

BlackRock Asset Management Deutschland AG

Semi-Annual Report
as at 31 October 2011
for the Fund

iShares STOXX Europe 50 (DE)



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Notice

The funds named in this report are governed by German law. Fund units are bought on the basis of the currently valid prospectus and management regulations, supplemented by the most recent annual report concerned and also by the semi-annual report if such a report later than the last annual report exists.

The financial statements were drawn up in German and translated into English and French.

Only the German version is legally binding.

Note on Licences

Legal Information

BlackRock Advisors (UK) Ltd. has been authorised for trading by the British financial market regulator Financial Services Authority ('FSA'), and is under its supervision. The Irish iShares funds mentioned in this document are subfunds of iShares plc, iShares II plc, iShares III plc, iShares IV plc or iShares V plc. These are open-ended investment companies with variable share capital in the form of an umbrella fund, with separate liability for its subfunds.

The German iShares funds mentioned in this document are investment funds subject to the German Investment Act (InvG). These funds are managed by BlackRock Asset Management Deutschland AG and are regulated by the Federal Financial Supervisory Authority (BaFin).

For Investors in Germany

The sales prospectuses of the funds issued in Germany are available free of charge electronically and in hard copy from BlackRock Asset Management Deutschland AG, Max-Joseph-Str. 6, D-80333 Munich, Tel: +49 (0) 89 42729 – 5858, Fax: +49 (0) 89 42729 – 5958, info@iShares.de. The sales prospectuses of the Irish subfunds as well as the annual and semi-annual reports are available free of charge from Commerzbank AG, Jürgen-Ponto-Platz 1, D-60301 Frankfurt/Main.

Risk Warnings

The value of investments in all the iShares funds may fluctuate and investors may not get back the amount invested. Past performance may not be repeated and is no guarantee of future returns. Investment risks from market and currency losses as well as high volatility and concentration risk cannot be excluded.

Index - Disclaimers of Liability

The STOXX[®] Europe 50 Index and the registered trademarks used in the names of the indices are the intellectual property of STOXX Limited, Zurich, Switzerland and/or their Licensors. The Index is used under a licence from STOXX. The securities based on the index are not in any way promoted, issued, sold or recommended by STOXX and/or their Licensors, and neither STOXX nor their Licensors assume any liability in this respect.

Name change

The name of the fund iShares DJ STOXX 50 (DE) was changed to iShares EURO Europe 50 (DE) effective 1 July 2010.

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Additional information for investors in France, Liechtenstein, Luxembourg, Austria and Switzerland.

The sales prospectuses including contractual terms and conditions, financial statements and semi-annual reports can be obtained, without charge, at the relevant paying agent and distributor.

Paying Agent and Distributor in France:

BNP Paribas Securities Services
20, BD. des Italiens
75009 Paris, France

Paying Agent and Distributor in Liechtenstein:

Verwaltungs- und Privatbank Aktiengesellschaft
Im Zentrum
9490 Vaduz, Principality of Liechtenstein

Paying Agent in Switzerland:

JPMorgan Chase Bank, National
Association, Columbus, Zurich Branch,
Dreikönigstrasse 21,
8002 Zurich, Switzerland

Paying Agent and Distributor in Austria:

UniCredit Bank Austria AG
Schottengasse 6-8
1010 Vienna, Austria

Tax Representative in Austria:

Ernst & Young
Wagramer Str. 19
1220 Vienna, Austria

Representative in Switzerland:

BlackRock Asset Management Schweiz AG
Claridenstrasse 25
8002 Zurich, Switzerland

Paying Agent and Distributor in Luxembourg:

J.P. Morgan Bank Luxembourg S.A.
European Bank & Business Center
6 Route de Treves
2633 Luxembourg, Luxembourg

Report of the Management Board

Dear Investors,

BlackRock Asset Management Deutschland AG is able to look back on a very successful fiscal year. Private and institutional investors value the benefits provided by the reasonable pricing, liquidity and transparency of iShares ETFs. BlackRock conducts all its global business in exchange traded index funds (ETFs) under the iShares brand.

As at 31 October 2011 the volume of assets under management for the 64 iShares funds currently managed in Germany was EUR 27.57 billion, making BlackRock Asset Management Deutschland AG the fifth-largest retail fund company in Germany (source: BVI - *Bundesverband Investment und Asset Management e.V.*). This semi-annual report provides detailed information about the performance of our index funds.

