Investor Presentation

1Q 2014

MAY 14, 2014

Disclaimer

Certain statements contained in this presentation are forward-looking statements and are based on future expectations, plans and prospects for Moody's business and operations that involve a number of risks and uncertainties. Moody's outlook for 2014 and other forward-looking statements in this presentation are made as of April 25, 2014, and the Company disclaims any duty to supplement, update or revise such statements on a going-forward basis, whether as a result of subsequent developments, changed expectations or otherwise. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company is identifying certain factors that could cause actual results to differ, perhaps materially, from those indicated by these forward-looking statements. Those factors, risks and uncertainties include, but are not limited to, the current world-wide credit market disruptions and economic slowdown, which is affecting and could continue to affect the volume of debt and other securities issued in domestic and/or global capital markets; other matters that could affect the volume of debt and other securities issued in domestic and/or global capital markets, including credit quality concerns, changes in interest rates and other volatility in the financial markets; the uncertain effectiveness and possible collateral consequences of U.S. and foreign government initiatives to respond to the economic slowdown; concerns in the marketplace affecting our credibility or otherwise affecting market perceptions of the integrity or utility of independent agency ratings; the introduction of competing products or technologies by other companies; pricing pressure from competitors and/or customers; the impact of regulation as an NRSRO, the potential for new U.S., state and local legislation and regulations, including provisions in the Dodd-Frank Wall Street Reform and Consumer Protection Act and anticipated regulations resulting from the law; the potential for increased competition and regulation in the EU and other foreign jurisdictions; exposure to litigation related to our rating opinions, as well as any other litigation to which the Company may be subject from time to time; provisions in the Dodd-Frank Act legislation modifying the pleading standards, and EU regulations modifying the liability standards, applicable to credit rating agencies in a manner adverse to rating agencies; provisions of EU regulations imposing additional procedural and substantive requirements on the pricing of services; the possible loss of key employees; failures or malfunctions of our operations and infrastructure; any vulnerabilities to cyber threats or other cybersecurity concerns; the outcome of any review by controlling tax authorities of the Company's global tax planning initiatives; the outcome of those legacy tax matters and legal contingencies that relate to the Company, its predecessors and their affiliated companies for which Moody's has assumed portions of the financial responsibility; the ability of the Company to successfully integrate acquired businesses; currency and foreign exchange volatility; a decline in the demand for credit risk management tools by financial institutions; and other risk factors as discussed in the Company's annual report on Form 10-K for the year ended December 31, 2013 and in other filings made by the Company from time to time with the Securities and Exchange Commission.

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Overview of Moody's Corporation

MOODY'S

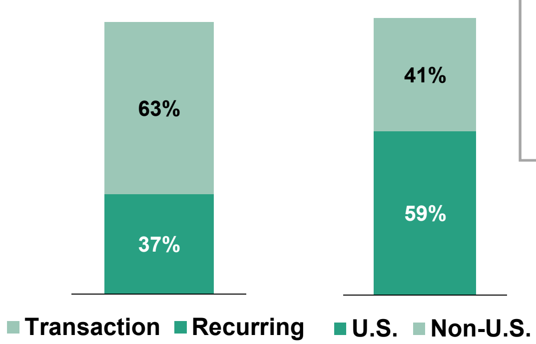
Leading global provider of credit rating opinions, insight and tools for financial risk measurement and management

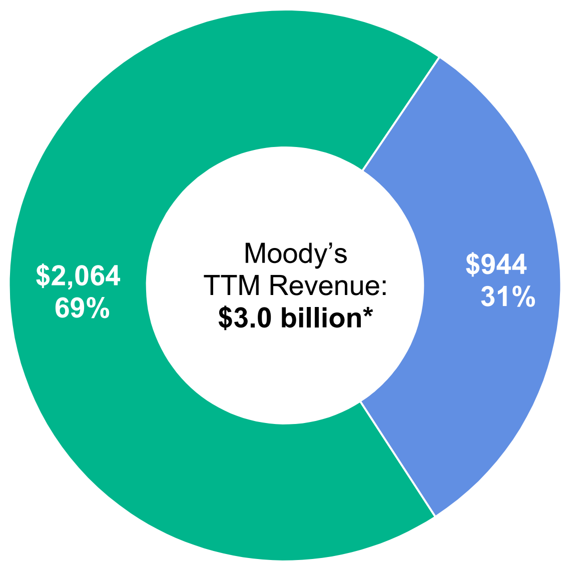
MOODY'S INVESTORS SERVICE

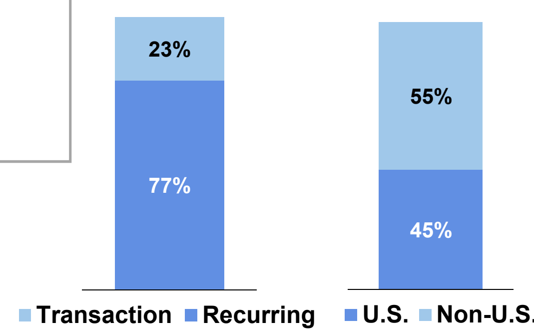
Independent provider of credit rating opinions and related information for over 100 years

MOODY'S ANALYTICS

Research, data and software for financial risk analysis and related professional services







*Represents consolidated revenue for the trailing twelve months ended March 31, 2014, excluding intersegment revenue and eliminations.

1 Financial Overview

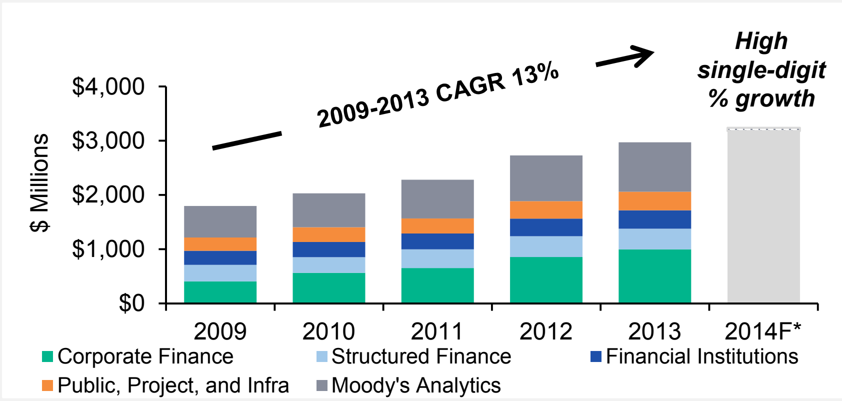
Secular Trends Provide Long-Term Growth Opportunities

Debt market issuance driven by **global GDP growth**	**Disintermediation** of credit markets in developed and emerging economies driving both issuance and demand for new products and services	**Growth in Moody's Analytics** driven by further penetration of MA's client base and expansion of bank and insurance risk regulatory requirements	**Pricing** initiatives aligned with value
~2-4%	**~2-3%**	**~2-3%**	**~4%**

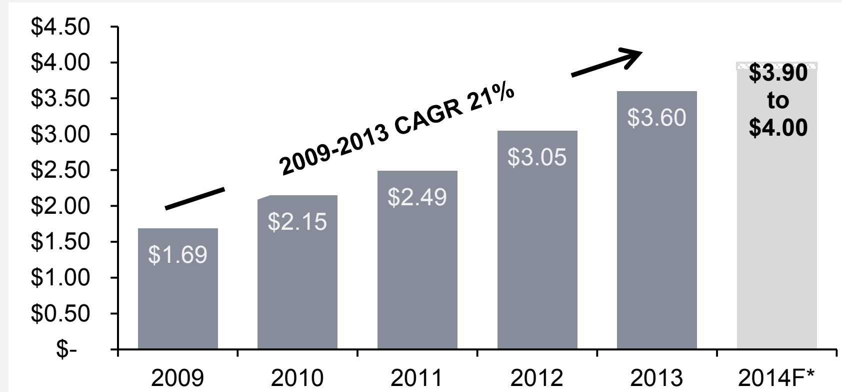
Revenue Growth Opportunity: Low Double-Digit % (on average)

