

15 March 2013

Market Announcements Office

ASX Limited

SEMI-ANNUAL FINANCIAL REPORT TO SHAREHOLDERS – IOZ

BlackRock Investment Management (Australia) Limited (“BlackRock”), on behalf of iShares[®], makes this announcement regarding the following iShares exchange traded fund quoted on ASX:

ASX Code	Issuer	Fund	For the half-year ending
IOZ	BlackRock	iShares MSCI Australia 200 Index Fund	31 December 2012

Attached is a copy of the semi-annual report document which has been lodged with the Australian Securities and Investments Commission (ASIC).

The Fund is quoted on the AQUA Market of ASX.

Disclaimer: Before investing in an iShares fund, you should carefully consider the appropriateness of such products to your circumstances, read the applicable Australian Product Disclosure Statement (“PDS”) and ASX announcements relating to the fund and consult an investment adviser.

For more information about iShares funds (including Australian PDSs) go to iShares.com.au or call 1300-iShares (1300 474 2737).

*** END ***

Condensed Financial Report

BlackRock Investment Management (Australia) Limited (ABN: 13 006 165 975)

Australian Financial Services Licence No: 230523

For the half-year ended 31 December 2012

iShares MSCI Australia 200 Index Fund

ARSN 146 083 141

iShares MSCI Australia 200 Index Fund

Condensed Financial Report - For the half-year ended 31 December 2012

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Directors' Report

The directors of Blackrock Investment Management (Australia) Limited (the "Responsible Entity"), the Responsible Entity of iShares MSCI Australia 200 Index Fund (the "Fund"), present their interim report together with the condensed financial report of the Fund for the half-year ended 31 December 2012 and the auditor's report thereon.

This condensed financial report has been prepared for the iShares MSCI Australia 200 Index Fund as it is a disclosing entity under the *Corporations Act 2001*.

Fund Objectives

The Fund aims to provide investors with the performance of the market, before fees and expenses, as represented by the MSCI Australia 200 Index (the "Index").

Responsible Entity

The Responsible Entity of the Fund is BlackRock Investment Management (Australia) Limited (ABN 13 006 165 975). The registered office and principal place of business of the Responsible Entity and the Fund is 120 Collins Street, Melbourne, Victoria, 3000.

Principal Activities

The Fund invests in Australian listed securities that form the MSCI Australia 200 Index in accordance with the provisions of the Fund's Constitution.

The Fund did not have any employees during the half-year ended 31 December 2012.

The Fund is currently listed on the Australian Securities Exchange (ASX).

There were no significant changes in the nature of the Fund's activities during the half-year ended 31 December 2012.

Directors

The following persons held office as directors of the Responsible Entity since the end of the financial year and up to the date of this report:

Director	Date appointed	Date resigned
H Capra	Appointed 23 May 2011	Resigned 21 January 2013
C Tzatzakis	Appointed 11 September 2007	Resigned 28 September 2012
M S McCorry	Appointed 2 December 2009	
M S McCombe	Appointed 14 March 2012	
J Arter	Appointed 19 September 2012	
R Lipp	Appointed 9 October 2012	
L McMahon	Appointed 13 February 2013	

Review and Results of Operations

During the half-year, the Fund continued to invest in accordance with target asset allocations set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

Directors' Report (continued)

Results

The performance of the Fund, as represented by the results of its operations, was as follows:

	Half-year ended	
	31 December 2012 \$'000	31 December 2011 \$'000
Operating profit/(loss) before financing costs attributable to unitholders	17,184	(4,786)
Distributions paid and payable	2,347	868

Returns

The table below demonstrates the performance of the Fund as represented by the total return.

	Returns*	
	1 July 2012 to 31 December 2012 %	1 July 2011 to 31 December 2011 %
iShares MSCI Australia 200 Index Fund	16.25	(9.84)

* Returns (after-fees) are calculated on the assumption that all distributions are reinvested in the Fund, and include the effect of compounding.

Significant Changes in State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the half-year under review.

Rounding of Amounts to the Nearest Thousand Dollars

The Fund is a registered scheme of a kind referred to in Class Order 98/100 (as amended), issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and financial statements have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise stated.

Directors' Report (continued)

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 4.

The financial statements were authorised for issue by the directors on 14 March 2013.

This report is made in accordance with a resolution of the directors.



