048	0.24	12,600	Nissan Motor Company Com NPV	120,657	0.01
34,648	Imperial Chemical Industries Ord GBP 1.00	442,733	0.05	18,600	Toyota Motor Corporation Com NPV	1,079,912	0.13
7,460	Solvay SA Com NPV	1,106,378	0.13		<b>Banks</b>		
	<b>Specialty Finance</b>			62	Mitsubishi UFJ Financial Com NPV	588,362	0.07
2,345	Groupe Bruxelles Lambert SA Com NPV	276,205	0.03	57	Mizuho Financial Group Incorporated Com NPV	359,953	0.04
	<b>Steel</b>			6,000	Shizouka Bank Com NPV	62,477	0.01
38,780	Arcelor Mittal Steel Company NV Ord EUR 0.01	2,550,825	0.31	60	Sumitomo Mitsui Financial Group Com NPV	473,105	0.06
	<b>Telecommunications Equipment</b>			11,000	Sumitomo Trust & Banking Com NPV	90,057	0.01
71,208	Alcatel Series 'A' Com EUR 2.01	778,536	0.09		<b>Brewers</b>		
388,715	Ericsson LM Series 'B' Com NPV	1,442,476	0.18	6,100	Asahi Breweries Com JPY 50.00	90,146	0.01
119,430	Nokia OYJ Com EUR 0.06	3,933,561	0.48		<b>Broadline Retailers</b>		
	<b>Tobacco</b>			5,100	Aeon Company Com NPV	69,560	0.01
21,100	Altadis SA Com EUR 0.60 (Regd)	1,401,410	0.17		<b>Commercial Vehicles &amp; Trucks</b>		
42,382	British American Tobacco Ord GBP 0.25	1,405,400	0.17	2,000	Komatsu Com NPV	61,424	0.01
31,800	Imperial Tobacco Ord GBP 0.10	1,436,144	0.18		<b>Computer Hardware</b>		
	<b>Transportation Services</b>			5,000	Fujitsu Com NPV	34,120	-
38,834	Atlantia SPA Com EUR 1.00	1,291,747	0.16	62,000	Matsushita Electrical Industrial Com NPV	1,075,098	0.13
	<b>Tyres</b>			2,000	Sharp Corporation Com NPV	34,767	-
2,815	Continental AG Ord Com NPV	365,872	0.04	5,700	Sony Corporation Com NPV	273,407	0.03
4,192	Michelin (CGDE) Com EUR 2.00	528,442	0.06				
	<b>Waste &amp; Disposal Services</b>						
59,048	Biffa Com GBP 0.10	298,948	0.04				
	<b>Water</b>						
35,162	Severn Trent Com GBP 0.9789	965,978	0.12				
24,103	Veolia Environment Com EUR 5.00	1,849,272	0.23				

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## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>JAPAN (Continued)</b>				<b>Mobile Telecommunications</b>		
	<b>Diversified Industrials</b>			6	KDDI Corporation Com NPV	46,224	0.01
6,000	Toshiba Corporation Com NPV	53,988	0.01	118	NTT Docomo Com NPV	180,184	0.02
	<b>Electrical Components &amp; Equipment</b>				<b>Personal Products</b>		
1,800	Murata Manufacturing Company Com NPV	126,092	0.02	5,000	Kao Corporation Com NPV	141,483	0.02
300	TDK Corporation Com NPV	25,441	-		<b>Pharmaceuticals</b>		
	<b>Electricity</b>			1,000	Astellas Pharmaceutical Com NPV	46,155	0.01
5,000	Chubu Electric Power Com NPV	132,856	0.02	4,600	Chugai Pharmaceutical Company Com NPV	82,543	0.01
5,200	Kansai Electric Power Com NPV	120,899	0.01	5,100	Daiichi Sankyo Company Limited Ord NPV	138,593	0.02
1,000	Kyushu Electric Power Com NPV	26,571	-	18,600	Takeda Pharmaceutical Company Limited Com NPV	1,266,048	0.15
5,800	Tokyo Electric Power Com NPV	151,611	0.02		<b>Property &amp; Casualty Insurance</b>		
	<b>Electronic Equipment</b>			4,600	Millea Holdings Incorporated Com NPV	177,389	0.02
7,000	Hitachi Com NPV	45,111	0.01	10,000	Mitsui Sumitomo Insurance Company Com NPV	112,324	0.01
1,000	Hoya Corporation Com NPV	34,681	-		<b>Real Estate Holding &amp; Development</b>		
100	Keyence Corporation Com NPV	22,128	-	6,000	Mitsubishi Estate Com NPV	159,945	0.02
1,500	Kyocera Corporation Com NPV	137,040	0.02	2,000	Mitsui Fudosan Company Com NPV	51,935	0.01
4,000	Omron Corporation Com NPV	104,214	0.01	3,000	Sumitomo Realty & Development Com NPV	98,089	0.01
	<b>Electronic Office Equipment</b>				<b>Recreational Products</b>		
5,800	Canon Com NPV	330,742	0.04	1,000	Fuji Photo Film Company Com NPV	43,394	0.01
6,000	Ricoh Company Com NPV	132,252	0.02	3,000	Nikon Corporation Com NPV	93,431	0.01
	<b>Exploration &amp; Production</b>				<b>Semiconductors</b>		
9	Inpex Holdings Com NPV	82,302	0.01	300	Rohm Company Com NPV	26,632	
	<b>Fixed Line Telecommunications</b>				<b>Specialty Chemicals</b>		
9	Nippon Telephone & Telegraph Corporation Com NPV	41,694	0.01	700	Shin-Etsu Chemical Com NPV	50,485	0.01
	<b>Food Retailers &amp; Wholesalers</b>				<b>Specialty Finance</b>		
5,300	Seven & I Holdings Company Limited Com NPV	140,370	0.02	540	Orix Corporation Com NPV	114,834	0.01
	<b>Gas Distribution</b>				<b>Specialty Retailers</b>		
10,000	Tokyo Gas Company Com NPV	49,347	0.01	5,300	Softbank Corporation Com NPV	101,505	0.01
	<b>Industrial Machinery</b>				<b>Steel</b>		
1,200	Fanuc Limited Com NPV	116,568	0.01	5,000	JFE Holdings Incorporated Com NPV	325,238	0.04
4,000	Mitsubishi Electric Corporation Com NPV	46,862	0.01	50,000	Nippon Steel Corporation Com NPV	349,825	0.04
20,000	Mitsubishi Heavy Industries Com NPV	122,158	0.01	45,000	Sumitomo Metal Industries Com NPV	227,106	0.03
	<b>Industrial Suppliers</b>				<b>Tobacco</b>		
15,000	Itochu Corporation Com NPV	162,015	0.02	9	Japan Tobacco Incorporated Com NPV	49,692	0.01
6,600	Mitsubishi Corporation Com JPY 50.00	185,049	0.02		<b>Toys</b>		
3,000	Mitsui & Company Com NPV	61,985	0.01	200	Nintendo Corporation Com NPV	92,309	0.01
8,000	Sumitomo Corporation Com NPV	137,756	0.02		<b>Travel &amp; Tourism</b>		
	<b>Investment Services</b>			3	Central Japan Railway Com NPV	33,387	
10,000	Daiwa Securities Group Com JPY 50.00	98,779	0.01	5	East Japan Railway Company Com NPV	39,641	
7,300	Nomura Holdings Com NPV	129,103	0.02		<b>JAPAN - TOTAL</b>	<b>11,902,481</b>	<b>1.45</b>
	<b>Life Insurance</b>				<b>NEW ZEALAND</b>		
550	T&D Holdings Incorporated Com NPV	31,791			<b>Fixed Line Telecommunications</b>		
	<b>Marine Transportation</b>			222,315	Telecom Corporation of New Zealand Com NPV	667,626	0.08
3,000	Mitsui Osk Lines Com NPV	44,101	0.01		<b>NEW ZEALAND - TOTAL</b>	<b>667,626</b>	<b>0.08</b>
	<b>Medical Equipment</b>						
1,800	Terumo Corporation Com NPV	84,476	0.01				

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## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>NORWAY</b>				<b>Specialty Chemicals</b>		
	<b>Aluminium</b>			8,516	Syngenta Com CHF 0.10	1,592,830	0.19
56,525	Norsk Hydro ASA Com NOK 3.6666	2,092,224	0.26		<b>SWITZERLAND - TOTAL</b>	<b>28,316,504</b>	<b>3.46</b>
	<b>Banks</b>						
87,005	DNB Norway ASA Com NOK 10.00	1,191,030	0.15		<b>UNITED STATES</b>		
	<b>Integrated Oil &amp; Gas</b>				<b>Aerospace</b>		
18,902	Statoil ASA Com NOK 2.50	544,616	0.07	18,640	Boeing Company Com USD 5.00	1,802,488	0.22
	<b>Mobile Telecommunications</b>			12,570	Lockheed Martin Corporation Com USD 1.00	1,246,190	0.15
24,387	Telenor AS Ord NOK 6.00	449,238	0.05	24,910	United Technologies Com USD 1.00	1,859,033	0.23
	<b>NORWAY - TOTAL</b>	<b>4,277,108</b>	<b>0.53</b>		<b>Aluminium</b>		
	<b>SINGAPORE</b>			37,245	Alcoa Com USD 1.00	1,360,560	0.17
	<b>Airlines</b>				<b>Apparel Retailers</b>		
122,000	Singapore Airlines Limited Com NPV	1,513,191	0.18	18,650	Kohls Corporation Com USD 0.01	1,105,945	0.13
	<b>Banks</b>			55,620	The Gap Incorporated Com USD 0.05	1,043,431	0.13
69,000	DBS Group Holdings Com SGD 1.00	901,103	0.11		<b>Asset Managers</b>		
73,000	Overseas Chinese Bank Com SGD 0.50	407,206	0.05	12,230	Franklin Resources Com USD 0.10	1,611,547	0.20
42,000	United Overseas Bank Com SGD 1.00	570,547	0.07	18,445	State Street Corporation Com USD 1.00	1,131,785	0.14
	<b>Fixed Line Telecommunications</b>			29,310	The Bank of New York Mellon Corporation Com USD 0.01	1,185,003	0.14
232,000	Singapore Telecommunications Com SGD 0.15	554,193	0.07		<b>Auto Parts &amp; Equipment</b>		
	<b>SINGAPORE - TOTAL</b>	<b>3,946,240</b>	<b>0.48</b>	18,775	Genuine Parts Company Com USD 1.00	932,742	0.11
	<b>SWITZERLAND</b>			12,465	Johnson Controls Com USD 0.167	1,409,792	0.17
	<b>Banks</b>				<b>Automobiles</b>		
32,110	Credit Suisse Group Com CHF 0.50 (Regd)	2,099,388	0.26	50,085	Ford Motor Company Com USD 0.01	391,164	0.05
58,169	UBS AG Com CHF 0.10	3,020,860	0.37	30,970	General Motors Corporation Com USD 1.667	952,328	0.12
	<b>Building Materials &amp; Fixtures</b>			18,545	Harley Davidson Com USD 0.01	997,536	0.12
14,878	Holcim Limited Com CHF 2.00 (Regd)	1,601,943	0.20		<b>Banks</b>		
	<b>Clothing &amp; Accessories</b>			130,096	Bank of America Corporation Com USD 0.01	6,593,265	0.80
24,275	Compagnie Financiere Richemont Class 'A' Com CHF 1.00	1,494,712	0.18	16,301	BB&T Corporation Com USD 5.00	647,639	0.08
	<b>Electronic Equipment</b>			155,255	Citigroup Com USD 0.01	7,278,354	0.89
69,769	ABB Com CHF 2.50 (Regd)	1,700,486	0.21	14,197	Fifth Third Bancorp Com NPV	506,265	0.06
	<b>Food Products</b>			99,040	JP Morgan Chase & Company Com USD 1.00	4,409,261	0.54
12,936	Nestle AG Com CHF 10.00 (Regd)	5,604,565	0.68	30,805	Keycorp Corporation Com USD 1.00	1,025,807	0.13
	<b>Full Line Insurance</b>			30,780	National City Corporation Com USD 4.00	828,290	0.10
5,277	Zurich Financial Services Com CHF 2.50	1,502,349	0.18	12,635	PNC Financial Services Group Com USD 5.00	889,125	0.11
	<b>Nonequity Investment Instruments</b>			12,400	Regions Financial Corporation Com USD 0.625	388,120	0.05
157,180	iShares MSCI Japan Fund Shares	2,178,146	0.27	37,986	Sovereign Bancorp Com USD 1.00	686,787	0.08
	<b>Pharmaceuticals</b>			12,425	Suntrust Banks Com USD 1.00	978,469	0.12
64,552	Novartis AG Com CHF 0.50 (Regd)	3,389,741	0.41	49,390	US Bancorp Com USD 0.01	1,597,767	0.19
18,854	Roche Holding AG Genusscheine Com NPV	3,264,303	0.40	56,213	Wachovia Corporation Com USD 3.333333	2,753,313	0.34
	<b>Reinsurance</b>			24,725	Washington Mutual Com NPV	907,902	0.11
10,303	Swiss Reinsurance Com CHF 0.10 (Regd)	867,181	0.11	87,090	Wells Fargo & Company Com USD 1.667	3,182,269	0.39
					<b>Biotechnology</b>		
				31,190	Amgen Incorporated Com USD 0.0001	1,559,500	0.19