Moody's Has Consistently Delivered Strong Performance

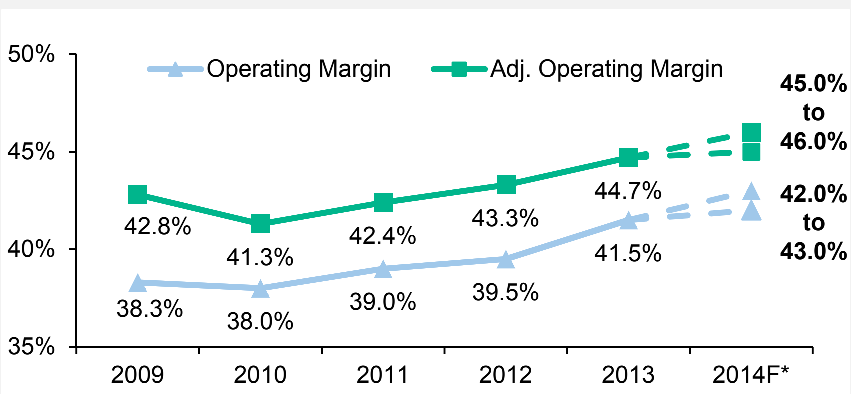
Revenue



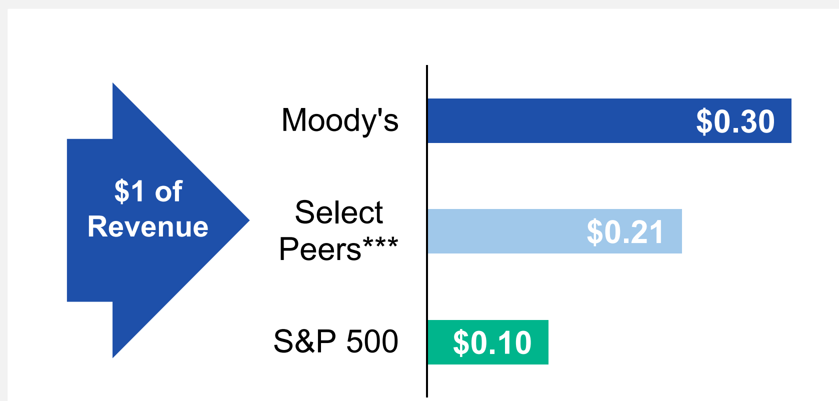
GAAP EPS



Operating Margin Performance



5-year Average Free Cash Flow Conversion**



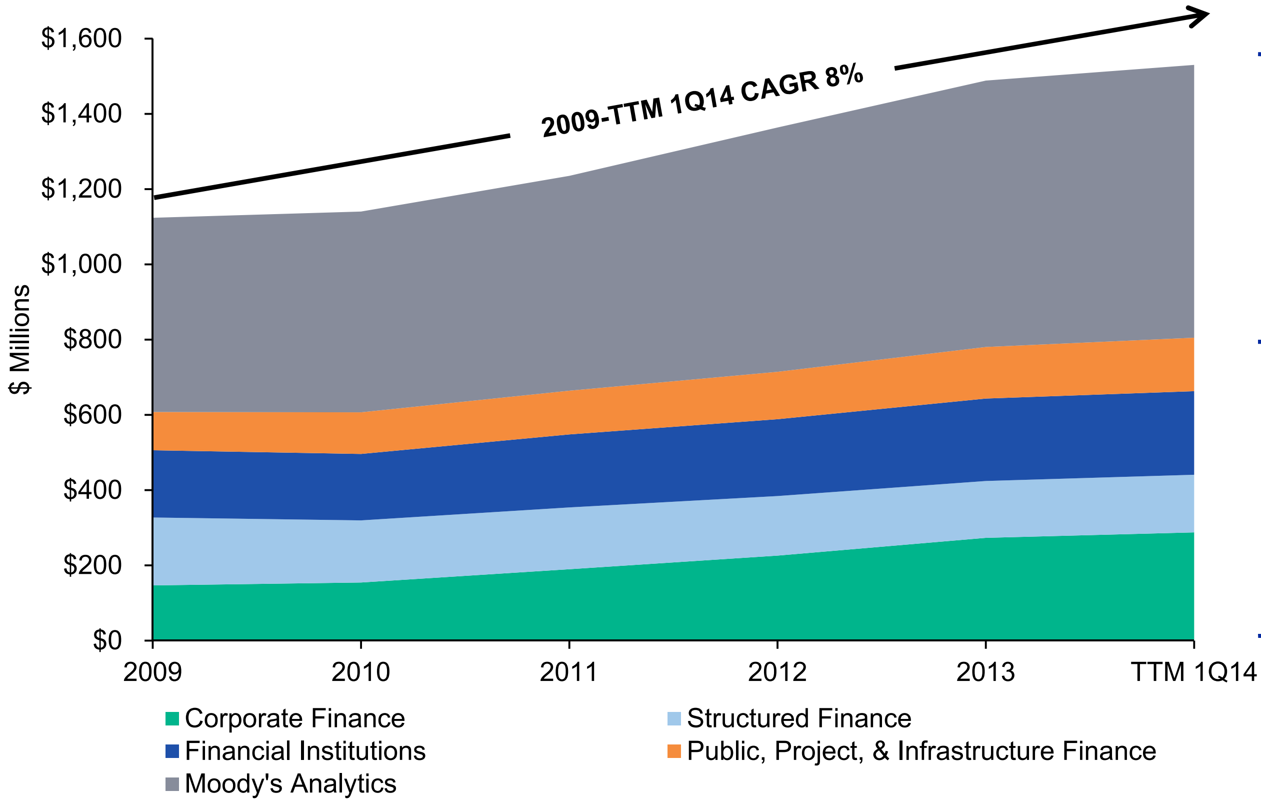
*Guidance as of April 25, 2014.

**As of February 2014, 5-year average of FCF / Revenue over last five available fiscal years. For companies with fewer than five available fiscal years, average is over years available as of February 2014. Source: FactSet

***Includes CLGX, DNB, EXPN, FDS, IHS, MHFI, MORN, MSCI, TRI, VRSK. Source: FactSet

Moody's Recurring Revenue Base Provides Stability

Recurring Revenue*



Drivers

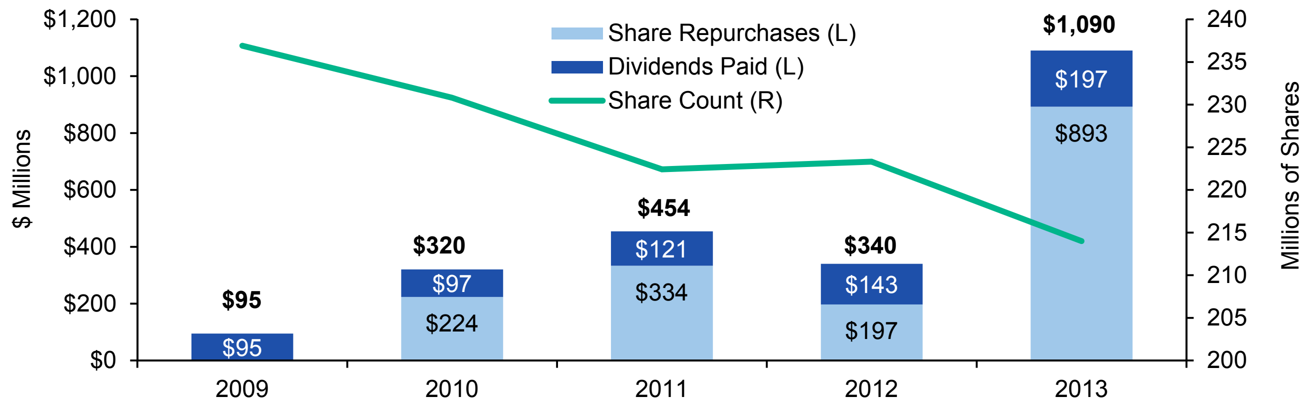
- Growth in RD&A
- Growth in ERS maintenance and subscription revenue

- Growth in monitoring fees driven by new mandates
- Pricing changes

*Recurring Revenue recognized ratably over security life (MIS) and over contract period (MA).
Note: Reference slide 48 for details.

Moody's Has Returned Capital to Shareholders via Dividends and Share Repurchases

Share Repurchases and Dividends Paid



Dividends Paid Per Share				
$0.40	***$0.42***	***$0.54***	***$0.64***	***$0.90***

- » Expect approximately $1 billion in share repurchases in 2014*
- » Current annualized dividend rate of $1.12 per share (1Q14 payout of 27% of net income)**

Capital Allocation Prioritization

Reinvestment

- » Invest in existing businesses to support organic growth

Dividends

- » Dividend yield potential is 1.4% to 1.8%***
- » Dividend payout ratio potential is 25% to 30%***

Acquisitions

- » Aligned with strategy
- » Opportunistic; ideally able to use offshore cash

Share Repurchases

- » Share repurchases on both a programmatic and opportunistic basis
- » Average annual potential is $400mm to $750mm***

*Guidance as of April 25, 2014. Subject to market conditions and other ongoing capital allocation decisions.
**Represents annualized dividend based on the last declared quarterly dividend rate of $0.28.
***At current leverage.