Director
Lincoln McMahon

Sydney
14 March 2013

The Board of Directors
BlackRock Investment Management (Australia) Limited
120 Collins Street
Melbourne VIC 3000

Independence Declaration – iShares MCSI Australia 200 Index Fund

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of BlackRock Investment Management (Australia) Limited, the Responsible Entity of the iShares MCSI Australia 200 Index Fund.

As lead audit partner for the review of the financial statements iShares MCSI Australia 200 Index Fund for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Neil Brown
Partner
Chartered Accountants
Melbourne, 14 March 2013

iShares MSCI Australia 200 Index Fund
Condensed Statement of Comprehensive Income
For the half-year ended 31 December 2012

Condensed Statement of Comprehensive Income

	Notes	Half-year ended	
		31 December 2012 \$'000	31 December 2011 \$'000
Investment income			
Interest income		3	4
Dividend/distribution income		2,936	1,091
Net gains/(losses) on financial instruments held at fair value through profit or loss	3	<u>14,375</u>	<u>(5,825)</u>
Total net investment income/(loss)		<u>17,314</u>	<u>(4,730)</u>
Expenses			
Responsible Entity's fees		110	41
Transaction costs		1	1
Other operating expenses		<u>19</u>	<u>14</u>
Total operating expenses		<u>130</u>	<u>56</u>
Operating profit/(loss)		<u>17,184</u>	<u>(4,786)</u>
Finance costs attributable to unitholders			
Distributions to unitholders		(2,347)	(868)
(Increase)/decrease in net assets attributable to unitholders	4	<u>(14,837)</u>	<u>5,654</u>
Profit/(loss) for the half-year		-	-
Other comprehensive income for the half-year		<u>-</u>	<u>-</u>
Total comprehensive income for the half-year		<u>-</u>	<u>-</u>

The above Condensed Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed Balance Sheet

		As at	
	Notes	31 December 2012 \$'000	30 June 2012 \$'000
Assets			
Cash and cash equivalents		162	52
Receivables		271	1,616
Financial assets held at fair value through profit or loss	5	<u>140,378</u>	<u>92,365</u>
Total assets		<u>140,811</u>	<u>94,033</u>
Liabilities			
Distribution payable		-	1,221
Payables		<u>92</u>	<u>80</u>
Total liabilities (excluding net assets attributable to unitholders)		<u>92</u>	<u>1,301</u>
Net assets attributable to unitholders - (liability)	4	<u>140,719</u>	<u>92,732</u>
Net assets		<u>-</u>	<u>-</u>

The above Condensed Balance Sheet should be read in conjunction with the accompanying notes.

Condensed Statement of Changes in Equity

	Half-year ended	
	31 December 2012 \$'000	31 December 2011 \$'000
Total equity at the beginning of the financial half-year	-	-
Profit/(loss) for the half-year	-	-
Other comprehensive income for the half-year	-	-
Total comprehensive income for the half-year	-	-
Transactions with owners in their capacity as owners	-	-
Total equity at the end of the financial half-year	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result there was no equity at the start or end of the half-year.

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying notes.

iShares MSCI Australia 200 Index Fund
Condensed Statement of Cash Flows
For the half-year ended 31 December 2012

Condensed Statement of Cash Flows

	Half-year ended	
	31 December	31 December
	2012	2011
	\$'000	\$'000
Cash flows from operating activities		
Proceeds from sale of financial instruments held at fair value through profit or loss	4,047	7,451
Purchase of financial instruments held at fair value through profit or loss	(36,900)	(25,457)
Transaction costs	(1)	(1)
Interest received	2	3
Dividends/distributions received	3,497	1,290
Responsible Entity's fees paid	(117)	(26)
Net cash inflow/(outflow) from operating activities	<u>(29,472)</u>	<u>(16,740)</u>
Cash flows from financing activities		
Proceeds from creations by unitholders	34,534	23,708
Payments for redemptions by unitholders	(1,484)	(5,542)
Distributions paid	(3,468)	(1,402)
Net cash inflow/(outflow) from financing activities	<u>29,582</u>	<u>16,764</u>
Net increase/(decrease) in cash and cash equivalents	110	24
Cash and cash equivalents at the beginning of the half-year	<u>52</u>	<u>109</u>
Cash and cash equivalents at the end of the half-year	<u>162</u>	<u>133</u>
Non-cash financing activities	<u>100</u>	<u>44</u>

The above Condensed Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 Statement of Compliance

The condensed financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

This condensed financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the financial year ended 30 June 2012 and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

2 Basis of Preparation

This condensed financial report includes financial statements for iShares MSCI Australia 200 Index Fund ("the Fund") as an individual entity. The Fund was constituted on 30 August 2010.

