

15 March 2012

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 2011

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 ***

Semi-Annual Financial Report

31 December 2011

BlackRock Investment Management (Australia) Limited
13 006 165 975

Australian Financial Services Licence No 230523

iShares MSCI Australia 200 Index Fund

ARSN 146 083 141

Condensed Financial Report

For the half-year ended 31 December 2011

Australian Financial Services License No: 230523

iShares MSCI Australia 200 Index Fund

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iShares MSCI Australia 200 Index Fund

Condensed financial report for the half-year ended 31 December 2011

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Directors' Report

The directors of BlackRock Investment Management (Australia) Limited, the Responsible Entity of the iShares MSCI Australia 200 Index Fund (the "Fund"), present their report together with the condensed financial report of the Fund for the half-year ended 31 December 2011.

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 "Responsible Entity").

The registered office and principal place of business of the Responsible Entity and the Fund is 120 Collins Street, Melbourne, Australia.

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 commenced its operation on 6 December 2010.

The Fund did not have any employees during the half-year ended 31 December 2011.

There were no significant changes in the nature of the Fund's activities during the half-year ended 31 December 2011.

Directors

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

Name	Date Appointed	Date Resigned
H Capra	Appointed 23 May 2011	
D Frawley	Appointed 18 March 2005	
C Tzatzakis	Appointed 11 September 2007	
R Bhagat	Appointed 2 December 2009	Resigned 9 September 2011
M S McCorry	Appointed 2 December 2009	

Review and Results of Operations

During the half-year, the Fund continued to invest in accordance with target asset allocations as 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 returns of the Fund for the half year ended 31 December 2011, as represented by the results of the operations are as follows:

	31 December 2011 \$'000	30 August 2010 to 28 February 2011 \$'000
Operating profit/(loss) before financing costs attributable to unitholders	(4,786)	1,484
Distribution paid and payable	868	-

Returns

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

	01 July 2011 to 31 December 2011 %	30 August 2010 to 28 February 2011 %
iShares MSCI Australia 200 Index Fund	(9.84)	3.16

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 financial period under review.

Rounding of Amounts to the Nearest Thousand Dollars

The Fund is a registered entity 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 12 March 2012.

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

Director

H Capra

Sydney, 12 March 2012

Director

D Frawley



Auditor's Independence Declaration

As lead auditor for the review of BlackRock iShares MSCI Australia 200 Index Fund for the half year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of BlackRock iShares MSCI Australia 200 Index Fund during the period.

A handwritten signature in black ink that reads 'AJ Loveridge'.

AJ Loveridge
Partner
PricewaterhouseCoopers

Sydney
12 March 2012

Statement of Comprehensive Income

	Notes	31 December 2011 \$'000	30 August 2010 to 28 February 2011 \$'000
Investment income			
Net gains/(losses) on financial instruments held at fair value through profit or loss		(5,825)	1,163
Dividend income		950	269
Distribution income		141	84
Interest income		<u>4</u>	<u>2</u>
Total investment income/(loss)		<u>(4,730)</u>	<u>1,518</u>
Expenses			
Responsible Entity's fees		41	17
Transaction costs		1	-
Other operating expenses		<u>14</u>	<u>17</u>
Total operating expenses		<u>56</u>	<u>34</u>
Net operating profit/(loss)		<u>(4,786)</u>	<u>1,484</u>
Financing costs attributable to unitholders			
Distributions to unitholders		(868)	-
(Increase)/decrease in net assets attributable to unitholders	3	<u>5,654</u>	<u>(1,484)</u>
Net profit/(loss) for the period		<u>-</u>	<u>-</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income attributable to unitholders		<u><u>-</u></u>	<u><u>-</u></u>

Comparatives are for the six month period ended to 28 February 2011 from inception date, 30 August 2010.
The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Balance Sheet

	Notes	As at	
		31 December 2011 \$'000	30 June 2011 \$'000
Assets			
Cash and cash equivalents		133	109
Due from brokers - receivable for securities sold		28	-
Receivables		95	296
Financial assets held at fair value through profit or loss		<u>50,792</u>	<u>38,638</u>
Total assets		<u>51,048</u>	<u>39,043</u>
Liabilities			
Distribution payable		-	579
Payables		<u>50</u>	<u>22</u>
Total liabilities (excluding net assets attributable to unitholders)		<u>50</u>	<u>601</u>
Net assets attributable to unitholders - liability	3	<u>50,998</u>	<u>38,442</u>
Net assets		<u>-</u>	<u>-</u>