Full-Year 2014 Guidance as of April 25, 2014

» **Revenue:**	High-single-digit % growth range
» **Operating Expenses:**	Mid-single-digit % growth range
» **Operating Margin:**	42% to 43%
» **Adjusted Operating Margin*:**	45% to 46%
» **Effective Tax Rate:**	Approximately 33%
» **Earnings Per Share:**	$3.90 - $4.00
» **Share Repurchases:**	Approximately $1 billion (subject to available cash, market conditions and other ongoing capital allocation decisions)
» **Capital Expenditures:**	Approximately $90 million
» **Depreciation & Amortization:**	Approximately $100 million
» **Growth in Compliance & Regulatory Expenses:**	Less than $5 million
» **Free Cash Flow**:**	Approximately $900 million

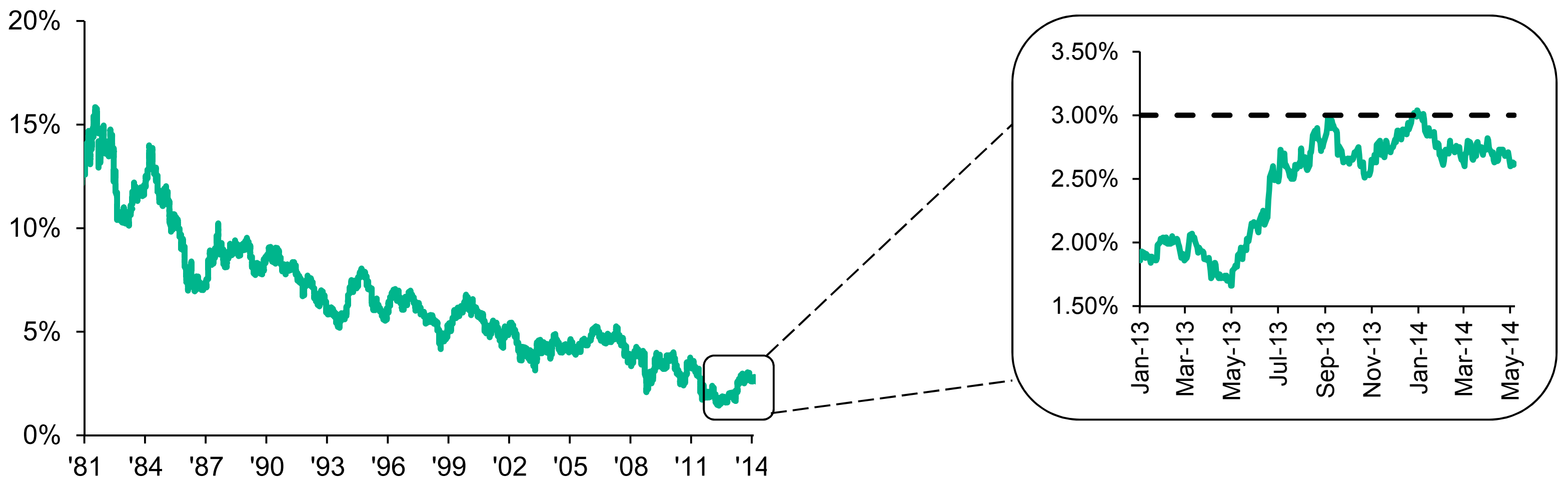
*See Appendix for reconciliation of Operating Margin to Adjusted Operating Margin.
**See Appendix for reconciliation of Cash Flow from Operations to Free Cash Flow.

2

Credit Market Overview

Rates Are Still Historically Low

10-Year U.S. Treasury Yield: %



» Although rates have risen since "taper talk" began in May 2013, 10-year U.S. Treasury yields have met resistance at the 3% level

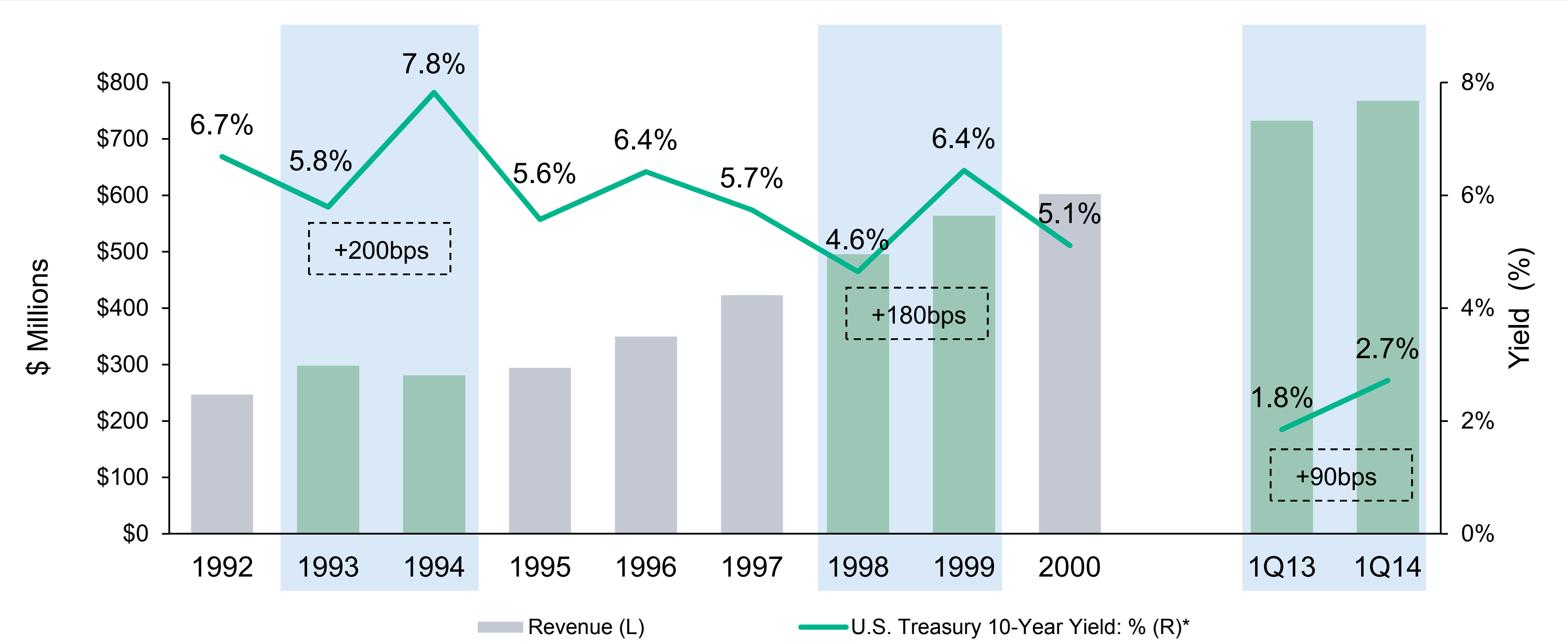
» "Economic conditions may, for some time, warrant keeping short-term interest rates below levels the Committee views as likely to prove normal in the longer run." – ***Janet Yellen, Fed Chairman, April 16, 2014***

» "The Governing Council is unanimous in its commitment to using also unconventional instruments within its mandate in order to cope effectively with risks of a too prolonged period of low inflation."

– ***Mario Draghi, ECB President, April 3, 2014***

Sources: U.S. Federal Reserve. All charts are through May 7, 2014.

