



PowerShares Prepares ETF Industry's First Municipal Bond Family

Chicago, Illinois – August 7, 2007 – PowerShares Capital Management LLC continues *Leading the Intelligent ETF Revolution®*, announcing today that it intends to list the first family of municipal bond ETFs. The first two offerings, the PowerShares Insured Municipal Bond and the PowerShares National Municipal Bond Portfolios, are expected to begin trading in October.

“We are very proud to be working on another first for the ETF marketplace and to be working with Merrill Lynch on such an important initiative,” said Bruce Bond, President of PowerShares Capital Management. “These new portfolios represent important additions to the industry and to the PowerShares existing family of 95 ETFs.”

Investors seeking insurance-backed municipal bonds or traditional municipal bonds may benefit from the convenient access, and intraday liquidity the ETF product structure delivers. PowerShares' municipal bond portfolios will incorporate rules-based indexes to be provided by Merrill Lynch.

PowerShares Insured National Municipal Bond Portfolio is based on a soon to be launched Merrill Lynch US Insured Core Municipal Securities Index. The index will be designed to track the performance of U.S. dollar-denominated AAA insured tax-exempt long-term debt publicly issued by U.S. municipalities in the U.S. domestic market. The Merrill Lynch US Insured Core Municipal Securities Index adjusts monthly, and excludes single- and multi-family housing bonds, tobacco bonds and all securities subject to AMT (Alternative Minimum Tax).

PowerShares National Municipal Bond Portfolio is based on a soon to be launched Merrill Lynch US Core Municipal Securities Index. The index will be designed to track the performance of U.S. dollar-denominated investment grade tax-exempt long-term debt publicly issued by a U.S. municipality in the U.S. domestic market. The Merrill Lynch US Core Municipal Securities Index adjusts monthly, and excludes single- and multi-family housing bonds, tobacco bonds and all securities subject to AMT (Alternative Minimum Tax).

These fixed-income innovations from PowerShares are for investors who seek a convenient, low-cost approach for investing in a portfolio of municipal securities. The portfolios are suitable for both long-term investing and may also be used as an asset allocation and a risk control tool.

PowerShares Capital Management LLC is passionate about its goal of efficiently delivering the highest quality institutional investment management services available. PowerShares is *Leading the Intelligent ETF Revolution®* by providing investment advisors a full suite of ETF portfolios that seeks to replicate enhanced indexes. PowerShares deliver institutional caliber asset management in one of the most benefit rich investment vehicles available in the marketplace today, the exchange-traded fund. The firm is committed to theoretically sound portfolio construction and empirically verifiable investment management approaches. PowerShares' asset management philosophy and investment discipline are deeply rooted in the application of intuitive factor analysis and model implementation to enhance investment decisions.

PowerShares is a part of INVESCO PLC, a leading independent global investment manager dedicated to helping people worldwide build their financial security. Operating under the AIM, AIM Trimark, Atlantic Trust, Perpetual, PowerShares and WL Ross & Co. brands, INVESCO PLC strives to deliver outstanding products and services through a comprehensive array of enduring investment solutions for its retail, institutional and private wealth management clients around the world. The company, which had

approximately \$491 billion in assets under management as of June 30, 2007, is listed on the London, New York and Toronto stock exchanges with the symbol "IVZ." Additional information is available at www.invesco.com.

"Merrill Lynch," "Merrill Lynch US Insured Core Municipal Securities Index," and "Merrill Lynch US Core Municipal Securities Index " are service marks of Merrill Lynch and have been licensed for use for certain purposes by PowerShares Capital Management LLC. The above referenced PowerShares' ETFs are not sponsored, endorsed, sold or promoted by Merrill Lynch. Merrill Lynch, as Index Provider, makes no representation, express or implied, regarding the advisability of investing in these ETFs or the Index and does not guarantee the quality, accuracy or completeness of the Index or any Index related data included herein or derived therefrom and assumes no liability in connection with their use. As the Index Provider, Merrill Lynch is licensing certain trademarks, the underlying Index and trade names which are composed by Merrill Lynch without regard to PowerShares, the Issuer, this product or any investor.

Risks of Owning Exchange-Traded Funds

Exchange-traded funds are made up of publicly traded securities that can and will move higher and lower with market movements. You should anticipate that the value of the shares of each fund will advance or decline more or less in correlation with the advance or decline in value of the applicable index. The Funds are not actively managed, and shares of the Funds may trade at or below the Funds' NAV. Exchange-traded funds are subject to risks similar to those of stocks, including risks associated with short-selling and margin account maintenance. Ordinary brokerage commissions apply.

A I M Distributors, Inc. is the distributor of the PowerShares Exchange-Traded Fund Trust.

An investor should consider the Fund's investment objectives, risks, charges and expenses carefully before investing. For this and more complete information about the Fund, call 800.983.0903.

The information in this prospectus is not complete and may be changed. The portfolio may not sell its shares until the registration statement filed with the Securities and Exchange Commission is effective. The prospectus is not an offer to sell the portfolio shares, nor is the portfolio soliciting an offer to buy its shares in any jurisdiction where the offer or sale is not permitted.

PowerShares® and Leading the Intelligent ETF Revolution® are registered marks of PowerShares Capital Management LLC.

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