

RNS ANNOUNCEMENT

iShares III Public Limited Company (the “Company”) – Announcement of Effective Date in relation to a Scheme of Arrangement to change the share settlement structure of the Company to centralise the settlement of shares of all Sub-Funds of the Company within an International Central Securities Depository (“ICSD”) model

12 May 2016

The scheme of arrangement (the “Scheme”), as described in the circular issued to shareholders of the Company dated 8 February 2016, has been approved by the High Court of Ireland. The Scheme is scheduled to become effective at midnight at the start of Monday, 20 June 2016 (the “Effective Date”).

The shareholder circular is available on the product pages of the Company at www.ishares.com.

Key Dates

| Activity | Timing |
|---|--|
| Publication of further guidance on implementation of the Scheme on www.ishares.com | By early June 2016 |
| Record Date (for Corporate Actions processing purposes) | At the close of business on Friday, 17 June 2016 |
| Effective Date of Scheme | 00.00 on Monday, 20 June 2016 (Dublin time) |

Currently Sub-Funds in the Company operate under different settlement structures: there are a mix of Sub-Funds that do not use the ICSD model (“**Non-ICSD Sub-Funds**”) and Sub-Funds that already or, where relevant, will upon launch (“**ICSD Sub-Fund**”), as listed below.

1) Non-ICSD Sub-Funds (“Converting Funds”)

The following Non-ICSD Sub-Funds of the Company will convert to the international central securities depository (ICSD) model on the Effective Date.

| Converting Funds | IE ISIN | DE ISIN |
|--|--------------|--------------|
| iShares £ Corporate Bond ex-Financials UCITS ETF | IE00B4L60H17 | |
| iShares Core Euro Corporate Bond UCITS ETF | IE00B3F81R35 | |
| iShares Core Euro Government Bond UCITS ETF | IE00B4WXJJ64 | DE000A0YBRZ7 |
| iShares Core MSCI Japan IMI UCITS ETF | IE00B4L5YX21 | DE000A0YBR53 |
| iShares Core MSCI World UCITS ETF | IE00B4L5Y983 | |
| iShares Emerging Asia Local Government Bond UCITS ETF | IE00B6QGF01 | DE000A1J0ZB9 |
| iShares Emerging Markets Local Government Bond UCITS ETF | IE00B5M4WH52 | DE000A1JB4Q0 |
| iShares Euro Aggregate Bond UCITS ETF | IE00B3DKXQ41 | DE000A0RM447 |

| Converting Funds | IE ISIN | DE ISIN |
|---|--------------|---------------|
| iShares Euro Corporate Bond 1-5yr UCITS ETF | IE00B4L60045 | DE000A0YEEZ9 |
| iShares Euro Corporate Bond BBB-BB UCITS ETF | IE00BSKRK281 | DE000A12HUB1 |
| iShares Euro Corporate Bond ex-Financials 1-5yr UCITS ETF | IE00B4L5ZY03 | DE000A0YEEY2 |
| iShares Euro Corporate Bond ex-Financials UCITS ETF | IE00B4L5ZG21 | DE000A0YEEEX4 |
| iShares Euro Covered Bond UCITS ETF | IE00B3B8Q275 | DE000A0RFEE5 |
| iShares Euro Government Bond 0-1yr UCITS ETF | IE00B3FH7618 | DE000A0RM462 |
| iShares Euro Government Bond 10-15yr UCITS ETF | IE00B4WXJH41 | DE000A0YBRX2 |
| iShares Euro Government Bond 5-7yr UCITS ETF | IE00B4WXJG34 | DE000A0YBRY0 |
| iShares Global Government Bond UCITS ETF | IE00B3F81K65 | DE000A0RM439 |
| iShares Global Inflation Linked Government Bond UCITS ETF | IE00B3B8PX14 | DE000A0RFED7 |
| iShares MSCI Australia UCITS ETF | IE00B5377D42 | |
| iShares MSCI Emerging Markets Small Cap UCITS ETF | IE00B3F81G20 | DE000A0YBR04 |
| iShares MSCI Emerging Markets UCITS ETF (Acc) | IE00B4L5YC18 | DE000A0YBR46 |
| iShares MSCI Europe UCITS ETF (Acc) | IE00B4K48X80 | |
| iShares MSCI GCC ex-Saudi Arabia UCITS ETF | IE00B3F81623 | DE000A0RM470 |
| iShares MSCI Japan Small Cap UCITS ETF (Dist) | IE00B2QWDY88 | |
| iShares MSCI Pacific ex-Japan UCITS ETF (Dist) | IE00B4WXJD03 | DE000A0YBR12 |
| iShares MSCI South Africa UCITS ETF | IE00B52XQP83 | |
| iShares MSCI Target UK Real Estate UCITS ETF | IE00BRHZ0398 | DE000A14PKP1 |
| iShares MSCI Target US Real Estate UCITS ETF | IE00BRHZ0620 | DE000A12HP18 |
| iShares S&P Small Cap 600 UCITS ETF | IE00B2QWCY14 | DE000A0RFEB1 |
| iShares UK Gilts 0-5yr UCITS ETF | IE00B4WXJK79 | |