Historically, Rising Rates Have Not Had a Significant Impact on Moody's Revenue

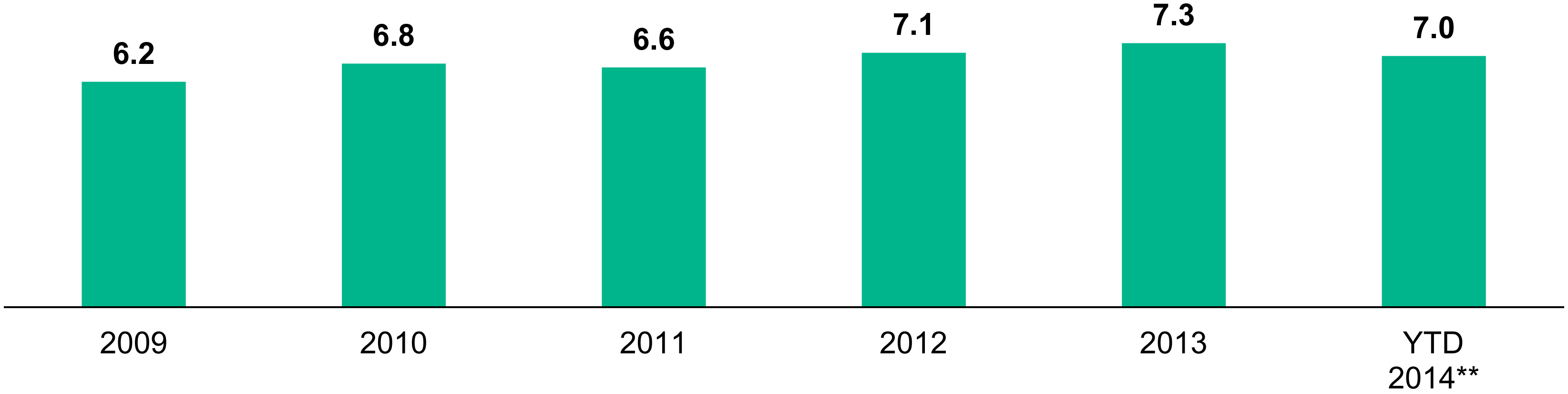


- Moody's is now more diversified geographically and in terms of the entities it rates than it was in the early 1990s, when U.S. public finance made up the largest part of the Moody's Investor Services business
- Moody's Analytics revenue is less correlated with interest rates

*Source: Bloomberg

Average Years to Maturity Has Exhibited Stability

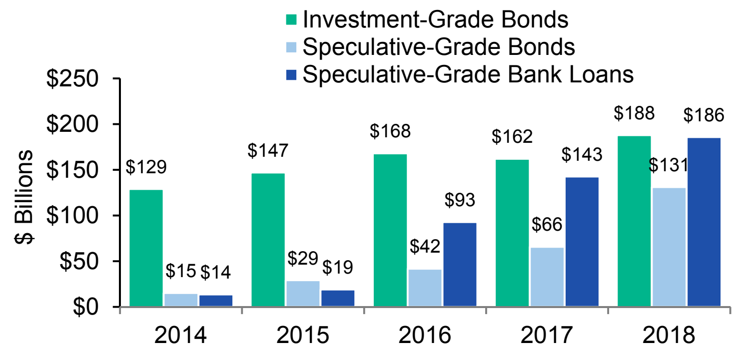
Global Corporate Bond Issues Average Years to Maturity*



*Includes financial and non-financial corporate bond issues.
**Year-to-date through April 30, 2014.
Sources: Moody's Capital Markets Research Group, Dealogic.

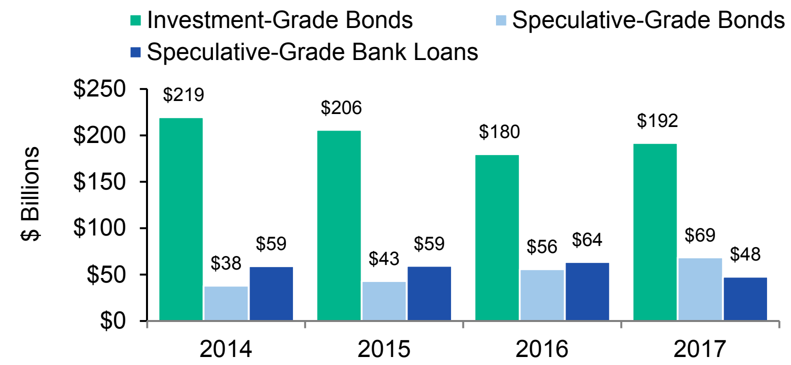
Non-Financial Corporates Have Significant Refunding Needs, Especially in 2016-2018

Debt Maturities: U.S. Moody's-Rated Corporate Bonds & Loans



Source: Moody's Investors Service, February 2014.

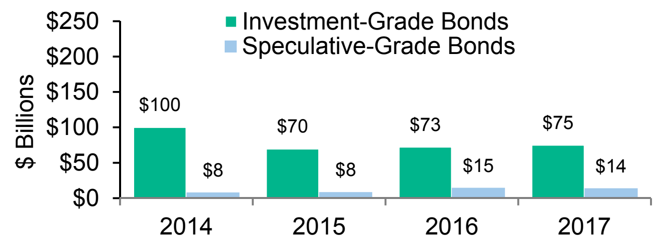
Debt Maturities: EMEA Moody's-Rated Corporate Bonds & Loans



Source: Moody's Investors Service, July 2013.

- Investment-grade U.S. non-financial companies have $793 billion of bonds maturing in 2014-18
  - Up 13% from $701 billion in the 2013-17 period
- Speculative-grade U.S. non-financial companies have $283 billion of high-yield bonds and $454 billion of bank loan facilities maturing through 2018
  - Highest five-year total since 2010-14
  - Up 14% from $645 billion in the 2013-17 period

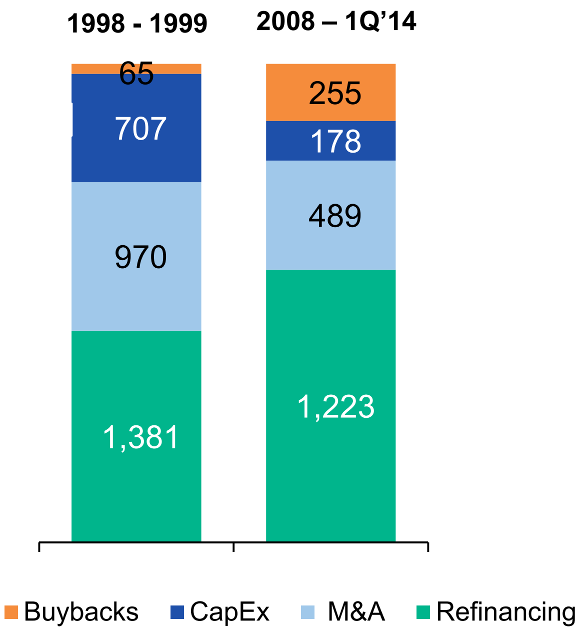
Debt Maturities: Asia Pacific Moody's-Rated Corporate Bonds & Loans



Sources: Moody's Investors Service and Bloomberg, December 2013.

Recent Bond Issuance Has Primarily Been Used for Refinancing

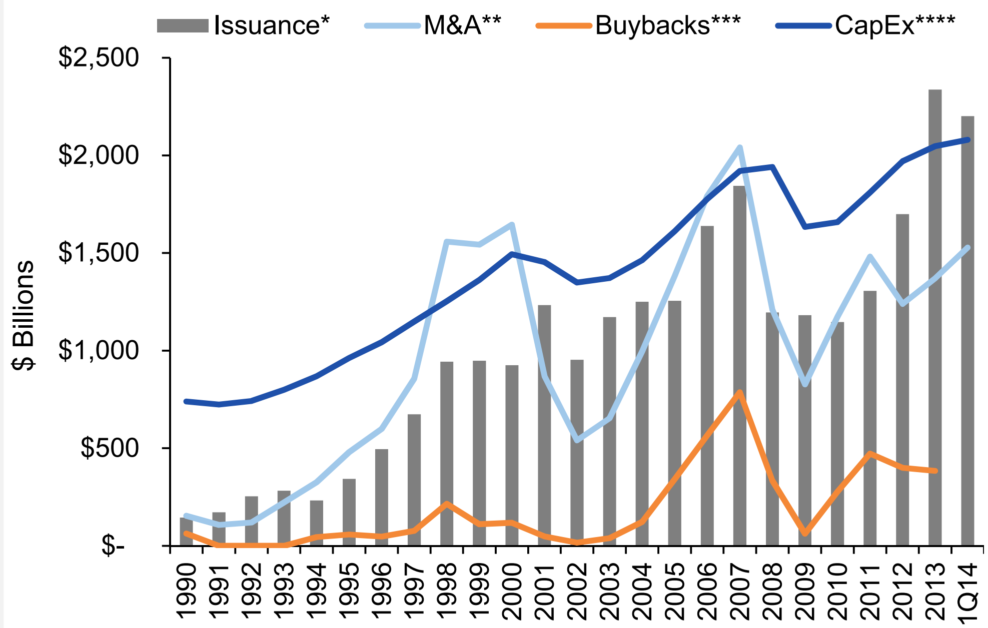
Average Annual Count of Uses of Proceeds from Issuance*



*Average annual count of mentions for each respective period in bond issue or bank loan program tranche documents. Uses of funds from USD investment grade bonds, high yield bonds, and high yield bank loan programs. Excludes issues of less than $25 million and general corporate purposes only. An issue can have multiple purposes.