The Fund is a registered scheme of a kind referred to in Class Order 98/100 (as amended), issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and financial statements have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise stated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Fund's 2012 annual financial report for the financial year ended 30 June 2012.

There are no new and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Fund.

3 Net Gains/(Losses) on Financial Instruments Held at Fair Value Through Profit or Loss

The net gains/(losses) recognised in relation to financial assets and financial liabilities held at fair value through profit or loss:

	Half-year ended	
	31 December 2012 \$'000	31 December 2012 \$'000
Financial assets and liabilities		
Net gain/(loss) on financial assets designated at fair value through profit or loss	14,375	(5,825)
Total net gains/(losses) on financial instruments held at fair value through profit or loss	14,375	(5,825)

4 Net Assets Attributable to Unitholders

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. Units are issued and redeemed at the unitholder's option at prices based on the value of the Fund's net assets at the time of creation/redemption less transaction costs. The Fund is required to distribute all taxable income to its unitholders. There are no separate classes of units and each unit has the same rights attaching to it as other units of the Fund.

Capital Risk Management

The Fund manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily creations and redemptions at the discretion of unitholders.

The Fund monitors the level of daily creations and redemptions relative to the liquid assets in the Fund. As of 31 December 2012, the capital of the Fund is represented in the net assets attributable to unitholders table.

In the event of a significant redemption, the Fund's Constitution allows the delay of payment beyond the usual redemption timeframe but no later than the maximum number of days specified in the Constitution for satisfying redemption requests. Further, in certain circumstances such as disrupted markets, the Constitution allows payment to be delayed beyond the maximum number of days.

Movements in number of units and net assets attributable to unitholders during the half-year were as follows:

	Half-year ended 31 December 2012		Year ended 30 June 2012	
	No. of Units '000	\$'000	No. of Units '000	\$'000
Opening balance	5,253	92,732	1,950	38,442
Creations				
- Cash	1,800	34,534	3,750	68,809
- Distribution reinvestment plan	5	100	3	59
Redemptions	(75)	(1,484)	(450)	(8,277)
Increase/(decrease) in net assets attributable to unitholders	-	14,837	-	(6,301)
Closing balance	<u>6,983</u>	<u>140,719</u>	<u>5,253</u>	<u>92,732</u>

5 Financial Assets Held at Fair Value Through Profit or Loss

	As at	
	31 December 2012	30 June 2012
	Fair Value \$'000	Fair Value \$'000
Designated at fair value through profit or loss		
Australian listed equity securities	126,369	82,924
Australian listed unit trust	<u>14,009</u>	<u>9,441</u>
Total designated at fair value through profit or loss	<u>140,378</u>	<u>92,365</u>
Total financial assets held at fair value through profit or loss	<u>140,378</u>	<u>92,365</u>

6 Segment Information

The Fund operates solely in the business of providing investors with the performance of the market, before fees and expenses, as represented by the MSCI Australia 200 Index. The Responsible Entity, which is the chief operating decision maker for the purposes of assessing performance and determining the allocation of resources, ensures that the Fund's holdings and performance are identical to the MSCI Australia 200 Index. Accordingly, no additional qualitative or quantitative disclosures are required.

7 Events Occurring After the Reporting Period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund disclosed in the Balance Sheet as at 31 December 2012, or on the results and cash flows of the Fund for the half-year ended on that date.

8 Contingent Assets and Liabilities and Commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2012 (30 June 2012: Nil).

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 5 to 11 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2012 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Director
Lincoln McMahon

Sydney
14 March 2013

Independent Auditor's Review Report to the Unitholders of iShares MCSI Australia 200 Index Fund

We have reviewed the accompanying half-year financial report of iShares MCSI Australia 200 Index Fund (the "Fund"), which comprises the condensed balance sheet as at 31 December 2012, the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the Fund as set out on pages 5 to 12.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Responsible Entity, BlackRock Investment Management (Australia) Limited, are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Responsible Entity, BlackRock Investment Management (Australia) Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of iShares MCSI Australia 200 Index Fund is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Fund's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



Neil Brown
Partner
Chartered Accountants
Melbourne, 14 March 2013