Our ETF product range includes 164 iShares funds approved in Germany, providing investors with easy and diversified access to a large number of worldwide markets and asset classes. More than a third of these exchange-traded index funds are both issued and managed in Germany. The code (DE) in the fund name identifies them as such. In November 2010, iShares listed the world's first European high-yield ETF on the Deutsche Börse. Six additional iShares ETFs have been listed on the Deutsche Börse since February 2011. These include currency-hedged products on the Japanese and global equity markets and on the S&P 500 and ETFs on the Indian and Russian equity markets which are based on a new, transparent and fully hedged swap-based model, as well as an additional index fund on the US equity market. In addition, since July 2011, we have offered on the Deutsche Börse two further sustainability ETFs as well as iShares Barclays Capital Emerging Markets Local Govt Bond, which physically invests in government bonds from eight emerging markets in the respective local currencies.

The crowning achievement of the financial year was winning numerous national and international awards. Among other awards, iShares was awarded the Golden Bull from *€uro Finanzen* as "ETF House of the Year 2011" and won readers' choice prizes as "Best ETF Provider" and "Best ETF Bond Provider" at the portfolio ETF Awards. In addition, iShares won first place in the "Product Range" and "Service" categories at the 2011 EXtra ETF Awards.

ETFs have flourished since their launch ten years ago in Germany and Europe. On 11 April 2000, iShares DJ Euro STOXX 50 (now: iShares EURO STOXX 50) and iShares DJ STOXX 50 (now: iShares STOXX Europe 50) were the first exchange-traded index funds to be listed on the Deutsche Börse. This listing of the first ETFs has been instrumental in making a lasting change to the European investment landscape. ETFs have provided investors with new avenues in portfolio management, particularly through their high level of liquidity, efficiency and transparency.

As a provider from the outset, iShares retains its outstanding positioning in the European ETF market. We are continuing to invest in excellent service and products that meet the needs of our customers. We adjusted our STOXX-sector product range on 31 March 2011 by transferring our previous swap-based products to existing fully replicating products. This merger makes iShares the only ETF issuer that offers a competitive UCITS III-compliant and fully replicating STOXX sector product range. We intend to develop our market leadership further through the continuous and innovative extension of our product range. Among the strategic competitive advantages of iShares ETFs are high market liquidity, narrow bid/ask spreads and a high level of precision in index replication.

Please visit our website www.iShares.de or call us on +49 (0) 89 42729 - 5858 for further information.

We would like to thank you for your trust and we are looking forward to continuing to work together in partnership.

Your BlackRock Asset Management Deutschland AG Directors



Dr. Dirk Klee



Michael Krautzberger

iShares STOXX Europe 50 (DE)

Composition of the Index

Securities	Index weight in %
Nestlé S.A. Namens-Aktien SF -,10	5.71
Novartis AG Namens-Aktien SF 0.50	4.64
HSBC Holdings PLC Registered Shares DL -,50	4.64
Vodafone Group PLC Registered Shares DL-,11428571	4.20
Bp Plc Registered Shares DL -,25	4.13
Royal Dutch Shell Reg. Shares Class A EO -,07	3.80
Total S.A. Actions au Porteur EO 2.50	3.47
Roche Holding AG Inhaber-Genußscheine o.N.	3.45
GlaxoSmithKline PLC Registered Shares LS -,25	3.43
British American Tobacco PLC Registered Shares LS -,25	2.77
Siemens AG Namens-Aktien o.N.	2.72
Sanofi-Aventis S.A. Actions Port. EO 2	2.64
Telefónica S.A. Acciones Port. EO 1	2.53
Rio Tinto PLC Registered Shares LS -,10	2.22
BG Group PLC Registered Shares LS -,10	2.17
Banco Santander S.A. Acciones Nom. EO 0.50	2.15
Basf Se Namens-Aktien o.N.	2.02
BHP Billiton PLC Registered Shares DL -,50	2.01
Astrazeneca PLC Registered Shares DL -,25	1.93
ENI S.p.A. Azioni nom. EO 1	1.69
Sap Ag Inhaber-Aktien o.N.	1.66
Unilever N.V. Cert.v.Aandelen EO-,16	1.60
Bayer AG Namens-Aktien o.N.	1.58
Diageo PLC Reg. Shares LS -,28935185	1.54
Tesco PLC Registered Shares LS -,05	1.54
Allianz SE vink.Namens-Aktien o.N.	1.52
Anglo American PLC Registered Shares DL -,54945	1.47
E.On Ag Namens-Aktien o.N.	1.45