Source: Dealogic, Moody's Capital Markets Research Group (MCMRG).

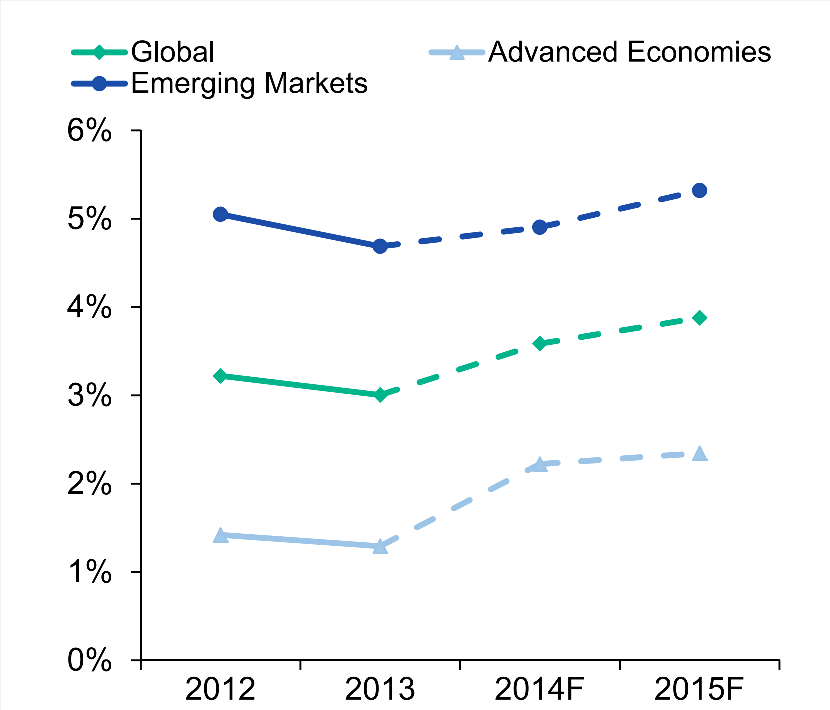
M&A, Buybacks and CapEx Contribute to Issuance



*TTM Issuance volume: U.S. non-financial corporate bonds and leveraged loans. Sources: Dealogic, Credit Suisse, and MCMRG.
**TTM M&A volume: U.S. non-financial corporations. Sources: Dealogic, Bloomberg, Credit Suisse, and MCRMG.
***TTM Net equity buybacks volume: U.S. non-financial corporations. Sources: Federal Reserve Financial Accounts of the U.S. and MCMRG. Buyback volume only available through 2013.
****TTM Capital Expenditures: U.S. non-financial corporations. Source: NIPA.

Global GDP is Expected to Increase with Regional Differences

GDP Growth Rates
(Historical and Forecast)



Average Annual GDP Growth
(Historical and Forecast)

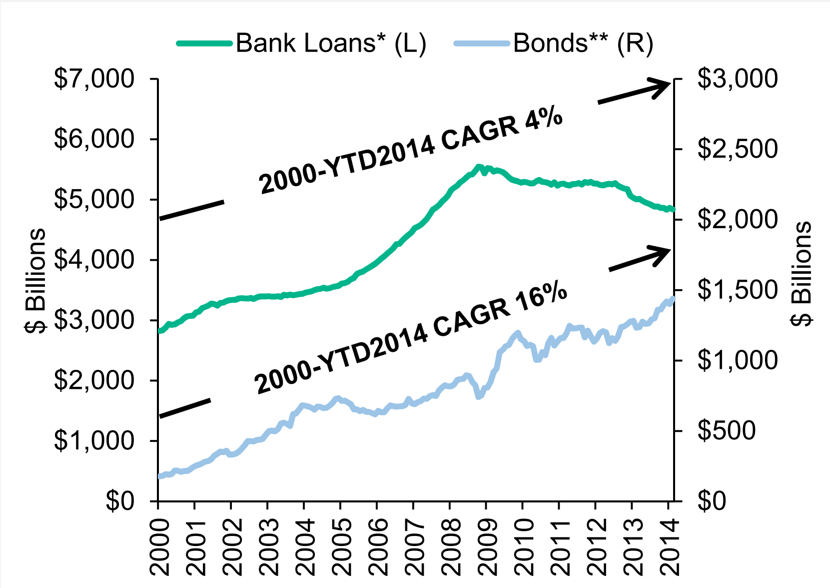
	2012-2013 Actual	2014-2015 Forecast
Global	3.1%	3.7%
Advanced Economies	1.4%	2.3%
Emerging Markets	4.9%	5.1%

Source: International Monetary Fund, World Economic Outlook Database, April 2014, real GDP growth rates.

Disintermediation Continues in European Capital Markets

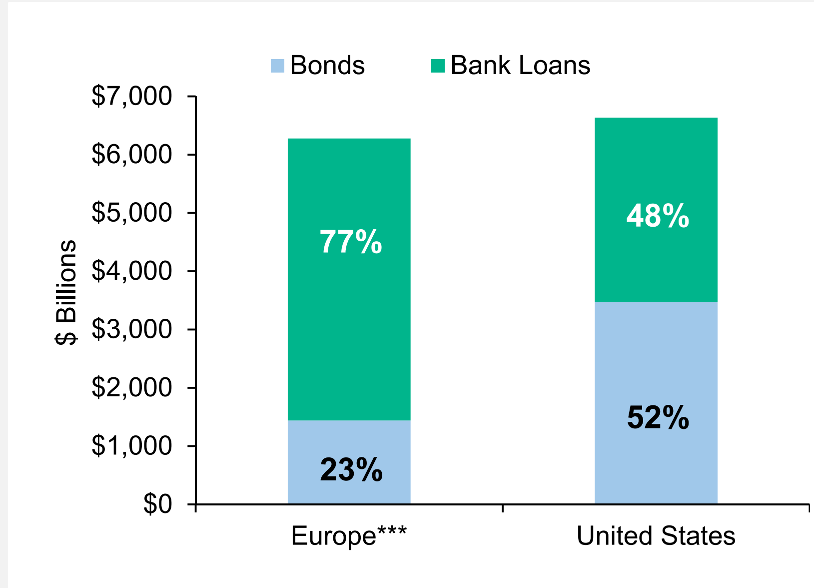
European Non-Financial Corporate Bank Loans vs. Bonds