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## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

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HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (Continued)</b>				<b>Coal</b>		
12,100	Biogen Idec Incorporated Com NPV	771,375	0.09	22,536	Peabody Energy Corporation Com USD 0.01	958,005	0.12
5,846	Celgene Corporation Com USD 0.01	374,846	0.05		<b>Commercial Vehicles &amp; Trucks</b>		
12,360	Genentech Incorporated Com USD 0.02	924,652	0.11	18,550	Caterpillar Com USD 1.00	1,405,534	0.17
12,415	Genzyme Corporation Com USD 0.01	774,324	0.09	6,300	Deere & Company Com USD 1.00	857,178	0.10
37,250	Gilead Sciences Com USD 0.001	1,352,920	0.17	3,900	Paccar Com USD 1.00	333,138	0.04
	<b>Brewers</b>				<b>Commodity Chemicals</b>		
18,840	Anheuser Busch Com USD 1.00	930,319	0.11	18,405	Air Products & Chemicals Com USD 1.00	1,656,634	0.20
	<b>Broadcasting &amp; Entertainment</b>			24,705	Dow Chemical Company Com USD 2.50	1,053,174	0.13
18,580	CBS Corporation Class 'B' Com USD 0.001	585,456	0.07	24,745	Du Pont Nemours Com USD 0.30	1,206,319	0.15
10	Citadel Broadcasting Company Com USD 0.01	41	-	12,200	Praxair Com USD 0.01	923,052	0.11
12,500	Clear Channel Communications Com USD 0.10	465,750	0.06		<b>Computer Hardware</b>		
47,770	Comcast Corporation Class 'A' Special Com USD 1.00	1,235,332	0.15	23,933	Apple Computer Com NPV	3,310,652	0.40
47,695	Comcast Corporation Class 'A' Com USD 0.01	1,241,978	0.15	61,965	Dell Incorporated Com USD 0.01	1,749,272	0.21
8,700	Directv Group Incorporated Com USD 0.01	202,971	0.02	62,200	EMC Corporation (Mass) Com USD 0.01	1,222,852	0.15
5,920	Liberty Media Hold-Cap Series 'A' Com USD 0.01	645,280	0.08	80,400	Hewlett-Packard Com USD 0.01	3,964,524	0.48
25,802	Liberty Media-Interactive Series 'A' Com USD 0.01	488,948	0.06	223,280	Sun Microsystems Com USD 0.00067	1,192,315	0.15
61,295	News Corporation Limited Class 'A' Com USD 0.01	1,239,998	0.15		<b>Computer Services</b>		
42,344	News Corporation Limited Class 'B' Com USD 0.01	920,559	0.11	43,210	Electronic Data Systems Corporation Com USD 0.10	989,077	0.12
124,105	Time Warner Com USD 0.01	2,355,513	0.29	49,745	IBM Corporation Com USD 0.20	5,804,744	0.71
18,580	Viacom Incorporated Class 'B' Com USD 0.001	733,167	0.09		<b>Consumer Finance</b>		
56,635	Walt Disney Productions Com USD 0.01	1,902,936	0.23	30,790	American Express Com USD 0.20	1,804,910	0.22
	<b>Broadline Retailers</b>			12,009	Capital One Financial Com USD 0.01	776,502	0.09
18,655	Amazon Ord USD 0.10	1,488,482	0.18	12,402	Discover Financial Services Com USD 0.01	286,982	0.04
18,610	Costco Wholesale Com USD 0.005	1,147,865	0.14	18,420	SLM Corporation Com USD 0.20	926,158	0.11
24,980	Macys Incorporated Com USD 0.01	792,366	0.10		<b>Defence</b>		
6,400	Penney (JC) Com USD 0.50	440,064	0.05	12,630	General Dynamics Corporation Com USD 1.00	992,213	0.12
24,590	Target Corporation Com USD 0.167	1,621,219	0.20	18,450	Northrop Grumman Corporation Com USD 1.00	1,454,598	0.18
68,185	Wal-Mart Stores Incorporated Com USD 0.10	2,974,912	0.36	24,730	Raytheon Company Com USD 0.01	1,516,938	0.19
	<b>Building Materials &amp; Fixtures</b>				<b>Delivery Services</b>		
12,345	Fortune Brands Com USD 3.125	1,025,746	0.13	12,200	Fedex Corporation Com USD 0.10	1,338,096	0.16
31,055	Masco Corporation Com USD 1.00	808,051	0.10	18,385	United Parcel Service Com USD 0.01	1,394,686	0.17
	<b>Business Support Services</b>				<b>Diversified Industrials</b>		
31,250	Accenture Com USD 0.00002	1,287,813	0.16	18,675	3M Company Com USD 0.01	1,699,238	0.21
24,860	Donnelley (R.R.) & Sons Com USD 1.25	890,485	0.11	12,640	Eaton Corporation Com USD 0.50	1,190,941	0.15
	<b>Business Training &amp; Employment Agencies</b>			316,445	General Electric Company Com USD 0.06	12,300,217	1.50
24,745	Robert Half International Com USD 0.001	790,355	0.10	24,950	Honeywell International Com USD 1.00	1,400,943	0.17
	<b>Clothing &amp; Accessories</b>			12,455	Tyco International Limited Com USD 0.20	550,013	0.07
30,830	Coach Incorporated Com USD 0.01	1,372,860	0.17		<b>Drug Retailers</b>		
				12,520	Cardinal Health Com NPV	856,118	0.10
				67,955	CVS/Caremark Corporation Com USD 0.01	2,564,622	0.31
				18,740	McKesson Corporation Com USD 0.01	1,072,115	0.13
				30,810	Walmart Company Com USD 0.078	1,388,607	0.17



# iSHARES MSCI WORLD

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (Continued)</b>				<b>Fixed Line Telecommunications</b>		
	<b>Electrical Components &amp; Equipment</b>			179,709	AT&T Incorporated Com USD 1.00	7,164,998	0.87
24,890	Emerson Electric Company Com USD 1.00	1,225,335	0.15	5,020	Embarq Corporation Com USD 0.01	313,348	0.04
74,460	Flextronics International Com USD 0.01	846,610	0.10	23,600	Qwest Communications International Com USD 0.01	211,220	0.03
12,455	Tyco Electronics Limited Com USD 0.20	434,306	0.05	80,370	Verizon Communications Com USD 0.10	3,365,896	0.41
	<b>Electricity</b>				<b>Food Products</b>		
12,300	American Electric Power Company Com USD 6.50	547,104	0.07	37,220	Archer Daniels Midland Company Com NPV	1,254,314	0.15
18,690	Consolidated Edison Com USD 0.10	858,619	0.10	37,310	Conagra Foods Com USD 5.00	959,240	0.12
	<b>Electricity (cont)</b>			18,595	General Mills Com USD 0.10	1,039,089	0.13
12,345	Dominion Resources New Com NPV	1,051,547	0.13	24,800	Heinz (Hj) Company Com USD 0.25	1,118,232	0.14
18,830	Edison International Com NPV	992,529	0.12	38,305	Kraft Foods Incorporated Class 'A' Com NPV	1,228,058	0.15
6,200	Entergy Corporation Com USD 0.01	642,444	0.08		<b>Food Retailers &amp; Wholesalers</b>		
18,480	Exelon Corporation Com NPV	1,305,982	0.16	19,355	Kroger Company Com USD 1.00	514,456	0.06
8,448	Firstenergy Corporation Com USD 0.10	519,045	0.06	6,372	Supervalu Com USD 1.00	268,580	0.03
18,775	FPL Group Com USD 0.01	1,104,721	0.13	25,020	Sysco Corporation Com USD 3.3333	835,168	0.10
10,633	PG&E Corporation Com NPV	473,169	0.06		<b>Footwear</b>		
11,249	PP&L Corporation Com USD 0.01	542,877	0.07	24,530	Nike Class 'B' Com NPV	1,382,020	0.17
12,555	Public Service Enterprises Com NPV	1,067,049	0.13		<b>Forestry</b>		
24,915	Southern Company Com USD 5.00	884,233	0.11	12,560	Weyerhaeuser Company Com USD 1.25	856,215	0.10
12,500	Transcanada Corporation Com NPV	434,135	0.05		<b>Full Line Insurance</b>		
19,110	TXU Corporation Com NPV	1,288,014	0.16	61,960	American International Group Com USD 2.50	4,089,360	0.50
	<b>Electronic Equipment</b>			12,355	Hartford Financial Services Com USD 0.01	1,098,483	0.13
12,400	Agilent Technologies Com USD 0.01	450,616	0.05		<b>Furnishings</b>		
18,525	Danaher Corporation Com USD 0.01	1,438,652	0.18	11,800	Mohawk Industries Incorporated Com USD 0.01	1,030,258	0.13
	<b>Electronic Office Equipment</b>				<b>Gambling</b>		
18,855	Pitney Bowes Com USD 1.00	842,253	0.10	12,550	Harrahs Entertainment Com USD 0.10	1,076,414	0.13
68,210	Xerox Corporation Com USD 1.00	1,168,437	0.14		<b>Gas Distribution</b>		
	<b>Exploration &amp; Production</b>			18,205	Spectra Energy Corporation Com USD 0.001	423,266	0.05
24,420	Anadarko Petroleum Com USD 0.10	1,196,092	0.15		<b>Gold Mining</b>		
12,560	Apache Corporation Com USD 1.25	971,893	0.12	18,720	Newmont Mining Com USD 1.60	791,107	0.10
12,610	Devon Energy Com USD 0.10 (New)	949,659	0.12		<b>Health Care Providers</b>		
12,535	EOG Resources Com USD 0.01	844,358	0.10	24,450	Aetna Incorporated Com USD 0.01	1,244,750	0.15
24,780	Occidental Petroleum Com USD 0.20	1,404,778	0.17	18,990	Cigna Corporation Com USD 0.25	981,403	0.12
12,890	Valero Energy Corporation Com USD 0.01	883,094	0.11	18,370	Medco Health Solutions Com USD 0.01	1,569,717	0.19
12,200	XTO Energy Incorporated Com USD 0.01	663,192	0.08	18,660	Quest Diagnostics Com USD 0.01	1,021,635	0.12
	<b>Financial Administration</b>			37,155	Unitedhealth Group Com USD 0.01	1,858,122	0.23
18,770	Automatic Data Processing Com USD 0.10	858,540	0.10	18,738	Wellpoint Incorporated Com USD 0.01	1,510,095	0.18
5,092	Broadridge Financial Solutions Incorporated Com USD 0.01	92,522	0.01		<b>Home Construction</b>		
24,605	First Data Corporation Com USD 0.01	817,378	0.10	12,525	Centex Corporation Com USD 0.25	362,098	0.04
24,715	Paychex Com USD 0.01	1,096,357	0.13	24,755	Pulte Homes Incorporated Com USD 0.01	411,923	0.05
24,605	Western Union Comp Com USD 0.01	463,312	0.06		<b>Home Improvement Retailers</b>		
				55,905	Home Depot Com USD 0.05	2,142,839	0.26
				37,390	Lowes Company Com USD 0.50	1,161,333	0.14