Ubs Ag Namens-Aktien SF -,10	1.37
Daimler AG Namens-Aktien o.N.	1.36
Standard Chartered PLC Registered Shares DL -,50	1.35
BNP Paribas S.A. Actions Port. EO 2	1.35
LVMH Moët Henn. L. Vuitton SA Actions Port. (C.R.) EO 0.3	1.33
ABB Ltd. Namens-Aktien SF 1.03	1.32
Banco Bilbao Vizcaya Argent. Acciones Nom. EO 0.49	1.31
Unilever PLC Registered Shares LS -,031111	1.30
Anheuser-Busch InBev N.V./S.A. Parts Sociales Nom. o.N.	1.23
Deutsche Bank AG Namens-Aktien o.N.	1.17
Deutsche Telekom AG Namens-Aktien o.N.	1.13
GdF Suez S.A. Actions Port. EO 1	1.13
Air Liquide-SA Ét.Expl.P.G.Cl. Actions Port. EO 11	1.10
National Grid PLC Reg. Shares New LS -,11395	1.09
France Télécom Actions Port. EO 4	1.03
Zurich Financial Services AG Nam.-Aktien SF 0.10	1.02
ING Groep N.V. Cert.v.Aandelen EO 0.24	1.00
Barclays PLC Registered Shares LS 0.25	0.98
Credit Suisse Group AG Namens-Aktien SF -,50	0.98
H & M Hennes & Mauritz AB Namn-Aktier B SK 0.125	0.97
Telefonaktiebol. L.M. Ericsson Namn-Aktier B (fria) o.N.	0.93
Axa S.A. Actions Port. EO 2.29	0.90

Fund Management Activity Report

In the reporting period the following index changes were published by the index provider, which were reflected directly in the Fund:

New inclusions		ISIN
19.09.2011	Unilever PLC Registered Shares LS -,031111	GB00B10RZP78
19.09.2011	National Grid PLC Reg. Shares New LS -,11395	GB00B08SNH34
19.09.2011	LVMH Moët Henn. L. Vuitton SA Actions Port. (C.R.) EO 0.3	FR0000121014
19.09.2011	Air Liquide-SA Ét.Expl.P.G.Cl. Actions Port. EO 11	FR0000120073

Removals		ISIN
19.09.2011	UniCredit S.p.A. Azioni nom. EO 0.50	IT0000064854
19.09.2011	Nokia Corp. Registered Shares EO 0.06	FI0009000681
19.09.2011	Intesa Sanpaolo S.p.A. Azioni nom. EO 0.52	IT0000072618
19.09.2011	Société Générale S.A. Actions Port. EO 1.25	FR0000130809

Semi-Annual Report for iShares STOXX Europe 50 (DE) as at the reporting date of 31 October 2011

Detailed summary of assets pursuant to Article 7(2) InvRBV

	Market value in EUR	% of fund assets
Equity	383,906,596.98	98.97
-Federal Republic of Germany	56,037,368.32	14.45
-Belgium	4,738,935.60	1.22
-France	49,671,970.51	12.81
-Great Britain and Northern Ireland	155,773,543.57	40.15
-Italy	6,501,294.15	1.68
-Netherlands	9,973,550.24	2.57
-Sweden	7,280,096.11	1.88
-Switzerland (incl. Büsingen)	70,955,669.34	18.29
-Spain	22,974,169.14	5.92
Bank accounts	4,073,496.08	1.06
Other assets	2,438,209.26	0.63
Other liabilities	-2,543,273.31	-0.66
Fund assets	387,875,029.01	100.00