Through February 28, 2014



European & U.S. Non-Financial Corporate Bank Loans & Bonds Outstanding

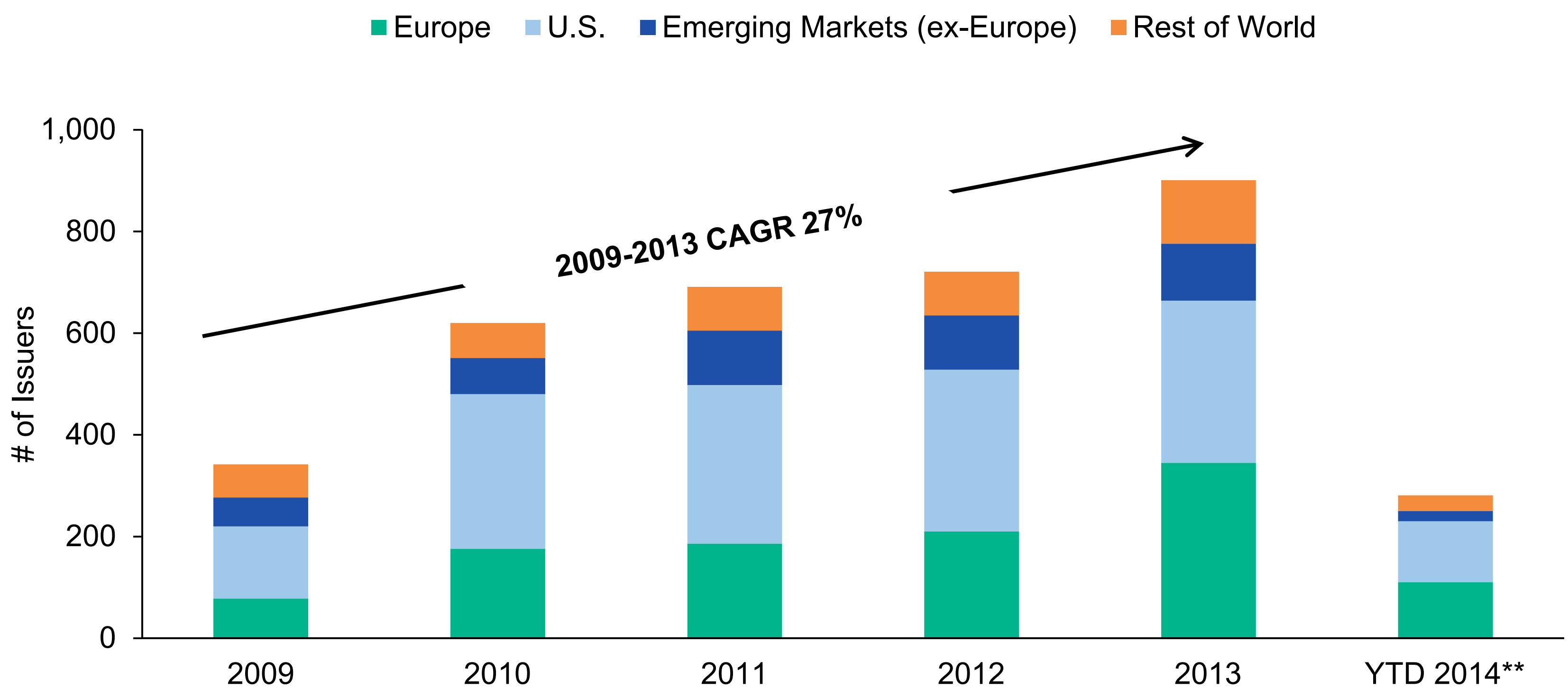
As of February 28, 2014



Sources: Federal Reserve, ECB, BarCap Indices, Moody's Capital Markets Research Group.
*Includes Eurozone and UK bank loans.
**Includes Investment Grade and High Yield Euro and Sterling denominated bonds.
***European bond data represents Euro and Sterling denominated bonds. European loan data represents Eurozone and UK bank loans.

Growth in Newly-Rated Corporate Issuers

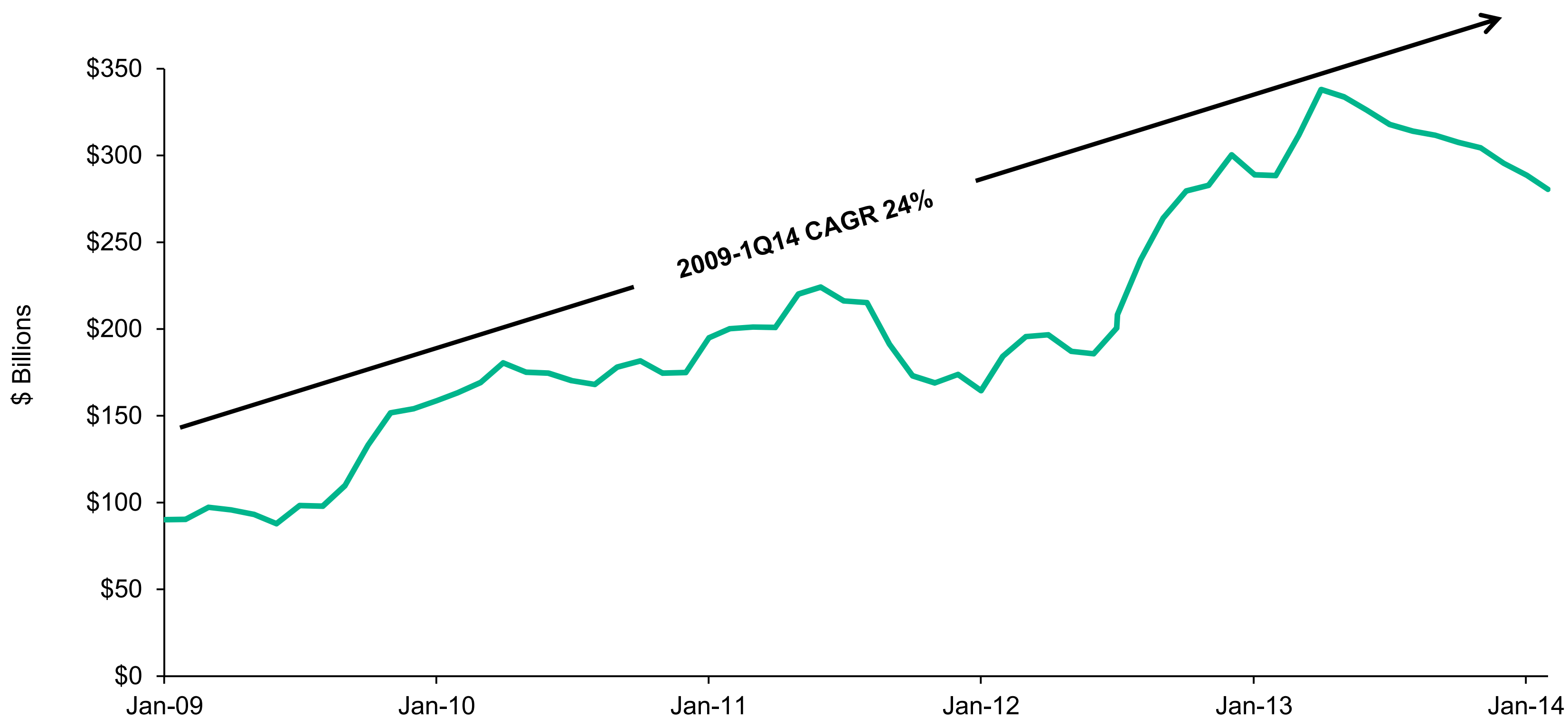
Annual Count of Newly-Rated Non-Financial Corporate Issuers*



Source: Moody's Investors Service.
*Rated by Moody's Investors Service.
**YTD through April 30, 2014.

Emerging Markets Issuance Has Grown Substantially but Will Remain Volatile

Emerging Markets Rated Corporate Bond Issuance*

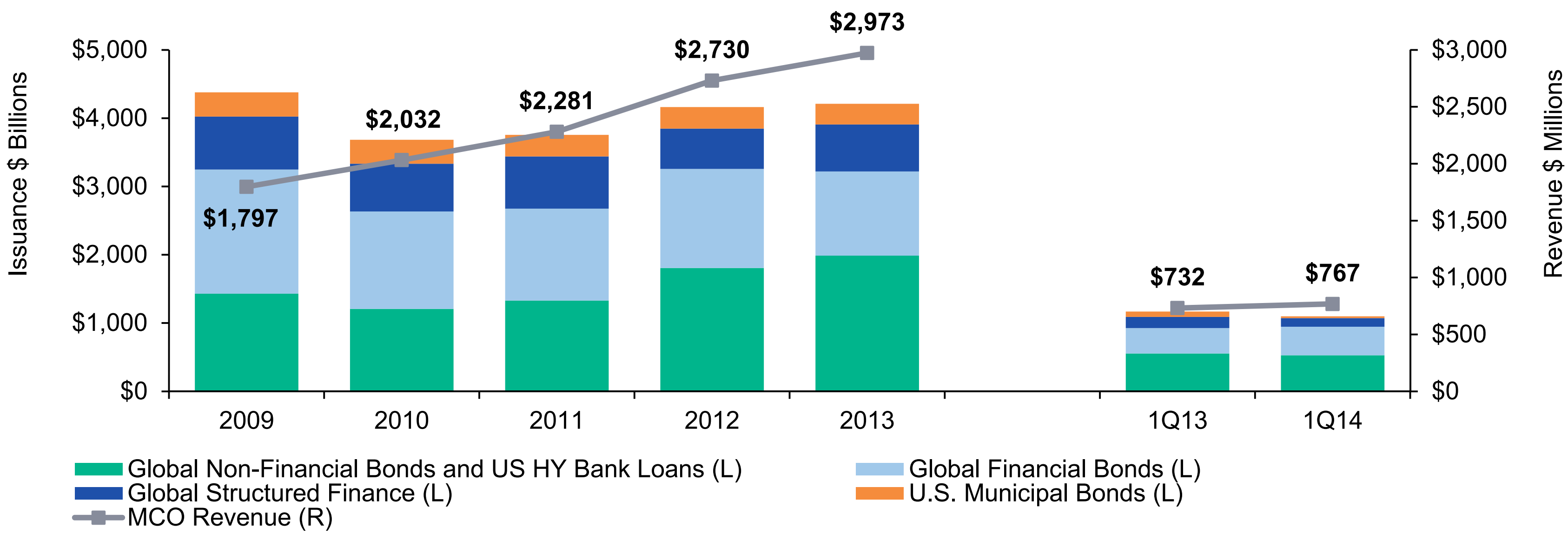


*Moving 12 month sum; includes rated investment grade and high yield corporate bond issuance (financial and non-financial).
Sources: Dealogic, Moody's Capital Markets Research Group.