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

Statement of Changes in Equity

	31 December 2011 \$'000	30 August 2010 to 28 February 2011 \$'000
Total equity at the beginning of the period	-	-
Profit/(loss) for the period	-	-
Other comprehensive income for the period	-	-
Total equity at the end of the period	-	-

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

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

Statement of Cash Flows

	31 December 2011 \$'000	30 August 2010 to 28 February 2011 \$'000
Cash flows from operating activities		
Proceeds from sale of financial instruments held at fair value through profit or loss	7,451	3,137
Purchase of financial instruments held at fair value through profit or loss	(25,457)	(41,879)
Transaction costs on purchase of financial instruments held at fair value through profit or loss	(1)	-
Dividends received	1,177	9
Interest received	3	1
Trust distributions received	113	81
Other income received	2	-
Operating expenses paid	(28)	(5)
Net cash inflow/(outflow) from operating activities	(16,740)	(38,656)
Cash flows from financing activities		
Proceeds from creations by unitholders	23,708	42,049
Payments for redemptions by unitholders	(5,542)	(3,073)
Distributions paid	(1,402)	-
Net cash inflow/(outflow) from financing activities	16,764	38,976
Net increase/(decrease) in cash and cash equivalents	24	320
Cash and cash equivalents at the beginning of the period	109	-
Cash and cash equivalents at the end of the period	133	320
Non-cash financing activities	44	-

Comparatives are for the six month period ended to 28 February 2011 from inception date, 30 August 2010.
The above 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 report for the year ended 30 June 2011 and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The financial report is presented in Australian currency.

2 Summary of Significant Accounting Policies

This condensed financial report includes financial statements for the 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 entity of the kind referred to in Class Order 98/100 (as amended) issued by the Australian Securities and Investments Commission relating to the rounding of amounts in the directors' report and the financial report. Amounts in the directors' report and financial report 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 2011 annual financial report for the financial year ended 30 June 2011.

The Fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period:

AASB 2010-6 Amendments to Australian Accounting Standards - Disclosures on transfers of Financial Assets (effective for annual reporting periods beginning on or after 1 July 2011)

In November 2010, the AASB amended AASB7 Financial Instruments: Disclosures to introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. The amendments will not have any impact on the Fund's disclosures. The Fund has applied the amendment from 1 July 2011.

The adoption of these amendments have not resulted in any changes to the Fund's accounting policies and have no effect on the amounts reported for the current or prior periods.

3 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 the right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

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

	Half Year Ended 31 December 2011		30 August 2010 to 28 February 2011	
	No.'000	\$'000	No.'000	\$'000
Opening unitholders' funds	1,950	38,442	-	-
Creations				
- Cash	1,275	23,708	2,100	42,049
- Distribution reinvestment plan	2	44	-	-
Redemptions	(300)	(5,542)	(150)	(3,073)
Increase/(decrease) in net assets attributable to unitholders	-	(5,654)	-	1,484
Closing balance	<u>2,927</u>	<u>50,998</u>	<u>1,950</u>	<u>40,460</u>

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 2011 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.

4 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.

5 Contingent Assets and Liabilities and Commitments

There are no outstanding contingent assets and liabilities or commitments as at 31 December 2011.

6 Events Occurring After the Reporting Date

No significant events have occurred since the balance date which would impact on the financial position of the Fund disclosed in the balance sheet as at 31 December 2011 or on the results and cash flows of the Fund for the half-year ended on that date.

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 5 to 10 are in accordance with the *Corporations Act 2001*, including
 - (i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
 - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2011 and of its performance, as represented by the results of its operations, changes in equity and its cash flow, 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

H Capra

Sydney

12 March 2012

Director

D Frawley



Independent auditor's review report to the members of BlackRock iShares MSCI Australia 200 Index Fund

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of BlackRock iShares MSCI Australia 200 Index Fund, which comprises the Balance Sheet as at 31 December 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the half-year ended on that date, selected explanatory notes and the Directors' Declaration for the of BlackRock iShares MSCI Australia 200 Index Fund (the "iShares registered scheme").

Directors' responsibility for the half-year financial report

The directors of BlackRock Investment Management (Australia) Limited ("the Responsible Entity") are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such 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 an Interim 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the iShare registered scheme's financial position as at 31 December 2011 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 BlackRock iShares MSCI Australia 200 Index 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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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 BlackRock iShares MSCI 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 2011 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*.

PricewaterhouseCoopers

PricewaterhouseCoopers

AJ Loveridge

AJ Loveridge
Partner

Sydney
12 March 2012