Statement of Net Assets as at 31 October 2011

Designation of class of security	ISIN	Market	Units or shares or currency in 1,000	Balance 31/10/2011	Purchases/ Additions	Sales/ Disposals	Price	Market value in EUR	% of fund assets
Securities									
Exchange-traded securities									
Equity									
ABB Ltd. Namens-Aktien SF 1.03	CH0012221716		units	368,015	408,021	353,854	CHF	16.720 5,066,247.42	1.31
Air Liquide-SA Ét.Expl.P.G.Cl. Actions Port. EO 11	FR0000120073		units	45,029	45,300	271	EUR	93.750 4,221,468.75	1.09
Allianz SE vink.Namens-Aktien o.N.	DE0008404005		units	71,666	18,335	7,790	EUR	81.210 5,819,995.86	1.50
Anglo American PLC Registered Shares DL -,54945	GB00B1XZS820		units	212,614	54,404	23,112	GBP	22.935 5,642,888.49	1.45
Anheuser-Busch InBev N.V./S.A. Parts Sociales Nom. o.N.	BE0003793107		units	117,840	30,153	12,811	EUR	40.215 4,738,935.60	1.22
Astrazeneca PLC Registered Shares DL -,25	GB0009895292		units	214,263	55,447	29,767	GBP	29.860 7,403,683.60	1.91
Axa S.A. Actions Port. EO 2.29	FR0000120628		units	293,775	75,176	31,938	EUR	11.770 3,457,731.75	0.89
Banco Bilbao Vizcaya Argent. Acciones Nom. EO 0.49	ES0113211835		units	764,425	221,167	64,437	EUR	6.562 5,016,156.85	1.29
Banco Santander S.A. Acciones Nom. EO 0.50	ES0113900J37		units	1,337,251	342,213	145,382	EUR	6.177 8,260,199.43	2.13
Barclays PLC Registered Shares LS 0.25	GB0031348658		units	1,672,183	429,780	286,015	GBP	1.953 3,779,174.22	0.97
Basf SE Namens-Aktien o.N.	DE000BASF111		units	145,620	37,259	15,828	EUR	53.190 7,745,527.80	2.00
Bayer AG Namens-Aktien o.N.	DE000BAY0017		units	131,017	33,522	14,240	EUR	46.295 6,065,432.02	1.56
BG Group PLC Registered Shares LS -,10	GB0008762899		units	531,197	135,936	57,750	GBP	13.565 8,338,468.22	2.15
BHP Billiton PLC Registered Shares DL -,50	GB0000566504		units	338,448	87,319	50,332	GBP	19.675 7,705,796.91	1.99
BNP Paribas S.A. Actions Port. EO 2	FR0000131104		units	158,170	40,474	17,195	EUR	32.850 5,195,884.50	1.34
Bp Plc Registered Shares DL -,25	GB0007980591		units	2,973,589	760,979	323,287	GBP	4.610 15,863,270.60	4.09
British American Tobacco PLC Registered Shares LS -,25	GB0002875804		units	320,755	82,076	34,865	GBP	28.645 10,632,444.58	2.74
Credit Suisse Group AG Namens-Aktien SF -,50	CH0012138530		units	178,544	197,854	169,397	CHF	25.600 3,763,308.55	0.97
Daimler AG Namens-Aktien o.N.	DE0007100000		units	141,232	36,135	15,350	EUR	37.000 5,225,584.00	1.35
Deutsche Bank AG Namens-Aktien o.N.	DE0005140008		units	147,548	37,753	16,039	EUR	30.345 4,477,344.06	1.15
Deutsche Telekom AG Namens-Aktien o.N.	DE0005557508		units	472,017	524,791	455,316	EUR	9.194 4,339,724.30	1.12
Diageo PLC Reg. Shares LS -,28935185	GB0002374006		units	396,295	101,410	43,082	GBP	12.890 5,911,291.50	1.52
E.On AG Namens-Aktien o.N.	DE000ENAG999		units	317,030	81,125	34,464	EUR	17.510 5,551,195.30	1.43
ENI S.p.A. Azioni nom. EO 1	IT0003132476		units	406,585	120,847	43,523	EUR	15.990 6,501,294.15	1.68
France Télécom Actions Port. EO 4	FR0000133308		units	302,391	77,380	32,873	EUR	13.040 3,943,178.64	1.02
GdF Suez S.A. Actions Port. EO 1	FR0010208488		units	211,176	54,036	22,956	EUR	20.515 4,332,275.64	1.12
GlaxoSmithKline PLC Registered Shares LS -,25	GB0009252882		units	811,814	208,737	104,449	GBP	14.000 13,152,110.17	3.39
H & M Hennes & Mauritz AB Namn-Aktier B SK 0.125	SE0000106270		units	154,961	39,653	16,845	SEK	215.900 3,709,552.15	0.96