Moody's Revenue Growth Has Been Strong Despite Essentially Flat Issuance

MCO Revenue vs. Rated Issuance*

YOY %Change	2009	2010	2011	2012	2013	1Q14	2009 – 2013 CAGR
Issuance	-1%	-16%	2%	11%	1%	-6%	-1%
Revenue	2%	13%	12%	20%	9%	5%	13%



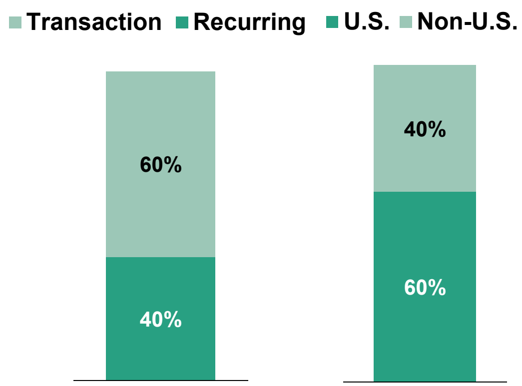
» In addition to issuance activity levels, Moody's revenue is impacted by the mix of issuance activity, sales of non-issuance related products (including by Moody's Analytics) and pricing

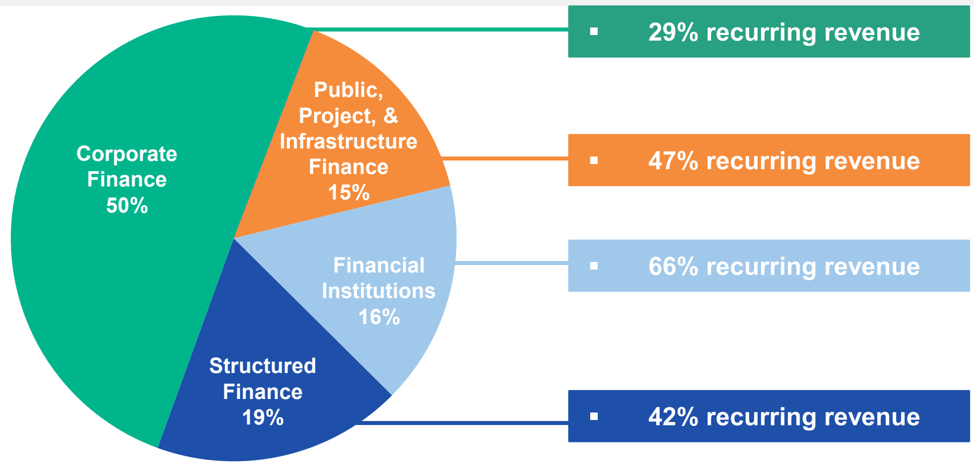
*Rated global investment grade bonds, global high yield bonds, U.S. high yield bank loans, global structured finance, and U.S. municipal issuance.
Source: Moody's Capital Markets Research Group, Dealogic, AB Alert, CM Alert, Thomson SDC. U.S. High Yield Bank Loans represent Moody's rated new U.S. bank loan programs.

3 Moody's Investors Service

Moody's Investors Service Financial Profile

1Q14 Revenue: $525.8 million



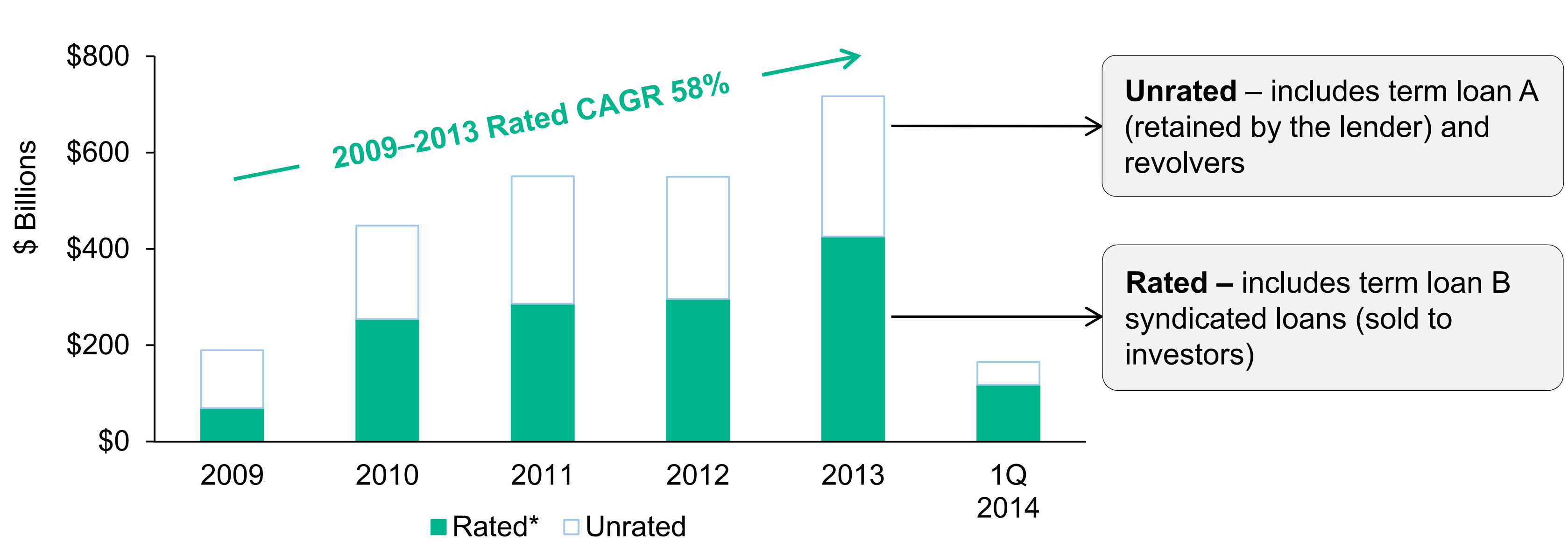


Full-Year 2014 Revenue Guidance as of April 25, 2014

- **Global:** ↑ mid-single-digit % range
- **U.S.:** ↑ low-single-digit % range
- **Non-U.S.:** ↑ low-double-digit % range
- **Corporate Finance:** ↑ mid-single-digit % range
- **Structured Finance:** ↑ low-single-digit % range
- **Financial Institutions:** ↑ mid-single-digit % range
- **Public, Project & Infrastructure:** ↑ high-single-digit % range

Bank Loan Issuance Continues to Grow

U.S. Non-Financial Corporate Speculative-Grade Bank Loans*

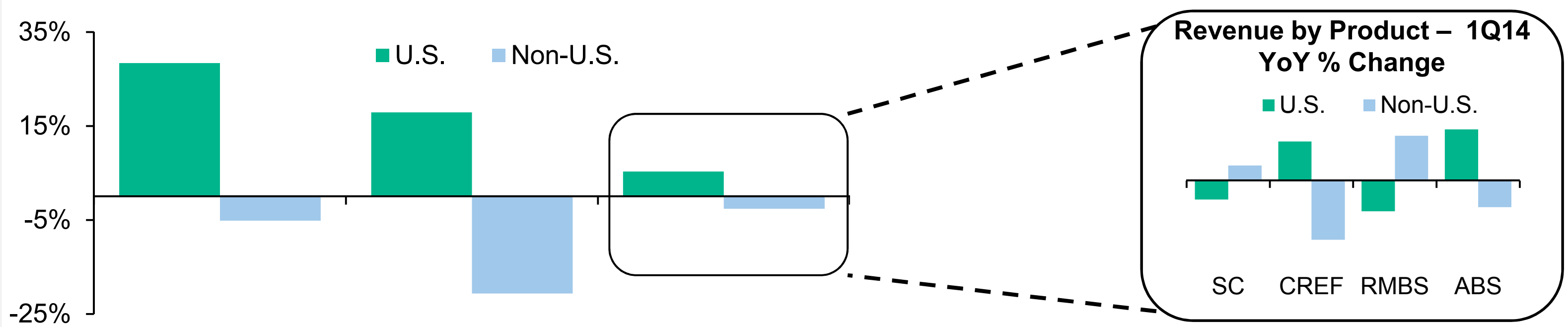


- Over the past several years, an increasing percentage of the U.S. non-financial corporate speculative-grade bank loan market has been rated
- The rated bank loan market is significantly larger in the U.S. than in Europe
  - FY 2013 rated bank loan issuance in the U.S. totaled $425 billion vs. $81 billion in Europe*