# iSHARES MSCI WORLD

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (Continued)</b>				<b>Mobile Telecommunications</b>		
	<b>Hotels</b>			11,904	Alltel Corporation Com USD 1.00	812,567	0.10
12,630	Starwood Hotels & Resorts Com USD 0.01	771,946	0.09	74,685	Sprint Nextel Corporation Group Com USD 2.50	1,413,040	0.17
11,296	Wyndham Worldwide Corporation Com USD 0.01	360,342	0.04		<b>Mortgage Finance</b>		
	<b>Industrial Machinery</b>			25,045	Countrywide Financial Corporation Com USD 0.05	497,143	0.06
24,600	Illinois Tool Works Com NPV	1,430,982	0.17	24,885	Fannie Mae Com NPV	1,632,705	0.20
24,730	Ingersoll Rand Company Class 'A' Com USD 2.00	1,284,229	0.16	18,455	Freddie Mac Com USD 0.21	1,137,013	0.14
	<b>Insurance Brokers</b>				<b>Mutiutilities</b>		
31,025	Marsh & McLennan Com USD 1.00	826,816	0.10	36,410	Duke Energy Corporation Com NPV	667,759	0.08
	<b>Integrated Oil &amp; Gas</b>			37,410	Williams Com USD 1.00	1,159,710	0.14
62,040	Chevron Corporation Com USD 0.75	5,444,630	0.66		<b>Nondurable Household Products</b>		
173,015	Exxon Mobil Corporation Com NPV	14,832,576	1.81	93,120	Procter & Gamble Company Com USD 1.00	6,081,667	0.74
25,250	Marathon Oil Company Com USD 1.00	1,360,723	0.17		<b>Nonequity Investment Instruments</b>		
	<b>Internet</b>			5,180,027	iShares MSCI Japan Fund Shares	72,093,779	8.79
6,115	Google Incorporated Com USD 0.001	3,146,718	0.38		<b>Nonferrous Metals</b>		
36,995	Yahoo! Com USD 0.00017	839,787	0.10	7,864	Freeport-McMoran Copper & Gold Class 'B' Com USD 0.10	687,471	0.08
	<b>Investment Services</b>				<b>Oils</b>		
6,310	Ameriprise Financial Com USD 0.01	384,973	0.05	189	Groupe Bruxelles Lambert VVPR Strips	3	
805	CME Group Incorporated Com USD 0.01	446,614	0.05		<b>Oil Equipment &amp; Services</b>		
12,210	Goldman Sachs Group Com USD 0.01	2,149,082	0.26	18,460	Baker Hughes Com USD 1.00	1,545,287	0.19
12,650	Lehman Brothers Holdings Com USD 0.10	693,600	0.08	6,683	Globalsanta Fe Corporation Com USD 0.01	471,753	0.06
31,130	Merrill Lynch & Company Com USD 1.333	2,294,281	0.28	25,190	Halliburton Com USD 2.50	871,322	0.11
24,805	Morgan Stanley Com USD 0.01	1,547,088	0.19	5,092	National Oilwell Varco Com USD 0.01	651,776	0.08
62,090	Schwab (Charles) Corporation Com USD 0.01	1,229,382	0.15	25,090	Noble Corporation Com USD 0.10	1,230,915	0.15
	<b>Life Insurance</b>			30,140	Schlumberger Com USD 0.01	2,908,510	0.35
14,046	Aflac Com USD 0.10	748,792	0.09	18,375	Transocean Incorporated Com USD 0.01	1,931,029	0.24
12,998	Genworth Financial Incorporated Class 'A' Com USD 0.001	376,682	0.05	25,230	Weatherford International Bermuda Com USD 1.00	1,472,927	0.18
7,769	Lincoln National Corporation Com USD 1.25	472,977	0.06		<b>Paper</b>		
18,575	Metlife Com USD 0.01	1,189,729	0.15	31,070	International Paper Company Com USD 1.00	1,090,868	0.13
16,840	Prudential Financial Incorporated Com USD 0.01	1,511,895	0.18		<b>Personal Products</b>		
	<b>Media Agencies</b>			31,180	Avon Products Com USD 0.25	1,071,033	0.13
12,200	Omnicom Group Com USD 0.15	621,346	0.08	12,655	Kimberly Clark Corporation Com USD 1.25	869,272	0.11
	<b>Medical Equipment</b>				<b>Pharmaceuticals</b>		
56,612	Boston Scientific Com USD 0.10	726,332	0.09	43,225	Abbott Laboratories Com NPV	2,243,810	0.27
12,455	Covidien Limited Com USD 0.20	496,083	0.06	49,580	Bristol Myers Squibb Com USD 0.10	1,445,257	0.18
31,195	Medtronic Com USD 0.10	1,648,344	0.20	24,935	Eli Lilly & Company Com NPV	1,430,022	0.17
18,600	St Jude Medical Com USD 0.10	810,402	0.10	80,760	Johnson & Johnson Com USD 1.00	4,990,160	0.61
7,958	Stryker Corporation Com USD 0.10	531,594	0.06	56,010	Merck & Company Com USD 0.01	2,810,022	0.34
5,900	Thermo Electron Company Com USD 1.00	319,957	0.04	204,685	Pfizer Com USD 0.05	5,084,375	0.62
12,555	Zimmer Holdings Incorporated Com USD 0.01	983,433	0.12	37,050	Wyeth Com USD 0.333	1,715,415	0.21
	<b>Medical Supplies</b>				<b>Pipelines</b>		
24,680	Baxter International Com USD 1.00	1,351,477	0.16	74,525	El Paso Corporation Com USD 3.00	1,182,712	0.15
18,505	Becton Dickinson Com USD 1.00	1,423,775	0.17		<b>Property &amp; Casualty Insurance</b>		
				17,685	ACE Limited Com USD 0.04166	1,021,486	0.12
				18,480	Allstate Corporation Com USD 0.01	1,011,780	0.12

# iSHARES MSCI WORLD

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (Continued)</b>				<b>Software</b>		
24,470	Chubb Corporation Com USD 1.00	1,251,151	0.15	25,055	Adobe Systems Com USD 0.0001	1,071,101	0.13
25,380	Progressive Corporation Com USD 1.00	516,229	0.06	18,670	Autodesk Com USD 0.01	863,861	0.11
18,790	The Travelers Companies Incorporated Com NPV	949,647	0.12	31,125	CA Incorporated Com USD 0.10	784,039	0.10
	<b>Publishing</b>			37,370	Intuit Com USD 0.01	1,019,080	0.13
12,540	Gannett Company Com USD 1.00	589,380	0.07	255,530	Microsoft Corporation Com USD 0.0000125	7,328,600	0.90
5,278	Idearc Incorporated Com NPV	180,138	0.02	105,280	Oracle Corporation Com USD 0.01	2,131,920	0.26
18,615	McGraw-Hill Companies Com USD 1.00	939,313	0.12		<b>Specialized Consumer Services</b>		
	<b>Railroads</b>			12,605	Apollo Group Incorporated Class 'A' Com NPV	738,527	0.09
12,635	Burlington Northern Santa Fe Com USD 0.01	1,025,330	0.13	37,190	Block (H&R) Com NPV	737,850	0.09
24,635	Norfolk Southern Corporation Com USD 1.00	1,261,558	0.15	24,815	Ebay Com USD 0.001	844,454	0.10
12,460	Union Pacific Corporation Com USD 2.50	1,390,162	0.17		<b>Specialty Chemicals</b>		
	<b>Real Estate Holding &amp; Development</b>			5,600	Ecolab Com USD 1.00	233,296	0.03
600	Brookfield Asset Management Limited Voting Share Class 'A' Com NPV	20,322		29,767	Monsanto Company Com USD 0.01	2,075,951	0.25
	<b>Real Estate Investment Trusts</b>			4,400	Rohm & Haas Company Com USD 2.50	248,776	0.03
19,030	Archstone-Smith Trust SBI USD 0.01	1,118,964	0.14		<b>Specialty Finance</b>		
24,680	Equity Residential Com USD 0.01	993,123	0.12	18,510	Moodys Corporation Com USD 1.00	848,684	0.10
6,744	Host Hotels & Resorts Com USD 1.00	150,324	0.02		<b>Specialty Retailers</b>		
12,455	Simon Property Group Incorporated Com USD 0.001	1,182,229	0.15	24,630	Bed Bath & Beyond Com USD 0.01	851,704	0.10
639	Vornado Realty Trust Com USD 0.04	68,111	0.01	18,705	Best Buy Company Com USD 0.10	821,711	0.10
	<b>Recreational Services</b>			31,225	Office Depot Com USD 0.01	763,451	0.10
18,575	Carnival Corporation Com USD 0.01	846,834	0.10	43,275	Staples Com USD 0.0006	1,026,482	0.13
	<b>Restaurants &amp; Bars</b>				<b>Steel</b>		
31,115	McDonalds Corporation Com USD 0.01	1,532,414	0.19	4,400	Nucor Corporation Com USD 0.40	232,760	0.03
31,115	Starbucks Corporation Com USD 0.001	857,218	0.11		<b>Telecommunications Equipment</b>		
37,030	Yum Brands Incorporated Com NPV	1,211,622	0.15	37,541	American Tower Corporation Class 'A' Com USD 0.01	1,487,372	0.18
	<b>Semiconductors</b>			173,645	Cisco Systems Com USD 0.001	5,527,120	0.68
6,000	Advanced Micro Devices Com USD 0.01	78,000	0.01	49,485	Corning Com USD 0.50	1,156,463	0.14
24,885	Analog Devices Com USD 0.167	917,759	0.11	37,335	Juniper Networks Com USD 0.00001	1,227,201	0.15
55,575	Applied Materials Com USD 0.01	1,184,859	0.15	68,035	Motorola Com USD 3.00	1,153,192	0.14
30,577	Broadcom Corporation Com USD 0.0001	1,053,683	0.13	43,405	Qualcomm Com USD 0.0001	1,727,952	0.21
192,420	Intel Corporation Com USD 0.001	4,939,421	0.60		<b>Tobacco</b>		
37,335	National Semiconductor Com USD 0.50	982,657	0.12	55,880	Altria Group Incorporated Com USD 0.333333	3,878,631	0.47
15,491	Sandisk Corporation Com USD 0.001	868,425	0.11		<b>Toys</b>		
43,335	Texas Instruments Com USD 1.00	1,483,790	0.18	18,365	Electronic Arts Com NPV	971,141	0.12
37,290	Xilinx Com USD 0.01	952,387	0.12		<b>Travel &amp; Tourism</b>		
	<b>Soft Drinks</b>			5,688	Avis Budget Group Com USD 0.01	132,017	0.02
74,345	Coca Cola Com USD 0.25	3,998,274	0.49		<b>Waste &amp; Disposal Services</b>		
43,630	Pepsico Capital Com USD 0.017	2,968,149	0.36	31,100	Waste Management Com USD 0.01 (New)	1,171,536	0.14
					<b>UNITED STATES - TOTAL</b>	<b>464,886,636</b>	<b>56.70</b>

# iSHARES MSCI WORLD

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>TOTAL VALUE OF INVESTMENTS</b>		
	AT BID PRICES	818,393,295	99.82
	CASH*	4,592,203	0.56
	OTHER NET LIABILITIES	(3,367,136)	(0.41)
	<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>819,618,362</b>	<b>99.97</b>
	Adjustment from bid market prices to last traded market prices	274,130	0.03
	<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>819,892,492</b>	<b>100.00</b>

\* All cash holdings are held with The Governor & Company of the Bank of Ireland.