HSBC Holdings PLC Registered Shares DL -,50	GB0005405286	units	2,822,924	750,947	305,513	GBP	5.449	17,800,281.06	4.59
ING Groep N.V. Cert.v.Aandelen EO 0.24	NL0000303600	units	611,858	156,575	66,517	EUR	6.260	3,830,231.08	0.99
LVMH Moët Henn. L. Vuitton SA Actions Port. (C.R.) EO 0.3	FR0000121014	units	42,335	42,590	255	EUR	120.250	5,090,783.75	1.31
National Grid PLC Reg. Shares New LS -,11395	GB00B08SNH34	units	585,489	589,021	3,532	GBP	6.175	4,183,758.12	1.08
Nestlé S.A. Namens-Aktien SF -,10	CH0038863350	units	522,839	136,167	81,507	CHF	50.900	21,911,411.72	5.64
Novartis AG Namens-Aktien SF 0.50	CH0012005267	units	435,957	111,560	47,394	CHF	49.610	17,807,275.76	4.59
Rio Tinto PLC Registered Shares LS -,10	GB0007188757	units	217,690	56,234	29,191	GBP	33.850	8,527,230.80	2.20
Roche Holding AG Inhaber-Genußscheine o.N.	CH0012032048	units	111,310	28,482	12,101	CHF	144.700	13,261,337.12	3.42
Royal Dutch Shell Reg. Shares Class A EO -,07	GB00B03MLX29	units	569,594	151,956	61,625	EUR	25.630	14,598,694.22	3.76
Sanofi S.A. Actions Port. EO 2	FR0000120578	units	194,891	59,658	15,968	EUR	51.960	10,126,536.36	2.61
SAP AG Inhaber-Aktien o.N.	DE0007164600	units	146,448	37,469	15,916	EUR	43.625	6,388,794.00	1.65
Siemens AG Namens-Aktien o.N.	DE0007236101	units	136,759	34,994	14,867	EUR	76.220	10,423,770.98	2.69
Standard Chartered PLC Registered Shares DL -,50	GB0004082847	units	307,850	78,373	35,997	GBP	14.590	5,197,629.46	1.34
Telefonaktiebol. L.M. Ericsson Namn-Aktier B (fria) o.N.	SE0000108656	units	472,869	121,006	51,406	SEK	68.100	3,570,543.96	0.92
Telefónica S.A. Acciones Port. EO 1	ES0178430E18	units	630,547	161,358	68,548	EUR	15.380	9,697,812.86	2.50
Tesco PLC Registered Shares LS -,05	GB0008847096	units	1,271,505	325,390	138,235	GBP	4.018	5,911,324.82	1.52
Total S.A. Actions au Porteur EO 2.50	FR0000120271	units	351,821	90,027	38,246	EUR	37.815	13,304,111.12	3.43
Ubs AG Namens-Aktien SF -,10	CH0024899483	units	567,791	145,300	61,727	CHF	11.210	5,240,572.32	1.35
Unilever N.V. Cert.v.Aandelen EO-,16	NL0000009355	units	246,028	62,955	26,745	EUR	24.970	6,143,319.16	1.58
Unilever PLC Registered Shares LS -,031111	GB00B10RZP78	units	207,511	208,763	1,252	GBP	20.860	5,009,176.02	1.29
Vodafone Group PLC Registered Shares DL-,11428571	GB00B16GWD56	units	8,057,228	2,077,314	1,035,710	GBP	1.729	16,116,320.78	4.16
Zurich Financial Services AG Nam.-Aktien SF 0.10	CH0011075394	units	23,275	5,948	2,527	CHF	203.800	3,905,516.45	1.01

Total equities **383,906,596.98** **98.97**

Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds

Bank accounts

EUR balances at:

Custodian Bank

StateStreet Bank		EUR	3,975,982.79			%	100.000	3,975,982.79	1.03
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Credit in other EU/EEA currencies