2) ICSD Sub-Funds

| ICSD Sub-Fund Name | IE ISIN |
|---|--------------|
| iShares Emerging Europe Local Government Bond UCITS ETF* | IE00B6TQLL84 |
| iShares Emerging Latin America Local Govt Bond UCITS ETF* | IE00B6SQKV27 |
| iShares Euro Corporate Bond BB-B UCITS ETF** | IE00BYTSJG15 |

| ICSD Sub-Fund Name | IE ISIN |
|--|--------------|
| iShares Global Aggregate Bond UCITS ETF* | IE00B3F81409 |
| iShares MSCI Frontier Markets 100 UCITS ETF* | IE00BYR0158 |
| iShares MSCI Saudi Arabia Capped IMI UCITS ETF* | IE00BYR0489 |
| iShares MSCI Target Europe ex-UK Real Estate UCITS ETF* | IE00BYM6C411 |
| iShares Short Duration EM Local Government Bond UCITS ETF* | IE00BCRY5W53 |

* As at the date of this announcement, these Sub-Funds have not yet been launched. It is intended that they will use the ICSD model upon launch. They will not be impacted by the corporate action to convert the above non-ICSD sub-funds on the Effective Date.

** This sub-fund is live and currently uses the ICSD model. It will not be impacted by the corporate action to convert the above non-ICSD sub-funds on the Effective Date.

Implementation Guidance

1) For DE ISIN (Global Bearer Certificate) Holders

The conversion requires a one-for-one DE for IE ISIN exchange with the closure of the Global Bearer Certificate Programme in Germany. DE ISINs will therefore be removed as part of the conversion.

Investors in the Converting Funds holding German Global Bearer Certificates with a DE ISIN at the close of business on Friday, 17 June 2016 at Clearstream Banking AG, Frankfurt/Main will receive a beneficial entitlement to shares in the same Converting Funds with an IE ISIN via the ICSD, Clearstream Banking S.A., Luxembourg, on the Effective Date, Monday, 20 June 2016. These shares will be equal in number to the German Global Bearer Certificates being exchanged.

2) For IE ISIN Holders

Investors holding shares in the Converting Funds with an IE ISIN at the close of business on Friday, 17 June 2016 will receive a beneficial entitlement to the same number of shares in the same Converting Funds via the relevant ICSD (Clearstream Banking S.A., Luxembourg and/or Euroclear Bank S.A./N.V.) on the Effective Date, Monday, 20 June 2016. The IE ISIN will not change as part of this conversion.

3) Policy for Currency of Cash Distributions in the ICSD Model (e.g. Dividend Payments)

As from the Effective Date, all future cash payments made by the funds in iShares III plc (e.g. dividend distributions) will be made in the base currency of the relevant fund as a default. Investors who wish to receive payments in a different currency may arrange this with the relevant ICSD or through their custodian, broker or investor CSD where the option is available.

This differs from the existing local central securities depository model in which cash payments are made by EU1 / CREST in GBP as a default, except where a specific instruction is placed with the registrar or the home CSD.

Please contact your custodian, broker and/or investor CSD for details of how any iShares III plc cash payment would be processed.

Please consult www.iShares.com for details of the base currency of the funds.

4) Further Implementation Guidance Notes

Further guidance on the implementation and expected changes will be published on www.ishares.com by early June 2016.

Further enquiries – please contact:

iShares - General Enquiries

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