# iSHARES MSCI WORLD

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS USD	LARGEST PURCHASES	COST USD
iShares MSCI Japan Fund Shares	7,079,874	iShares MSCI Japan Fund Shares	34,122,933
Exxon Mobil Corporation Com NPV	2,070,670	Exxon Mobil Corporation Com NPV	5,971,813
ABB Com CHF2.50 (Regd)	1,696,466	General Electric Company Com USD0.06	4,922,193
Medimmune Com NPV	1,237,326	Citigroup Com USD0.01	3,284,757
General Electric Company Com USD0.06	1,214,603	Microsoft Corporation Com USD0.0000125	3,072,606
Essilor International Com EUR0.35	1,167,433	AT&T Incorporated Com USD1.00	2,963,699
Volkswagen AG Com NPV	1,075,240	HSBC Holdings Ord USD0.50 (UK Regd)	2,855,665
Skand Enskilda Bank Series 'A' Com SEK10.00	1,059,458	Bank of America Corporation Com USD0.01	2,754,008
Intesa Sanpaolo SPA EUR0.52	960,408	BP Com USD0.25	2,750,421
Marks & Spencer Group New Ord GBP0.25	954,992	Procter & Gamble Company Com USD1.00	2,477,997
Groupe Bruxelles Lambert SA Com NPV	922,152	Pfizer Com USD0.05	2,185,822
Power Corporation Canada Sub-Voting Com NPV	915,776	IBM Corporation Com USD0.20	2,163,484
Scottish Power Ord GBP0.42	908,737	Nestle AG Com CHF10.00 (Regd)	2,137,454
PP&L Corporation Com USD0.01	835,074	Johnson & Johnson Com USD1.00	2,110,878
Phelps Dodge Corporation Com USD6.25	822,800	Chevron Corporation Com USD0.75	2,081,462
Citigroup Com USD0.01	786,300	GlaxoSmithKline Ord GBP0.25	2,075,338
Scottish & Southern Energy Ord GBP0.50	755,186	Cisco Systems Com USD0.001	2,058,563
Microsoft Corporation Com USD0.0000125	739,956	JP Morgan Chase & Company Com USD1.00	2,005,992
Royal Dutch Shell Class 'B' Com EUR0.07	708,047	Vodafone Group Ord USD0.11428571	1,929,827
AT&T Incorporated Com USD1.00	698,743	Total SA Com EUR2.50	1,871,060

# iSHARES MSCI WORLD

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Dividends	9,218	5,983	2,842
Securities lending income	269	10	-
Interest income	130	117	38
Other income	194	-	2
<b>Income</b>	<b>9,811</b>	<b>6,110</b>	<b>2,882</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Management fees	1,754	1,286	482
<b>Expenses</b>	<b>1,754</b>	<b>1,286</b>	<b>482</b>

Included in expenses are audit fees of \$7,578 (February 2007: \$14,450 August 2006: \$5,692) and directors fees of \$2,960 (February 2007: \$5,966 August 2006: \$2,983).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS.

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Cost at beginning of period	489,270	145,009	145,009
Cost at end of period	761,699	489,270	259,389
Fair value at beginning of period	526,316	154,169	154,169
Fair value at end of period	<b>818,393</b>	<b>526,316</b>	<b>275,307</b>

### 5. DEBTORS

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Dividends receivable	1,368	712	514
Securities lending income receivable	7	4	-
Interest income receivable	18	85	7
Sales of securities awaiting settlement	4,053	2,885	-
Other income	194	-	-
<b>Debtors</b>	<b>5,640</b>	<b>3,686</b>	<b>521</b>

### 6. CREDITORS (amount falling due within one year)

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Accrued expenses	383	223	41
Purchases of securities awaiting settlement	5,130	2,925	-
<b>Creditors</b>	<b>5,513</b>	<b>3,148</b>	<b>41</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid.

	31 August 2007 No. of Shares '000s	28 February 2007 No. of Shares '000s	31 August 2006 No. of Shares '000s
Balance at beginning of period	16,800	5,600	5,600
Issued during the period	10,400	12,400	4,000
Redeemed during the period	(2,400)	(1,200)	(400)
<b>Balance at end of period</b>	<b>24,800</b>	<b>16,800</b>	<b>9,200</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Fund does not hold any open futures as at 31 August 2007. The fund did not hold any open futures at 28 February 2007 and 31 August 2006.

### 9. FINANCE COST-DISTRIBUTIONS TO REDEEMABLE PARTICIPATING SHAREHOLDERS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year.

Pay date	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
June 2006	-	1,434	1,470
August 2006	-	36	-
September 2006	-	1,087	1,085
December 2006	-	712	-
March 2007	-	1,208	-
June 2007	4,202	-	-
September 2007	3,494*	-	-
	<b>7,696</b>	<b>4,477</b>	<b>2,555</b>
Equalisation income	(1,105)	(856)	(353)
Equalisation expense	251	145	-
	<b>6,842</b>	<b>3,766</b>	<b>2,202</b>

\*Outstanding at period end

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to the risk that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Fund's assets which are denominated in currencies other than in its own currency.

# iSHARES MSCI WORLD

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 10. Financial instruments and risks (continued)

The table below shows the Fund's currency exposure at 31 August 2007 and comparatives for 28 February 2007 and 31 August 2006:

	31 August 2007	28 February 2007	31 August 2006
	Net currency exposure	Net currency exposure	Net currency exposure
Currency	\$	\$	\$
AUD	24,189,604	14,222,618	7,040,558
CAD	31,313,979	18,607,161	10,201,471
CHF	26,967,024	20,405,813	8,869,903
DKK	121	2,313,752	10,445
EUR	241,290,132	84,855,710	79,021,327
GBP	4,587,988	107,278,933	827,138
HKD	7,064,767	4,174,634	2,036,654
JPY	11,906,387	8,744,092	3,160,466
NOK	-	2,316,543	1,238,087
NZD	680,983	520,799	255,779
SEK	2,485	6,527,082	43,416
SGD	4,274,017	2,309,418	954,750
THB	-	1,128	1,019
	<b>352,277,487</b>	<b>272,277,683</b>	<b>113,661,013</b>

### Fair Value and Cash Flow Interest Rate Risk

The Fund does not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

# iSHARES S&P 500

## PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Operating income	2	22,545	43,434	24,865
Net gains on Financial Assets at Fair Value through Profit or Loss		102,718	212,896	38,164
<b>Total investment income</b>		<b>125,263</b>	<b>256,330</b>	<b>63,029</b>
Operating expenses	3	(5,534)	(10,334)	(5,469)
<b>Net income</b>		<b>119,729</b>	<b>245,996</b>	<b>57,560</b>
<b>Finance Costs</b>				
Distributions to Redeemable Participating Shareholders	9	(16,838)	(31,196)	(16,494)
Interest expense		(38)	-	(77)
<b>Profit before tax</b>		<b>102,853</b>	<b>214,800</b>	<b>40,989</b>
Non-reclaimable withholding tax		(323)	(1,715)	(3,905)
Adjustment from bid market prices to last traded market prices		(1,091)	728	-
<b>Increase in net assets attributable to Redeemable Participating Shareholders</b>		<b>101,439</b>	<b>213,813</b>	<b>37,084</b>

There are no recognised gains or losses arising in the period other than the increase in net assets attributable to Redeemable Participating Shareholders dealt with in the Profit and Loss account. Gains and losses arose solely from continuing operations.

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS (UNAUDITED)

FOR THE SIX MONTHS ENDED 31 AUGUST 2007

	Notes	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Net assets attributable to Redeemable Participating Shareholders at the beginning of the period		2,454,346	2,160,807	2,160,244*
Increase in net assets attributable to Redeemable Participating Shareholders from Operations		101,439	213,813	37,084
<b>Share transactions</b>				
Proceeds from issue of Redeemable Participating Shares		532,962	663,702	592,565
Payment on redemption of Redeemable Participating Shares		(235,836)	(583,976)	(377,102)
<b>Net assets attributable to Redeemable Participating Shareholders at the end of the period</b>		<b>2,852,911</b>	<b>2,454,346</b>	<b>2,412,791</b>



# iSHARES S&P 500

## BALANCE SHEET (UNAUDITED)

AS AT 31 AUGUST 2007	Notes	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
<b>Current assets</b>				
Financial assets at fair value through profit or loss	4	2,849,756	2,450,186	2,408,402
Debtors	5	4,886	4,983	4,697
Cash and bank balances		19,247	5,908	9,318
<b>Total current assets</b>		<b>2,873,889</b>	<b>2,461,077</b>	<b>2,422,417</b>
<b>Current liabilities</b>				
Creditors	6	(12,211)	(962)	(1,891)
Distributions to Redeemable Participating Shareholders payable	9	(8,967)	(7,060)	(7,735)
<b>Total current liabilities (excluding net assets attributable to Redeemable Participating Shareholders)</b>		<b>(21,178)</b>	<b>(8,022)</b>	<b>(9,626)</b>
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at bid prices)</b>		<b>2,852,711</b>	<b>2,453,055</b>	-
Adjustment from bid market prices to last traded market prices		200	1,291	-
<b>Net assets attributable to Redeemable Participating Shareholders at end of the period (at last traded market prices)</b>		<b>2,852,911</b>	<b>2,454,346</b>	<b>2,412,791</b>
<b>Number of Redeemable Participating Shares in issue</b>	7	<b>194,000,000</b>	<b>174,750,000</b>	<b>185,500,000</b>
<b>Net asset value per Redeemable Participating share</b>		<b>\$14.71</b>	<b>\$14.04</b>	<b>\$13.01</b>

The accompanying notes form an integral part of these financial statements.

\* The opening figure for Net assets attributable to Redeemable Participating Shareholders has been restated by \$563,000 to account for assets at fair value in accordance with applicable accounting standards. (See Note 1(a))

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## SCHEDULE OF INVESTMENTS (UNAUDITED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES</b>						
	<b>Aerospace</b>			41,788	Commerce Bancorp Incorporated Com USD1.00	1,534,873	0.05
171,402	Boeing Company Com USD5.00	16,574,573	0.58	28,735	Compass Bancshares Com USD2.00	1,874,959	0.07
27,046	Goodrich Corporation Com USD5.00	1,708,225	0.06	120,342	Fifth Third Bancorp Com NPV	4,291,396	0.15
77,133	Lockheed Martin Corporation Com USD1.00	7,646,966	0.27	26,948	First Horizon National Corporation Com USD0.625	826,765	0.03
30,010	Precision Castparts Corporation Com NPV	3,910,603	0.14	106,712	Hudson City Bancorp Incorporated Com USD0.01	1,517,445	0.05
36,247	Rockwell Collins Incorporated Com USD0.01	2,496,331	0.09	79,420	Huntington Bancshares Com NPV	1,364,436	0.05
54,460	Textron Com USD 0.125	3,177,196	0.11	743,653	JP Morgan Chase & Company Com USD1.00	33,107,432	1.16
216,644	United Technologies Com USD 1.00	16,168,142	0.57	85,364	Keycorporation Com USD1.00	2,842,621	0.10
	<b>Airlines</b>			16,614	M&T Bank Corporation Com USD0.50	1,759,090	0.06
169,758	Southwest Airlines Com USD1.00	2,565,043	0.09	55,996	Marshall & Ilsley Corporation Com USD1.00	2,447,585	0.09
	<b>Aluminium</b>			125,560	National City Corporation Com USD4.00	3,378,820	0.12
189,073	Alcoa Com USD1.00	6,906,837	0.24	41,095	Northern Trust Corporation Com USD1.666	2,522,822	0.09
	<b>Apparel Retailers</b>			74,935	PNC Financial Services Group Com USD5.00	5,273,176	0.18
19,092	Abercrombie & Fitch Company Class 'A' Com USD0.01	1,502,540	0.05	153,441	Regions Financial Corporation Com USD0.625	4,802,703	0.17
13,199	Dillard Class 'A' Com NPV	313,344	0.01	78,247	Sovereign Bancorp Com USD1.00	1,414,706	0.05
70,241	Kohls Corporation Com USD0.01	4,165,291	0.15	77,625	Suntrust Banks Com USD1.00	6,112,969	0.21
74,259	Limited Brands Incorporated Com USD0.50	1,719,838	0.06	70,508	Synovus Financial Com USD1.00	1,947,431	0.07
49,424	Nordstrom Incorporated Com NPV	2,377,294	0.08	245,790	The Bank of New York Mellon Corporation Com USD0.01	9,937,290	0.35
13,473	Polo Ralph Lauren Class 'A' Com USD0.01	1,017,750	0.04	378,576	US Bancorp Com USD 0.01	12,246,934	0.43
114,879	The Gap Incorporated Com USD0.05	2,155,130	0.08	416,550	Wachovia Corporation Com USD3.333333	20,402,619	0.72
98,607	TJX Companies Com USD1.00	3,006,527	0.11	193,094	Washington Mutual Com NPV	7,090,412	0.25
	<b>Asset Managers</b>			726,925	Wells Fargo & Company Com USD1.667	26,561,840	0.93
19,486	Federated Investors Incorporated Class 'B' Com NPV	684,153	0.02	23,980	Zions Bancorp Com NPV	1,691,309	0.06
35,931	Franklin Resources Com USD0.10	4,734,628	0.17		<b>Biotechnology</b>		
41,701	Janus Capital Group Com USD0.01	1,108,830	0.04	236,592	Amgen Incorporated Com USD0.0001	11,829,600	0.41
57,747	Price T Rowe Group Com USD0.20	2,958,956	0.10	62,228	Biogen Idec Incorporated Com NPV	3,967,035	0.14
86,301	State Street Corporation Com USD1.00	5,295,429	0.19	82,477	Celgene Corporation Com USD0.01	5,288,425	0.19
	<b>Auto Parts &amp; Equipment</b>			57,118	Genzyme Corporation Com USD0.01	3,562,450	0.12
36,981	Genuine Parts Company Com USD1.00	1,837,216	0.06	203,400	Gilead Sciences Com USD0.001	7,387,488	0.26
42,871	Johnson Controls Com USD0.167	4,848,710	0.17		<b>Brewers</b>		
	<b>Automobiles</b>			165,388	Anheuser Busch Com USD1.00	8,166,859	0.29
452,573	Ford Motor Company Com USD0.01	3,534,595	0.12	10,178	Molson Coors Brewing Company Class 'B' Com Non-Voting USD0.01	910,524	0.03
123,405	General Motors Corporation Com USD1.667	3,794,704	0.13		<b>Broadcasting &amp; Entertainment</b>		
56,013	Harley Davidson Com USD0.01	3,012,939	0.11	159,684	CBS Corporation Class 'B' Com USD0.001	5,031,643	0.18
	<b>Banks</b>			85	Citadel Broadcasting Company Com USD0.01	346	
966,167	Bank of America Corporation Com USD0.01	48,965,344	1.72	108,374	Clear Channel Communications Com USD0.10	4,038,015	0.14
118,320	BB&T Corporation Com USD5.00	4,700,854	0.16	677,143	Comcast Corporation Class 'A' Com USD0.01	17,632,804	0.62
1,076,666	Citigroup Com USD0.01	50,474,102	1.77				
34,060	Comerica Com USD5.00	1,899,867	0.07				