StateStreet Bank		GBP	84,266.11			%	100.000	97,513.29	0.03
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Total bank accounts **4,073,496.08** **1.06**

Total Bank Accounts, Unsecuritised Money Market Instruments, Money Market Funds **4,073,496.08** **1.06**

Other assets

Dividend claims	EUR	58,928.44	58,928.44	0.02
Receivables from pending transactions	EUR	2,379,280.82	2,379,280.82	0.61
Total other assets			2,438,209.26	0.63

Other liabilities

Management fee	EUR	-139,079.41	-139,079.41	-0.04
Liabilities from pending transactions	EUR	-2,404,193.90	-2,404,193.90	-0.62
Total other liabilities			-2,543,273.31	-0.66

Fund assets EUR 387,875,029.01 100.00⁹⁾

Unit value EUR 23.40

Units in circulation units 16,572,873

Value of investments as a proportion of fund assets (%) 98.97

Value of derivatives as a proportion of fund assets (%) 0.00

9) Rounding of percentages during the calculation may result in slight rounding differences.

Security Prices and Market Prices

The closing prices on the respective Valuation Dates are used to value European securities. Securities in the Investment Fund as at the reporting date were valued without exception on the basis of prices traded on the stock exchange. No valuation models were used.

Money in bank accounts and existing receivables are valued at their current nominal value. Existing liabilities are reported at the amounts payable.

Exchange rates as at 31/10/2011

Swiss francs	(CHF)	1.21455	= 1 (EUR)
Pound sterling	(GBP)	0.86415	= 1 (EUR)
Swedish kronor	(SEK)	9.01890	= 1 (EUR)

**Transactions during the reporting period, insofar as these no longer appear in the assets listed:
- Securities purchases and sales, investment units and bonds (market allocation on the reporting date):**

Designation of class of security	ISIN	Units or shares or currency in 1,000	Purchases/ Additions	Sales/ Disposals
Exchange-traded securities				
Equity				
Banco Bilbao Vizcaya Argent. Anrechte	ES0613211921	units	652,001	652,001
Banco Santander S.A. Anrechte (Gratis)	ES0613900986	units	1,171,838	
Intesa Sanpaolo S.p.A. Azioni nom. EO 0.52	IT0000072618	units	645,521	2,088,377
Nokia Corp. Registered Shares EO 0.06	FI0009000681	units	53,838	559,842
Société Générale S.A. Actions Port. EO 1.25	FR0000130809	units	10,632	110,593
UniCredit S.p.A. Azioni nom. EO 0.50	IT0000064854	units	237,278	2,467,291

Unlisted securities

Equity

Intesa Sanpaolo S.p.A. Anrechte	IT0004723752	units	1,478,733	1,478,733
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Securities loans (trading volume valued on the basis of the value agreed when the loan transaction was concluded).

Designation of class of security	ISIN		Volume in 1,000
unlimited		EUR	2,298
Underlyings:			
SAP AG Inhaber-Aktien o.N.	DE0007164600		
Siemens AG Namens-Aktien o.N.	DE0007236101		
E.On AG Namens-Aktien o.N.	DE000ENAG999		

**Profit-and-Loss Account (incl. Income Adjustment)
for the period from 1 May 2011 to 31 October 2011**

I. Income

1. Dividends from domestic issuers		EUR	1,406,737.40
2. Dividends from foreign issuers (before withholding tax)		EUR	6,369,425.72
3. Interest from domestic liquidity investments		EUR	9,700.15
4. Income from securities lending and securities repurchase agreements		EUR	24.59
5. Deduction of foreign withholding tax		EUR	-837,664.81
6. Other income		EUR	98,926.07
of which, refund of withholding tax from previous years	EUR		98,926.07

Total income **EUR 7,047,149.12**

II. Expenses

1. Management fee		EUR	-946,960.65
of which, fixed management fee	EUR	-946,950.83	
of which, performance-related fees from income obtained from securities lending	EUR	-9.82	
3. Other expenses		EUR	-25,390.37
of which, Custodian fees	EUR	-25,084.75	