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## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (Continued)</b>				<b>Coal</b>		
167,830	Directv Group Incorporated Com USD0.01	3,915,474	0.14	39,824	Consol Energy Incorporated Com USD0.01	1,588,181	0.06
507,232	News Corporation Limited Class 'A' Com USD0.01	10,261,303	0.36	57,356	Peabody Energy Corporation Com USD0.01	2,438,204	0.09
824,484	Time Warner Com USD0.01	15,648,706	0.55		<b>Commercial Vehicles &amp; Trucks</b>		
149,793	Viacom Incorporated Class 'B' Com USD0.001	5,910,832	0.21	139,574	Caterpillar Com USD1.00	10,575,522	0.37
431,338	Walt Disney Productions Com USD0.01	14,492,957	0.51	22,671	Cummins Incorporated Com USD2.50	2,684,700	0.09
	<b>Broadline Retailers</b>			49,105	Deere & Company Com USD1.00	6,681,226	0.23
67,780	Amazon Ord USD0.10	5,408,166	0.19	54,092	Paccar Com USD1.00	4,620,539	0.16
24,056	Big Lots Incorporated Com USD0.01	716,147	0.03	22,236	Terex Corporation Com USD0.01	1,776,212	0.06
97,075	Costco Wholesale Com USD0.005	5,987,586	0.21	47,345	<b>Commodity Chemicals</b>		
33,366	Family Dollar Stores Incorporated Com USD0.10	976,956	0.03	207,379	Air Products & Chemicals Com USD1.00	4,261,523	0.15
47,848	IAC Interactive Corporation Com USD0.01 (New)	1,330,174	0.05	200,800	Dow Chemical Company Com USD2.50	8,840,567	0.31
100,143	Macy's Incorporated Com USD0.01	3,176,536	0.11	18,118	Du Pont Nemours Com USD0.30	9,789,000	0.34
48,786	Penney (JC) Com USD0.50	3,354,525	0.12	69,207	Eastman Chemical Com USD0.01	1,209,558	0.04
17,890	Sears Holding Corporation Ord USD0.01	2,562,921	0.09	456,696	Praxair Com USD0.01	5,236,202	0.18
185,387	Target Corporation Com USD 0.167	12,222,565	0.43		<b>Computer Hardware</b>		
527,957	Wal-Mart Stores Incorporated Com USD0.10	23,034,764	0.81	188,315	Apple Computer Com NPV	26,049,614	0.91
	<b>Building Materials &amp; Fixtures</b>			494,021	Dell Incorporated Com USD0.01	13,946,213	0.49
38,286	American Standard Companies Incorporated Com USD0.01	1,410,073	0.05	570,060	EMC Corporation (Mass) Com USD0.01	8,978,643	0.31
33,145	Fortune Brands Com USD3.125	2,754,018	0.10	20,569	Hewlett-Packard Com USD0.01	28,109,659	0.99
82,921	Masco Corporation Com USD1.00	2,157,604	0.08		Lexmark International Class 'A' Com USD1.00	766,401	0.03
23,983	Sherwin-Williams Com USD1.00	1,655,067	0.06	39,103	NCR Corporation Com USD0.01	1,946,156	0.07
20,648	Vulcan Materials Com USD1.00	1,858,526	0.07	80,549	Network Appliance Com NPV	2,240,873	0.08
	<b>Business Support Services</b>			776,636	Sun Microsystems Com USD0.00067	4,147,236	0.15
21,284	Affiliated Computer Class 'A' Com USD0.01	1,064,839	0.04		<b>Computer Services</b>		
29,537	Cintas Corporation Com NPV	1,081,350	0.04	31,416	Cognizant Technology Com USD0.01	2,308,448	0.08
30,161	Convergys Corporation Com NPV	505,197	0.02	37,498	Computer Sciences Com USD1.00	2,098,013	0.07
47,683	Donnelley (R.R.) & Sons Com USD1.25	1,708,005	0.06	110,714	Electronic Data Systems Corporation Com USD0.10	2,534,243	0.09
42,872	IMS Health Com USD0.01	1,283,588	0.04	297,354	IBM Corporation Com USD 0.20	34,698,238	1.22
	<b>Business Training &amp; Employment Agencies</b>			75,098	Unisys Corporation Com USD 0.01	553,472	0.02
28,035	Monster Worldwide Com USD0.001	957,395	0.03	53,396	Verisign Com USD 0.001	1,717,215	0.06
36,501	Robert Half International Com USD0.001	1,165,842	0.04		<b>Consumer Electronics</b>		
	<b>Clothing &amp; Accessories</b>			14,244	Harman International Industries Com USD 0.01	1,615,127	0.06
80,627	Coach Incorporated Com USD0.01	3,590,320	0.13		<b>Consumer Finance</b>		
23,802	Jones Apparel Group Com USD 0.01	456,760	0.02	258,911	American Express Com USD 0.20	15,177,363	0.53
22,425	Liz Claiborne Com USD1.00	766,262	0.03	89,841	Capital One Financial Com USD0.01	5,809,119	0.20
19,300	VF Corporation Com NPV	1,541,105	0.05	114,134	Discover Financial Services Com USD0.01	2,641,061	0.09
				89,393	SLM Corporation Com USD0.20	4,494,680	0.16
					<b>Containers &amp; Packaging</b>		
				22,380	Ball Corporation Com NPV	1,172,264	0.04
				22,480	Bemis Company Com USD 0.10	671,478	0.02
				39,749	Meadwestvaco Corporation Com USD 5.00	1,255,671	0.04

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## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (Continued)</b>						
28,658	Pactiv Corporation Com USD 0.01	838,247	0.03	40,255	Jabil Circuit Incorporation Com USD 0.001	893,661	0.03
35,104	Sealed Air Corporation Com USD 0.10	928,501	0.03	44,937	JDS Uniphase Corporation Com USD 0.008	654,283	0.02
23,073	Temple Inland Com USD 1.00	1,270,861	0.04	30,544	Molex Com USD 0.05	797,809	0.03
	<b>Defence</b>			198,875	Sollectron Corporation Com USD 0.001	771,635	0.03
87,963	General Dynamics Corporation Com USD 1.00	6,910,373	0.24	107,968	Tyco Electronics Limited Com USD 0.20	3,764,844	0.13
27,041	L-3 Communications Com USD 0.01	2,663,809	0.09		<b>Electricity</b>		
75,378	Northrop Grumman Corporation Com USD 1.00	5,942,802	0.21	144,814	AES Corporation Com USD 0.01	2,622,582	0.09
96,429	Raytheon Company Com USD 0.01	5,914,955	0.21	35,825	Allegheny Energy Com USD 1.25	1,848,928	0.06
	<b>Delivery Services</b>			44,860	Ameren Corporation Com USD 0.01	2,277,991	0.08
67,033	Fedex Corporation Com USD 0.10	7,352,179	0.26	87,091	American Electric Power Company Com USD 6.50	3,873,808	0.14
230,460	United Parcel Service Com USD 0.01	17,482,696	0.61	48,270	CMS Energy Corporation Com USD 0.01	787,766	0.03
	<b>Distillers &amp; Vintners</b>			59,100	Consolidated Edison Com USD 0.10	2,715,054	0.10
17,211	Brown-Forman Corporation Class 'B' Com USD 0.15	1,231,619	0.04	39,484	Constellation Energy Com NPV	3,274,803	0.11
42,785	Constellation Brands Incorporated Class 'A' Com USD 0.01	1,034,541	0.03	63,613	Dominion Resources New Com NPV	5,418,555	0.19
	<b>Diversified Industrials</b>			38,159	DTE Energy Company Com NPV	1,824,382	0.06
156,809	3M Company Com USD 0.01	14,268,051	0.50	70,757	Edison International Com NPV	3,729,601	0.13
44,468	Dover Corporation Com USD 1.00	2,196,719	0.08	42,861	Entergy Corporation Com USD 0.01	4,441,257	0.16
31,914	Eaton Corporation Com USD 0.50	3,006,937	0.11	146,291	Exelon Corporation Com NPV	10,338,385	0.36
2,239,686	General Electric Company Com USD 0.06	87,056,595	3.05	66,363	Firstenergy Corporation Com USD 0.10	4,077,343	0.14
169,772	Honeywell International Com USD 1.00	9,532,698	0.33	88,328	FPL Group Com USD 0.01	5,197,220	0.18
39,647	ITT Corporation Com USD 1.00	2,695,600	0.09	16,291	Integrus Energy Group Incorporated Com USD 1.00	817,319	0.03
34,343	Rockwell Automation Incorporated Com USD 1.00	2,419,808	0.08	76,775	PG&E Corporation Com NPV	3,416,488	0.12
107,777	Tyco International Limited Com USD 0.20	4,759,432	0.17	21,678	Pinnacle West Capital Com USD 2.50	863,652	0.03
	<b>Drug Retailers</b>			83,579	PP&L Corporation Com USD 0.01	4,033,523	0.14
41,472	Amerisource Bergen Corporation Class 'A' Com USD 0.01	1,984,435	0.07	55,230	Progress Energy Incorporated Com NPV	2,533,952	0.09
83,751	Cardinal Health Com NPV	5,726,893	0.20	54,950	Public Service Enterprises Com NPV	4,670,201	0.16
64,344	McKesson Corporation Com USD 0.01	3,681,120	0.13	164,048	Southern Company Com USD 5.00	5,822,064	0.20
217,709	Walgreen Company Com USD 0.078	9,812,145	0.34	44,949	Teco Energy Incorporated Com USD 1.00	711,992	0.02
	<b>Durable Household Products</b>			99,857	TXU Corporation Com NPV	6,730,362	0.24
14,671	Black & Decker Corporation Com USD 0.50	1,272,709	0.04	88,484	Xcel Energy Com USD 2.50	1,823,655	0.06
60,359	Newell Rubbermaid Com USD 1.00	1,556,659	0.05		<b>Electronic Equipment</b>		
12,416	Snap-On Incorporated Com USD 1.00	608,136	0.02	86,027	Agilent Technologies Com USD 0.01	3,126,221	0.11
17,991	Stanley Works Com USD 2.50	1,020,809	0.04	51,785	Danaher Corporation Com USD 0.01	4,021,623	0.14
17,015	Whirlpool Corporation Com USD 1.00	1,640,416	0.06	26,630	Perkinelmer Com USD 1.00	729,928	0.03
	<b>Electrical Components &amp; Equipment</b>			17,858	Tektronix Com NPV	574,135	0.02
39,566	Cooper Industries Class 'A' Com USD 0.01	2,024,592	0.07	47,493	Pitney Bowes Com USD 1.00	2,121,512	0.07
173,329	Emerson Electric Company Com USD 1.00	8,532,987	0.30	204,886	Xerox Corporation Com USD 1.00	3,509,697	0.12
					<b>Equity Investment Instruments</b>		
				38,401	American Capital Strategies Com USD 0.01	1,585,193	0.06

# iSHARES S&P 500

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (Continued)</b>						
	<b>Exploration &amp; Production</b>						
100,714	Anadarko Petroleum Com USD 0.10	4,932,972	0.17	349,263	Kraft Foods Incorporated Class 'A' Com NPV	11,197,372	0.39
71,941	Apache Corporation Com USD 1.25	5,566,795	0.20	160,641	Sara Lee Corporation Com USD 0.01	2,669,853	0.09
89,239	Chesapeake Energy Corporation Com USD 0.01	2,875,281	0.10	53,982	Tyson Foods Incorporated Class 'A' Com USD 0.10	1,163,312	0.04
96,924	Devon Energy Com USD 0.10 (New)	7,299,346	0.26	47,059	Wrigley (Will) Junior Com NPV	2,741,187	0.10
86,413	Dynegy Incorporated Class 'A' Com NPV	699,081	0.02		<b>Food Retailers &amp; Wholesalers</b>		
53,405	EOG Resources Com USD 0.01	3,597,361	0.13	154,162	Kroger Company Com USD 1.00	4,097,626	0.14
181,403	Occidental Petroleum Com USD 0.20	10,283,736	0.36	96,224	Safeway Com USD 0.01	3,053,188	0.11
26,680	Sunoco Com USD 1.00	1,951,375	0.07	45,362	Supervalu Com USD 1.00	1,912,008	0.07
119,630	Valero Energy Corporation Com USD 0.01	8,195,851	0.29	134,257	Sysco Corporation Com USD 3.3333	4,481,499	0.16
83,260	XTO Energy Incorporated Com USD 0.01	4,526,014	0.16	30,406	Whole Foods Market Com NPV	1,343,641	0.05
	<b>Financial Administration</b>				<b>Footwear</b>		
120,664	Automatic Data Processing Com USD 0.10	5,519,171	0.19	82,725	Nike Class 'B' Com NPV	4,660,727	0.16
35,308	Fidelity National Info Com USD 0.01	1,673,599	0.06		<b>Forestry</b>		
164,069	First Data Corporation Com USD 0.01	5,450,372	0.19	46,855	Weyerhaeuser Company Com USD 1.25	3,194,105	0.11
36,996	Fiserv Incorporated Com USD 0.01	1,720,314	0.06		<b>Full Line Insurance</b>		
74,111	Paychex Com USD 0.01	3,287,564	0.12	564,849	American International Group Com USD 2.50	37,280,034	1.31
167,423	Western Union Company Com USD 0.01	3,152,575	0.11	68,818	Hartford Financial Services Com USD 0.01	6,118,608	0.21
	<b>Fixed Line Telecommunications</b>				<b>Furnishings</b>		
1,342,052	AT&T Incorporated Com USD 1.00	53,507,613	1.88	38,928	Leggett & Platt Com USD 0.01	794,131	0.03
24,466	Centurytel Com USD 1.00	1,173,879	0.04		<b>Gambling</b>		
73,460	Citizens Communications Class 'B' Com USD 0.25	1,065,905	0.04	40,425	Harrahs Entertainment Com USD 0.10	3,467,252	0.12
32,988	Embarq Corporation Com USD 0.01	2,059,111	0.07	73,004	International Game Technology Com USD 0.01	2,786,563	0.10
35,834	Leucadia National Corporation Com USD 1.00	1,590,313	0.06		<b>Gas Distribution</b>		
338,271	Qwest Communications International Com USD 0.01	3,027,525	0.11	9,777	Nicor Com USD 2.50	406,332	0.01
632,048	Verizon Communications Com USD 0.10	26,470,170	0.93	59,108	Nisource Com NPV	1,113,595	0.04
102,704	Windstream Corporation Com USD 0.0001	1,466,613	0.05	37,394	Questar Corporation Com NPV	1,868,578	0.07
	<b>Food Products</b>			137,138	Spectra Energy Corporation Com USD 0.001	3,188,459	0.11
141,831	Archer Daniels Midland Company Com NPV	4,779,705	0.17		<b>Gold Mining</b>		
47,011	Campbell Soup Company Com USD 0.0375	1,774,665	0.06	98,575	Newmont Mining Com USD 1.60	4,165,780	0.15
109,409	Conagra Foods Com USD 5.00	2,812,905	0.10		<b>Health Care Providers</b>		
28,844	Dean Foods Company Com USD 1.00	774,750	0.03	112,499	Aetna Incorporated Com USD 0.01	5,727,324	0.20
75,444	General Mills Com USD 0.10	4,215,811	0.15	62,607	Cigna Corporation Com USD 0.25	3,235,530	0.11
70,741	Heinz (Hj) Company Com USD 0.25	3,189,712	0.11	34,439	Coventry Health Care Com USD 0.01	1,975,765	0.07
37,836	Hershey Company Com USD 1.00	1,759,374	0.06	336,171	CVS/Caremark Corporation Com USD 0.01	12,687,094	0.44
54,406	Kellogg Company Com USD 0.25	2,988,522	0.10	59,006	Express Scripts Incorporated Class 'A' Com USD 0.01	3,225,858	0.11
				36,348	Humana Com USD 0.166	2,329,543	0.08
				25,605	Laboratory Corporation of America Holdings Com USD 0.01	1,988,484	0.07
				15,755	Manor Care Com USD 0.01	1,006,587	0.04
				61,001	Medco Health Solutions Com USD 0.01	5,212,535	0.18
				34,359	Quest Diagnostics Com USD 0.01	1,881,155	0.07
				102,187	Tenet Healthcare Corporation Com USD 0.15	346,414	0.01

# iSHARES S&P 500

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (Continued)</b>				<b>Investment Services</b>		
291,685	Unitedhealth Group Com USD 0.01	14,587,167	0.51	51,474	Ameriprise Financial Com USD 0.01	3,140,429	0.11
133,574	Wellpoint Incorporated Com USD 0.01	10,764,729	0.38	25,985	Bear Stearns Company Com USD 1.00	2,823,530	0.10
	<b>Heavy Construction</b>			12,050	CME Group Incorporated Com USD 0.01	6,685,340	0.23
19,144	Fluor Corporation Com USD 0.01	2,434,160	0.09	92,279	E-Trade Group Com USD 0.01	1,435,861	0.05
	<b>Home Construction</b>			88,977	Goldman Sachs Group Com USD 0.01	15,660,842	0.55
26,142	Centex Corporation Com USD 0.25	755,765	0.03	28,405	Legg Mason Com USD 0.10	2,466,122	0.09
59,133	Dr Horton Incorporated Com USD 0.01	893,500	0.03	115,886	Lehman Brothers Holdings Com USD 0.10	6,354,029	0.22
16,920	KB Home Com USD 1.00	513,353	0.02	189,595	Merrill Lynch & Company Com USD 1.333	13,973,152	0.49
29,919	Lennar Corporation Class 'A' Com USD 0.10	845,810	0.03	229,526	Morgan Stanley Com USD 0.01	14,315,537	0.50
45,904	Pulte Homes Incorporated Com USD 0.01	763,843	0.03	205,231	Schwab (Charles) Corporation Com USD 0.01	4,063,574	0.14
	<b>Home Improvement Retailers</b>				<b>Life Insurance</b>		
429,872	Home Depot Com USD 0.05	16,476,994	0.58	106,467	Aflac Com USD 0.10	5,675,756	0.20
327,122	Lowe's Company Com USD 0.50	10,160,409	0.36	21,700	Assurant Incorporated Com USD 0.01	1,118,418	0.04
	<b>Hotels</b>			95,869	Genworth Financial Incorporated Class 'A' Com USD 0.001	2,778,284	0.10
84,828	Hilton Hotel Corporation Com USD 2.50	3,897,847	0.14	58,956	Lincoln National Corporation Com USD 1.25	3,589,241	0.13
71,647	Marriott International Class 'A' Com USD 0.01	3,182,560	0.11	161,469	Metlife Com USD 0.01	10,342,089	0.36
46,815	Starwood Hotels & Resorts Com USD 0.01	2,861,333	0.10	58,149	Principal Financial Group USD 0.01	3,226,688	0.11
39,893	Wyndham Worldwide Corporation Com USD 0.01	1,272,587	0.04	101,884	Prudential Financing Incorporated Com USD 0.01	9,147,146	0.32
	<b>Industrial Machinery</b>			20,797	Torchmark Corporation Com USD 1.00	1,280,263	0.04
90,121	Illinois Tool Works Com NPV	5,242,339	0.18	77,854	Unum Group Com USD 0.10	1,905,087	0.07
66,115	Ingersoll Rand Company Class 'A' Com USD 2.00	3,433,352	0.12		<b>Media Agencies</b>		
26,594	Pall Corporation Com USD 0.10	1,014,029	0.04	101,720	Interpublic Group Com USD 0.10	1,113,834	0.04
25,230	Parker Hannifin Corporation Com USD 0.50	2,711,468	0.10	71,841	Omnicom Group Com USD 0.15	3,658,862	0.13
	<b>Industrial Suppliers</b>				<b>Medical Equipment</b>		
15,616	Grainger (WW) Com USD 0.50	1,430,582	0.05	39,508	Applera Corporation Applied Biosystems Group Com USD 0.01	1,248,848	0.04
	<b>Insurance Brokers</b>			257,125	Boston Scientific Com USD 0.10	3,298,914	0.12
63,948	Aon Corporation Com USD 1.00	2,770,227	0.10	107,849	Covidien Limited Com USD 0.20	4,295,626	0.15
120,972	Marsh & McLennan Com USD 1.00	3,223,904	0.11	250,681	Medtronic Com USD 0.10	13,245,984	0.46
	<b>Integrated Oil &amp; Gas</b>			11,551	Millipore Corporation Com USD 1.00	804,874	0.03
467,798	Chevron Corporation Com USD 0.75	41,053,952	1.44	74,130	St Jude Medical Com USD 0.10	3,229,844	0.11
355,866	Conocophillips Com USD 0.01	29,141,867	1.02	65,075	Stryker Corporation Com USD 0.10	4,347,010	0.15
1,226,310	Exxon Mobil Corporation Com NPV	105,131,556	3.69	91,938	Thermo Electron Company Com USD 1.00	4,985,798	0.17
59,399	Hess Corporation Com USD 1.00	3,645,317	0.13	27,917	Varian Medical Systems Incorporated Com USD 1.00	1,127,568	0.04
149,428	Marathon Oil Company Com USD 1.00	8,052,675	0.28	22,430	Waters Corporation Com USD 0.01	1,381,015	0.05
40,872	Murphy Oil Corporation Com USD 1.00	2,490,740	0.09	51,417	Zimmer Holdings Incorporated Com USD 0.01	4,027,494	0.14
	<b>Internet</b>				<b>Medical Supplies</b>		
35,865	Akamai Technologies Com USD 0.01	1,154,494	0.04	22,427	Bard (CR) Com USD 0.25	1,870,188	0.07
47,470	Google Incorporated Com USD 0.001	24,427,587	0.86	11,749	Bausch & Lomb Com USD 0.40	742,537	0.03
263,861	Yahoo! Com USD 0.00017	5,989,645	0.21				