Total expenses **EUR -972,351.02**

III. Ordinary net income **EUR 6,074,798.10**

IV. Disposals

1. Realised gains	EUR	7,794,782.34
2. Realised losses	EUR	-19,782,401.14

Gain/loss on disposals

EUR -11,987,618.80

V. Annual results

EUR -5,912,820.70

Change in Fund Assets

		2011
I. Value of fund assets at start of financial year	EUR	371,654,720.98
1. Distribution for previous year/tax deduction for the previous year	EUR	-4,521,377.82
2. Interim distributions	EUR	-3,302,711.13
3. Inflow/Outflow of funds (net)	EUR	60,269,378.23
a) Proceeds received from sales of units	EUR	96,210,273.23
b) Payments for redemption of units	EUR	-35,940,895.00
4. Income adjustment/Cost compensation	EUR	1,395,569.27
5. Ordinary net income	EUR	6,074,798.10
6. Realised gains	EUR	7,794,782.34
7. Realised losses	EUR	-19,782,401.14
8. Net change in unrealised gains/losses	EUR	-31,707,729.82
II. Value of fund assets at end of financial year	EUR	387,875,029.01

Munich, 31 October 2011

BlackRock Asset Management Deutschland AG

Dr. Dirk Klee

Michael Krautzberger

Special Notice for Business Investors

Adjustment of equity gains due to the ECR ruling in the case STEKO Industriemontage GmbH

In the case STEKO Industriemontage GmbH (C-377/07), the European Court of Justice (ECJ) decided that the regulation in the KStG (Capital Gains Tax Act) for the transition from

the corporate tax imputation procedure to the half-income procedure in 2001 was in violation of European law. The prohibition on corporations claiming a reduction in profits connected with shareholdings in foreign companies under Section 8b Para. 3 KStG for tax purposes had been valid under Section 34 KStG since 2001, while the prohibition on the reduction in profits connected with shareholdings in domestic companies did not become valid until 2002. In the opinion of the ECJ this is in violation of the freedom of movement of capital.

The transitional regulations of the KStG applied accordingly to fund investments under the Gesetz über Kapitalanlagegesellschaften (German Capital Investment Companies Act) (Sections 40 and 40a in conjunction with Section 43 Para. 14 KAGG). This decision could be of particular significance for the purposes of taking into account reductions in profits when calculating equity gains in accordance with Section 40a KAGG (Investment Companies Act). In its judgement of 28 October 2009 (Az. I R 27/08), the German federal tax court (Bundesfinanzhof; BFH) ruled that the STEKO case would in principle have an effect on fund investments. The BMF circular of 1 February 2011, "Application of the BFH ruling of 28 October 2009 – I R 27/08 on equity gains ("STEKO case")" states that the tax authorities have established what they view as the permissible conditions under which equity gains can be adjusted on the basis of the STEKO case.

We recommend that investors holding units in operating assets consult a tax advisor regarding possible actions based on the STEKO case.

Management Company and Custodian Bank

Management Company.

BlackRock Asset Management Deutschland AG
Max-Joseph-Strasse 6
80333 Munich, Germany

Share capital as at 30/09/2011
EUR 5 million

Liable equity as at 30/09/2011
EUR 7 million

Shareholders.

BlackRock Holdings Deutschland GmbH

Management.

Dr. Dirk Klee

Chairman of the Management Board, Munich

Martina G. Reichl⁽¹⁾

Member of the Management Board, Munich

Michael Krautzberger⁽²⁾

Member of the Management Board, Munich

Supervisory Board.

John Richard Kushel

BlackRock, Senior Managing Director, Head of Portfolio Management Group
London, UK.

Derek Stein

BlackRock, Managing Director, Head of Business Operations Group
San Francisco, USA.

Prof. Dr. Markus Rudolf

Pro-rector and University Professor, WHU Otto Beisheim School of Management

Custodian Bank.

State Street Bank GmbH
Brienner Str. 59
80333 Munich, Germany

Auditor.

KPMG AG
Wirtschaftsprüfungsgesellschaft
Munich Office
Ganghoferstr. 29
80339 Munich, Germany

(1) until 31/05/2011

(2) from 01/06/2011

BlackRock Asset Management Deutschland AG
Max-Joseph-Strasse 6
D-80333 Munich, Germany

Tel: +49 (0) 89 42729 – 5858

info@iShares.de

www.iShares.de