# iSHARES S&P 500

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (Continued)</b>				<b>Paper</b>		
141,519	Baxter International Com USD 1.00	7,749,580	0.27	94,833	International Paper Company Com USD 1.00	3,329,587	0.12
53,420	Becton Dickinson Com USD 1.00	4,110,135	0.14		<b>Personal Products</b>		
30,504	Patterson Cos Incorporated Com USD 0.01	1,121,937	0.04	95,420	Avon Products Com USD 0.25	3,277,677	0.11
	<b>Mobile Telecommunications</b>			111,190	Colgate Palmolive Com USD 1.00	7,374,121	0.26
75,223	Alltel Corporation Com USD 1.00	5,134,722	0.18	25,562	Estee Lauder Companies Class 'A' Com USD 0.01	1,063,124	0.04
630,297	Sprint Nextel Corporation Group Com USD 2.50	11,925,219	0.42	92,717	Kimberly Clark Corporation Com USD 1.25	6,368,731	0.22
	<b>Mortgage Finance</b>				<b>Pharmaceuticals</b>		
128,791	Countrywide Financial Corporation Com USD 0.05	2,556,501	0.09	335,214	Abbott Laboratories Com NPV	17,400,959	0.61
211,863	Fannie Mae Com NPV	13,900,331	0.49	66,774	Allergan Com USD 0.01	4,007,108	0.14
144,044	Freddie Mac Com USD 0.21	8,874,551	0.31	23,642	Barr Pharmaceuticals Com USD 0.01	1,202,905	0.04
18,158	MGIC Investment Corporation Com USD 1.00	547,645	0.02	428,505	Bristol Myers Squibb Com USD 0.10	12,490,921	0.44
	<b>Multiutilities</b>			214,917	Eli Lilly & Company Com NPV	12,325,490	0.43
69,308	Centerpoint Energy Com NPV	1,124,176	0.04	68,973	Forest Laboratories Incorporated Com USD 0.10	2,595,454	0.09
273,606	Duke Energy Corporation Com NPV	5,017,934	0.18	34,251	Hospira Incorporated Com USD 0.01	1,323,801	0.05
57,219	Sempra Energy Corporation Com NPV	3,148,762	0.11	630,479	Johnson & Johnson Com USD 1.00	38,957,297	1.37
130,076	Williams Com USD 1.00	4,032,356	0.14	52,636	King Pharmaceutical Com NPV	791,119	0.03
	<b>Nondurable Household Products</b>			471,703	Merck & Company Com USD 0.01	23,665,340	0.83
32,968	Clorox Company Com USD 1.00	1,971,486	0.07	53,351	Mylan Laboratories Com USD 0.50	805,600	0.03
685,468	Procter & Gamble Company Com USD 1.00	44,767,915	1.57	1,527,795	Pfizer Com USD 0.05	37,950,428	1.33
	<b>Nonequity Investment Instruments</b>			324,662	Schering Plough Corporation Com USD 0.50	9,733,367	0.34
28,742	McCormick & Company Non-Voting Com NPV	1,030,113	0.04	22,053	Watson Pharmaceuticals Com USD 0.0033	657,620	0.02
	<b>Nonferrous Metals</b>			293,001	Wyeth Com USD 0.333	13,565,946	0.48
81,913	Freeport-McMoran Copper & Gold Class 'B' Com USD 0.10	7,160,834	0.25		<b>Pipelines</b>		
	<b>Oil &amp; Gas Extraction</b>			152,817	El Paso Corporation Com USD 3.00	2,425,206	0.09
60,687	Nabors Industries Com USD 0.001	1,795,728	0.06		<b>Property &amp; Casualty Insurance</b>		
	<b>Oil Equipment &amp; Services</b>			70,579	ACE Limited Com USD 0.04166	4,076,643	0.14
69,842	Baker Hughes Com USD 1.00	5,846,474	0.20	132,244	Allstate Corporation Com USD 0.01	7,240,359	0.25
63,809	BJ Services Com USD 0.10	1,583,101	0.06	22,172	Ambac Financial Group Com USD 0.01	1,392,845	0.05
32,691	Ensco International Incorporated Com USD 0.10	1,772,506	0.06	87,895	Chubb Corporation Com USD 1.00	4,494,071	0.16
198,674	Halliburton Com USD 2.50	6,872,134	0.24	37,430	Cincinnati Financial Com USD 2.00	1,575,054	0.06
38,773	National Oilwell Varco Com USD 0.01	4,962,944	0.17	96,916	Loews Corporation Com USD 1.00	4,556,021	0.16
58,543	Noble Corporation Com USD 0.10	2,872,120	0.10	28,688	MBIA Com USD 1.00	1,721,280	0.06
24,122	Rowan Companies Com USD 0.125	905,540	0.03	160,289	Progressive Corporation Com USD 1.00	3,260,278	0.11
256,494	Schlumberger Com USD 0.01	24,751,671	0.87	22,817	Safeco Corporation Com NPV	1,323,842	0.05
43,405	Smith International Incorporated Com USD 1.00	2,908,569	0.10	144,568	The Travelers Companies Incorporated Com NPV	7,306,467	0.26
62,842	Transocean Incorporated Com USD 0.01	6,604,066	0.23	40,441	XI Capital Class 'A' Com USD 0.01	3,081,604	0.11
73,352	Weatherford International Bermuda Com USD 1.00	4,282,290	0.15		<b>Publishing</b>		
				14,100	Dow Jones & Company Com USD 1.00	832,605	0.03
				50,798	Gannett Company Com USD 1.00	2,387,506	0.08

# iSHARES S&P 500

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (Continued)</b>						
74,720	McGraw-Hill Companies Com USD 1.00	3,770,371	0.13	19,210	Wendys International Incorporated Com USD 0.10	631,817	0.02
8,545	Meredith Corporation Com USD 1.00	477,666	0.02	114,602	Yum Brands Incorporated Com NPV	3,749,777	0.13
30,899	New York Times Company Class 'A' Com USD 0.10	679,160	0.02		<b>Semiconductors</b>		
18,000	Scripps (Ew) Company (New) Class 'A' Com USD 0.01	739,800	0.03	119,603	Advanced Micro Devices Com USD 0.01	1,554,839	0.05
18,320	Tribune Company (Del) Com NPV	504,716	0.02	76,710	Altera Com USD 0.001	1,824,931	0.06
	<b>Railroads</b>			71,910	Analog Devices Com USD 0.167	2,652,041	0.09
77,731	Burlington Northern Santa Fe Com USD 0.01	6,307,871	0.22	301,162	Applied Materials Com USD 0.01	6,420,774	0.23
94,833	CSX Corporation Com USD 1.00	3,888,153	0.14	102,024	Broadcom Corporation Com USD 0.0001	3,515,747	0.12
85,580	Norfolk Southern Corporation Com USD 1.00	4,382,552	0.15	1,264,509	Intel Corporation Com USD 0.001	32,459,946	1.14
58,999	Union Pacific Corporation Com USD 2.50	6,582,518	0.23	41,715	Kla-Tencor Corporation Com USD 0.001	2,397,361	0.08
	<b>Real Estate Holding &amp; Development</b>			54,943	Linear Technology Com NPV	1,864,216	0.07
40,783	CB Richard Ellis G Class 'A' USD 0.01	1,203,914	0.04	166,562	LSI Corporation Com USD 0.01	1,147,612	0.04
	<b>Real Estate Investment Trusts</b>			69,217	Maxim Integrated Com USD 0.001	2,077,202	0.07
20,927	Apartment Investment & Management Company Class 'A' Com USD 0.01	935,437	0.03	48,584	MEMC Electronic Materials Com USD 0.01	2,984,029	0.10
48,714	Archstone-Smith Trust SBI USD 0.01	2,864,383	0.10	164,948	Micron Technology Com USD 0.10	1,888,655	0.07
17,205	Avalonbay Communities Com USD 0.01	1,967,908	0.07	52,336	National Semiconductor Com USD 0.50	1,377,484	0.05
25,819	Boston Properties Incorporated Com USD 0.01	2,583,707	0.09	27,226	Novellus Systems Com NPV	745,176	0.03
27,398	Developers Diversi Com NPV	1,465,245	0.05	78,865	Nvidia Corporation Com USD 0.001	4,029,213	0.14
63,745	Equity Residential Com USD 0.01	2,565,099	0.09	34,664	Qlogic Corporation Com USD 0.001	461,031	0.02
53,698	General Growth Properties Incorporated Com USD 0.10	2,669,328	0.09	49,524	Sandisk Corporation Com USD 0.001	2,776,315	0.10
113,118	Host Hotels & Resorts Com USD 1.00	2,521,400	0.09	42,481	Teradyne Com USD 0.125	632,542	0.02
49,079	Kimco Realty Com USD 1.00	2,101,563	0.07	311,897	Texas Instruments Com USD 1.00	10,679,353	0.37
38,265	Plum Creek Timber Company Com USD 0.01	1,604,451	0.06	64,866	Xilinx Com USD 0.01	1,656,678	0.06
55,704	Prologis Trust SBI USD 0.01	3,351,153	0.12		<b>Soft Drinks</b>		
26,632	Public Storage Com USD 0.01	2,018,173	0.07	437,507	Coca Cola Com USD 0.25	23,529,126	0.82
48,485	Simon Property Group Incorporated Com USD 0.001	4,602,196	0.16	60,025	Coca-Cola Enterprises Incorporated Com USD 1.00	1,429,796	0.05
28,374	Vornado Realty Trust Com USD 0.04	3,024,385	0.11	29,288	Pepsi Bottling Group Com USD 0.01	1,013,072	0.04
	<b>Recreational Products</b>			354,639	Pepsico Capital Com USD 0.017	24,126,091	0.85
19,313	Brunswick Corporation Com USD 0.75	485,722	0.02		<b>Software</b>		
63,163	Eastman Kodak Com USD 2.50	1,684,557	0.06	128,063	Adobe Systems Com USD 0.0001	5,474,693	0.19
	<b>Recreational Services</b>			50,131	Autodesk Com USD 0.01	2,319,561	0.08
95,917	Carnival Corporation Com USD 0.01	4,372,856	0.15	44,780	BMC Software Com USD 0.01	1,371,164	0.05
	<b>Restaurants &amp; Bars</b>			89,284	CA Incorporated Com USD 0.10	2,249,064	0.08
31,250	Darden Restaurants Com NPV	1,300,000	0.05	39,349	Citrix Systems Com USD 0.001	1,428,762	0.05
259,456	McDonalds Corporation Com USD 0.01	12,778,208	0.45	66,128	Compuware Corporation Com USD 0.01	534,976	0.02
161,310	Starbucks Corporation Com USD 0.001	4,444,091	0.16	75,307	Intuit Com USD 0.01	2,053,622	0.07
				1,832,473	Microsoft Corporation Com USD 0.0000125	52,555,326	1.84
				76,293	Novell Incorporated Com USD 0.10	566,094	0.02
				860,970	Oracle Corporation Com USD 0.01	17,434,643	0.61
				197,555	Symantec Corporation Com USD 0.01	3,710,083	0.13



# iSHARES S&P 500

## SCHEDULE OF INVESTMENTS (UNAUDITED) (CONTINUED)

AS AT 31 AUGUST 2007

Transferable Securities Admitted to an Official Stock Exchange Listing or other Regulated Market

HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND	HOLDING	INVESTMENT	FAIR VALUE USD	% OF FUND
	<b>UNITED STATES (Continued)</b>				<b>Tobacco</b>		
	<b>Specialized Consumer Services</b>			457,906	Altria Group Incorporated Com USD 0.333333	31,783,255	1.11
30,455	Apollo Group Incorporated Class 'A' Com NPV	1,784,358	0.06	37,170	Reynolds American Com USD 0.0001	2,457,680	0.09
70,153	Block (H&R) Com NPV	1,391,836	0.05	34,946	UST Com USD 0.50	1,722,138	0.06
246,684	Ebay Com USD 0.001	8,394,657	0.29		<b>Toys</b>		
	<b>Specialty Chemicals</b>			67,339	Electronic Arts Com NPV	3,560,885	0.12
12,518	Ashland Com USD 1.00	748,451	0.03	34,597	Hasbro Com USD 0.50	975,981	0.03
20,208	Avery Dennison Corporation Com USD 1.00	1,208,236	0.04	85,448	Mattel Com USD 1.00	1,848,240	0.06
38,092	Ecolab Com USD 1.00	1,586,913	0.06		<b>Transportation Services</b>		
24,664	Hercules Com NPV	513,504	0.02	13,202	Ryder Systems Com USD 0.50	722,810	0.02
17,225	International Flavours & Fragrances Com USD 0.125	865,212	0.03		<b>Trucking</b>		
118,215	Monsanto Company Com USD 0.01	8,244,314	0.29	37,500	CH Robinson Worldwide Incorporated Com USD 0.10	1,835,250	0.06
35,847	PPG Industries Com USD 1.666	2,629,377	0.09		<b>Tyres</b>		
30,603	Rohm & Haas Company Com USD 2.50	1,730,294	0.06	44,672	Goodyear Tire & Rubber Company Com NPV	1,235,627	0.04
29,151	Sigma-Aldrich Corporation Com USD 1.00	1,305,382	0.05		<b>Waste &amp; Disposal Services</b>		
	<b>Specialty Finance</b>			55,116	Allied Waste Industries Com USD 0.01	703,831	0.02
41,686	Cit Group Com USD 0.01	1,566,143	0.05	112,657	Waste Management Com USD 0.01 (New)	4,243,788	0.15
31,484	Equifax Com USD 1.25	1,212,764	0.04		<b>UNITED STATES - TOTAL</b>	<b>2,849,710,658</b>	<b>99.89</b>
49,991	Moody's Corporation Com USD 1.00	2,292,087	0.08		<b>FUTURES CONTRACTS</b>		
	<b>Specialty Retailers</b>				<b>Futures</b>		
32,922	Autonation Incorporated Com USD 0.01	624,860	0.02	43	S&P500 E-Mini Future September 2007	45,125	0.00
10,456	Autozone Com USD 0.01	1,268,208	0.04		<b>FUTURES CONTRACTS - TOTAL</b>	<b>45,125</b>	<b>0.00</b>
60,049	Bed Bath & Beyond Com USD 0.01	2,076,494	0.07		<b>TOTAL VALUE OF INVESTMENTS</b>		
87,826	Best Buy Company Com USD 0.10	3,858,196	0.14		<b>AT BID PRICES</b>	<b>2,849,755,783</b>	<b>99.89</b>
31,165	Circuit City Stores Com USD 0.50	339,075	0.01		<b>CASH*</b>	<b>19,247,460</b>	<b>0.67</b>
59,831	Office Depot Com USD 0.01	1,462,868	0.05		<b>OTHER NET LIABILITIES</b>	<b>(16,291,729)</b>	<b>(0.57)</b>
16,124	Officemax Incorporated Del Com USD 2.50	572,724	0.02		<b>TOTAL VALUE OF FUND AT BID MARKET PRICES</b>	<b>2,852,711,514</b>	<b>99.99</b>
29,536	Radioshack Corporation Com USD 1.00	702,071	0.02		Adjustment from bid market prices to last traded market prices	199,504	0.01
155,463	Staples Com USD 0.0006	3,687,582	0.13		<b>TOTAL VALUE OF FUND AT LAST TRADED MARKET PRICES</b>	<b>2,852,911,018</b>	<b>100.00</b>
29,557	Tiffany & Company Com USD 0.01	1,517,161	0.05				
	<b>Steel</b>						
22,146	Allegheny Technologies Com USD 0.10	2,201,091	0.08				
65,494	Nucor Corporation Com USD 0.40	3,464,633	0.12				
25,654	United States Steel Corporation Com USD 1.00	2,423,790	0.08				
	<b>Telecommunications Equipment</b>						
97,285	Avaya Com USD 0.01	1,637,307	0.06				
18,868	Ciena Corporation Com USD 0.02	713,965	0.03				
1,321,501	Cisco Systems Com USD 0.001	42,063,377	1.47				
341,800	Corning Com USD 0.50	7,987,866	0.28				
111,923	Juniper Networks Com USD 0.00001	3,678,909	0.13				
503,956	Motorola Com USD 3.00	8,542,054	0.29				
362,993	Qualcomm Com USD 0.0001	14,450,751	0.50				
95,559	Tellabs Com USD 0.01	1,008,147	0.04				

\*\$18,790,838 is held with The Governor & Company of the Bank of Ireland.  
\$456,622 is held with Barclays Bank plc.

# iSHARES S&P 500

## PORTFOLIO CHANGES (UNAUDITED)

SCHEDULE OF MATERIAL PORTFOLIO CHANGES FOR THE SIX MONTHS ENDED 31 AUGUST 2007

LARGEST SALES	PROCEEDS USD	LARGEST PURCHASES	COST USD
Exxon Mobil Corporation Com NPV	10,968,951	Exxon Mobil Corporation Com NPV	19,269,797
General Electric Company Com USD0.06	7,383,987	General Electric Company Com USD0.06	16,190,276
IBM Corporation Com USD0.20	5,688,757	Citigroup Com USD0.01	11,190,136
Microsoft Corporation Com USD0.0000125	5,550,606	Microsoft Corporation Com USD0.0000125	10,148,281
AT&T Incorporated Com USD1.00	4,985,978	AT&T Incorporated Com USD1.00	10,001,620
Kinder Morgan Incorporated Com USD5.00	4,513,009	Bank of America Corporation Com USD0.01	8,849,402
Citigroup Com USD0.01	4,345,123	Procter & Gamble Company Com USD1.00	7,982,669
Bank of America Corporation Com USD0.01	4,030,593	Johnson & Johnson Com USD1.00	7,542,747
Pfizer Com USD0.05	3,725,719	American International Group Com USD2.50	7,539,496
Procter & Gamble Company Com USD1.00	3,655,099	Chevron Corporation Com USD0.75	7,386,724
Phelps Dodge Corporation Com USD6.25	3,500,376	Pfizer Com USD0.05	7,365,209
Chevron Corporation Com USD0.75	3,481,032	Cisco Systems Com USD0.001	7,110,836
Cisco Systems Com USD0.001	3,374,765	JP Morgan Chase & Company Com USD1.00	6,978,370
JP Morgan Chase & Company Com USD1.00	3,248,941	Altria Group Incorporated Com USD0.333333	6,380,220
Johnson & Johnson Com USD1.00	3,234,355	IBM Corporation Com USD0.20	6,162,535
Hewlett-Packard Com USD0.01	3,097,599	Intel Corporation Com USD0.001	5,894,890
American International Group Com USD2.50	3,041,238	Conocophillips Com USD0.01	5,352,009
Dollar General Corporation Com USD0.50	2,950,912	Google Incorporated Com USD0.001	5,123,287
Medimmune Com NPV	2,708,971	Verizon Communications Com USD0.10	4,893,009
Altria Group Incorporated Com USD0.333333	2,602,662	Wells Fargo & Company Com USD1.667	4,832,402

# iSHARES S&P 500

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007

### 1. SIGNIFICANT ACCOUNTING POLICIES

See pages 12 to 21.

### 2. OPERATING INCOME

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Dividends	20,974	40,849	23,549
Securities lending income	1,342	2,090	1,020
Interest income	229	405	258
Other income	-	90	38
<b>Income</b>	<b>22,545</b>	<b>43,434</b>	<b>24,865</b>

### 3. OPERATING EXPENSES

	Six months ended 31 August 2007 \$'000s	Year ended 28 February 2007 \$'000s	Six months ended 31 August 2006 \$'000s
Management fees	5,534	10,334	5,469
<b>Expenses</b>	<b>5,534</b>	<b>10,334</b>	<b>5,469</b>

Included in expenses are audit fees of \$9,527 (February 2007: \$14,450 August 2006:\$5,600) and directors fees of \$2,960 (February 2007: \$5,966 August 2006:\$2,983).

### 4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Cost at beginning of period	2,131,664	2,005,254	2,005,254
Cost at end of period	2,469,459	2,131,664	2,241,119
Fair value at beginning of period	2,450,186	2,154,022	2,154,022
Fair value at end of period	<b>2,849,756</b>	<b>2,450,186</b>	<b>2,408,402</b>

### 5. DEBTORS

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Dividends receivable	4,604	4,578	4,465
Securities lending income receivable	250	-	180
Interest income receivable	16	199	52
Sales of securities awaiting settlement	-	206	-
Subscriptions of units awaiting settlement	16	-	-
<b>Debtors</b>	<b>4,886</b>	<b>4,983</b>	<b>4,697</b>

### 6. CREDITORS (amounts falling due within one year)

	31 August 2007 \$'000s	28 February 2007 \$'000s	31 August 2006 \$'000s
Accrued expenses	1,196	962	1,891
Purchases of securities awaiting settlement	11,015	-	-
<b>Creditors</b>	<b>12,211</b>	<b>962</b>	<b>1,891</b>

### 7. SHARE CAPITAL

Participating Shares – issued and fully paid

	31 August 2007 No. of Shares '000s	28 February 2007 No. of Shares '000s	31 August 2006 No. of Shares '000s
Balance at beginning of period	174,750	169,000	169,000
Issued during the period	35,250	51,500	46,500
Redeemed during the period	(16,000)	(45,750)	(30,000)
<b>Balance at end of period</b>	<b>194,000</b>	<b>174,750</b>	<b>185,500</b>

The issued and fully paid redeemable participating share capital is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders option and are classified as financial liabilities.

### 8. FUTURES

The Company enters into futures contracts with Barclays Bank plc, for the purpose of efficient portfolio management. These derivatives will normally be traded on a recognised market.

The net unrealised gain on open futures contracts at 31 August 2007 comprised:

No. of Contracts	Futures	Unrealised Gain USD
43	S&P500 E-Mini future September 2007	45,125

The net unrealised gain on open futures contracts at 28 February 2007 comprised:

No. of Contracts	Futures	Unrealised Gain USD
119	S&P E-Mini 500 Index Future March 2007	(178,253)

The net unrealised gain on open futures contracts at 31 August 2006 comprised:

No. of Contracts	Futures	Unrealised Gain USD
65	S&P500 E-Mini Index September 2006	49,650

# iSHARES S&P 500

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 AUGUST 2007 (CONTINUED)

### 9. FINANCE COST – DIVIDENDS

Dividends will normally be declared quarterly with a view to being paid in March, June, September and December of each year.

The interest rate for those cash amounts that earn interest are stated in note 13 on pages 17 and 18.

	Six months ended 31 August 2007	Year ended 28 February 2007	Six months ended 31 August 2006
Pay date	\$'000s	\$'000s	\$'000s
June 2006	-	9,354	9,355
September 2006	-	7,748	7,735
December 2006	-	7,356	-
March 2007	-	7,060	-
June 2007	8,655	-	-
September 2007	8,967*	-	-
	<b>17,622</b>	<b>31,518</b>	<b>17,090</b>
Equalisation income	(811)	(1,481)	(596)
Equalisation expense	27	1,159	-
	<b>16,838</b>	<b>31,196</b>	<b>16,494</b>

\*Outstanding at end of period

### 10. FINANCIAL INSTRUMENTS AND RISKS

An explanation of the principal risks to which the Fund is exposed is given in note 13 on pages 17 and 18.

#### Currency Risk

The Fund may invest in securities denominated in currencies other than its functional currency. Consequently, the Fund is exposed to the risk that the exchange rate of its currency relative to other currencies may change in a manner which has an adverse affect on the value of that portion of the Fund's assets which are denominated in currencies other than in its own currency.

The table below shows the Fund's currency exposure at 31 August 2007 and comparatives for 28 February 2007 and 31 August 2006:

	31 August 2007	28 February 2007	31 August 2006
Currency	Net currency exposure \$	Net currency exposure \$	Net currency exposure \$
GBP	4,358	6,001	3,347
EUR	486	466	618
	<b>4,844</b>	<b>6,467</b>	<b>3,965</b>

#### Fair Value and Cash Flow Interest Rate Risk

The Fund did not hold any interest bearing securities at 31 August 2007, and is therefore not exposed to any significant interest rate risk.

The Fund did not hold any interest bearing securities at 28 February 2007 and 31 August 2006, and was therefore not exposed to any significant interest rate risk.

# DIRECTORS AND OFFICERS

## DIRECTORS

Gerald Brady (resigned 16 May 2007)  
Richard Keatinge  
Michael Lennon  
John Caslin

## REGISTERED OFFICE

New Century House  
Mayor Street Lower  
International Financial Services Centre  
Dublin 1  
Ireland

## REGISTRAR AND TRANSFER AGENT

Computershare Investor Services (Ireland)  
Limited  
Heron House  
Corrig Road  
Sandyford Industrial Estate  
Dublin 18  
Ireland

## ADMINISTRATOR AND SECRETARY

Bank of Ireland Securities Services Limited  
New Century House  
Mayor Street Lower  
International Financial Services Centre  
Dublin 1  
Ireland

## CUSTODIAN

The Governor and Company of the Bank of  
Ireland

*Head office:*  
Lower Baggot Street  
Dublin 2  
Ireland

*Place of Business*  
New Century House  
Mayor Street Lower  
International Financial Services Centre  
Dublin 1  
Ireland

## MANAGER

Barclays Global Investors (Ireland) Limited  
JPMorgan House  
International Financial Services Centre  
Dublin 1  
Ireland

## INVESTMENT MANAGER

Barclays Global Investors Limited  
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## LEGAL ADVISORS TO THE COMPANY

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## INDEPENDENT AUDITORS

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## UK PAYING AGENT

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