*Rated bank loan issuance represents Moody's rated non-financial corporate speculative-grade bank loans
Sources: Moody's, Thomson Reuters

Geographic and Product Diversification Has Provided Balance

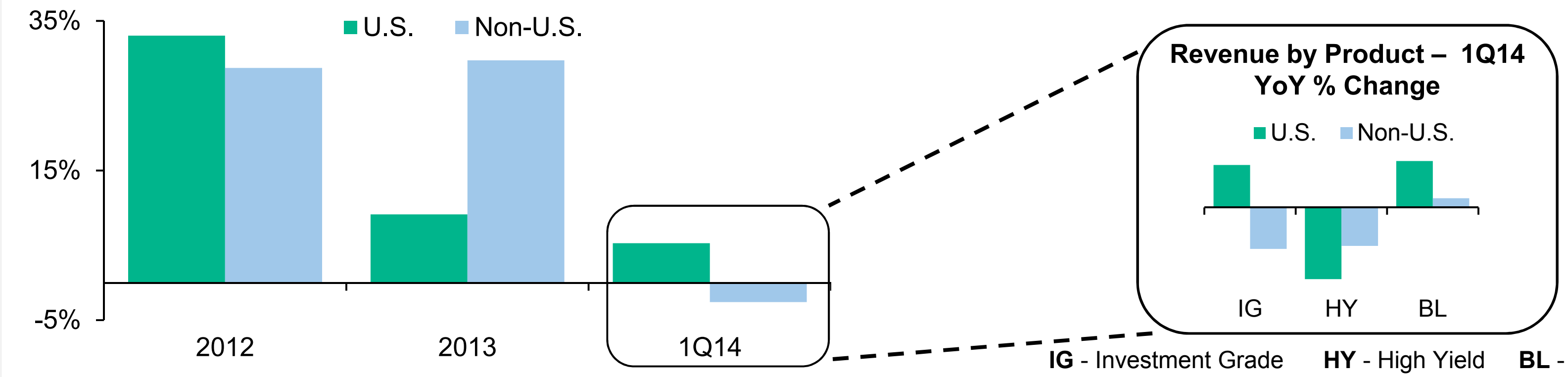
Structured Finance Revenue by Geography – YoY % Change



SC - Structured Credit **CREF** - Commercial Real Estate & CMBS

RMBS - Residential Mortgage Backed Securities **ABS** - Asset Backed Securities

Corporate Finance Revenue by Geography – YoY % Change

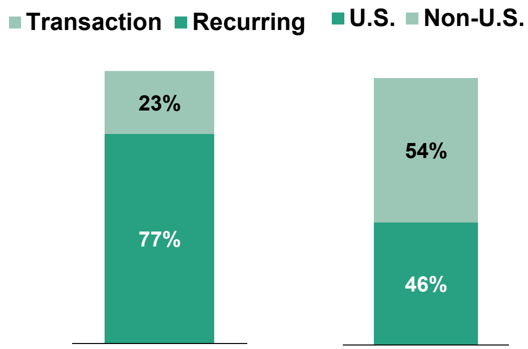


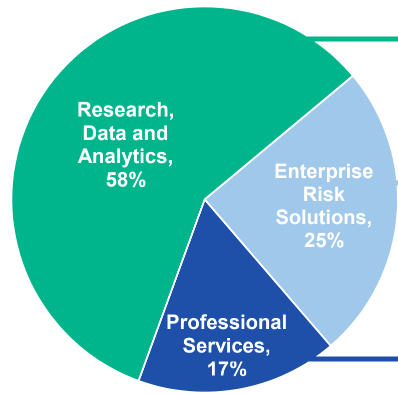
IG - Investment Grade **HY** - High Yield **BL** - Bank Loans

4 Moody's Analytics

Moody's Analytics Financial Profile

1Q14 Revenue: $241.4 million





- ~100% recurring revenue
- Mid-90s% renewal rates

- Approximately two-thirds recurring revenue

- Combination of one-off contracts and semi-recurring revenue

Full-Year 2014 Revenue Guidance as of April 25, 2014

» **Global:** ↑ low-teens % range

» **U.S.:** ↑ low-double-digit % range

» **Non-U.S.:** ↑ high-teens % range

» **Research, Data & Analytics:** ↑ high-single-digit % range

» **Enterprise Risk Solutions:** ↑ low-teens % range

» **Professional Services:** ↑ low-40's % range

Well-Positioned to Drive Growth

» **Strong market position supporting risk management at financial institutions**

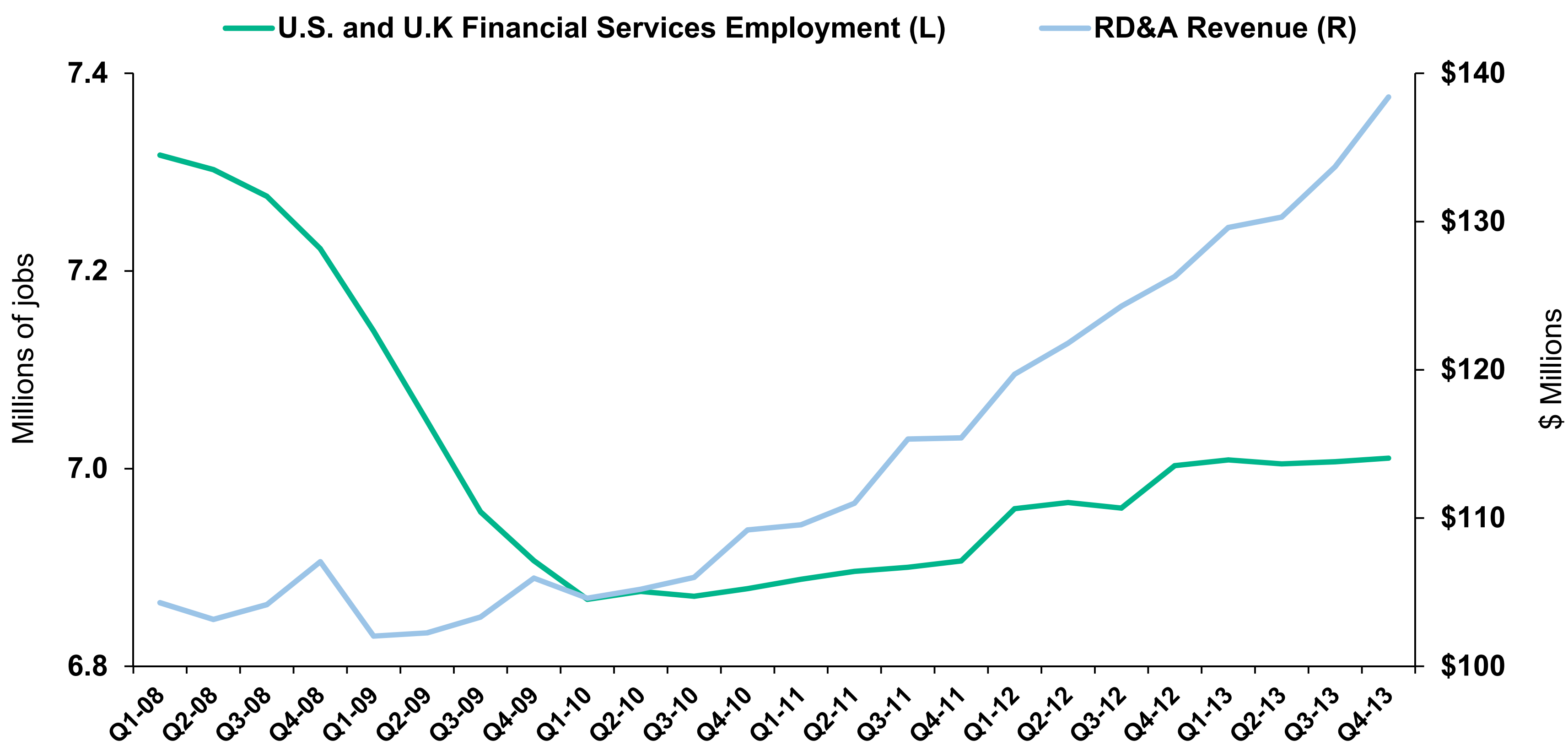
— Product offering focused on delivering need-to-have products and services

» **Big market opportunity**

— Bank regulation driving demand, especially for Enterprise Risk Solutions

— Innovation in debt capital markets will drive acceleration in Research, Data and Analytics

RD&A Revenue Has Grown Despite Flat Financial Services Employment



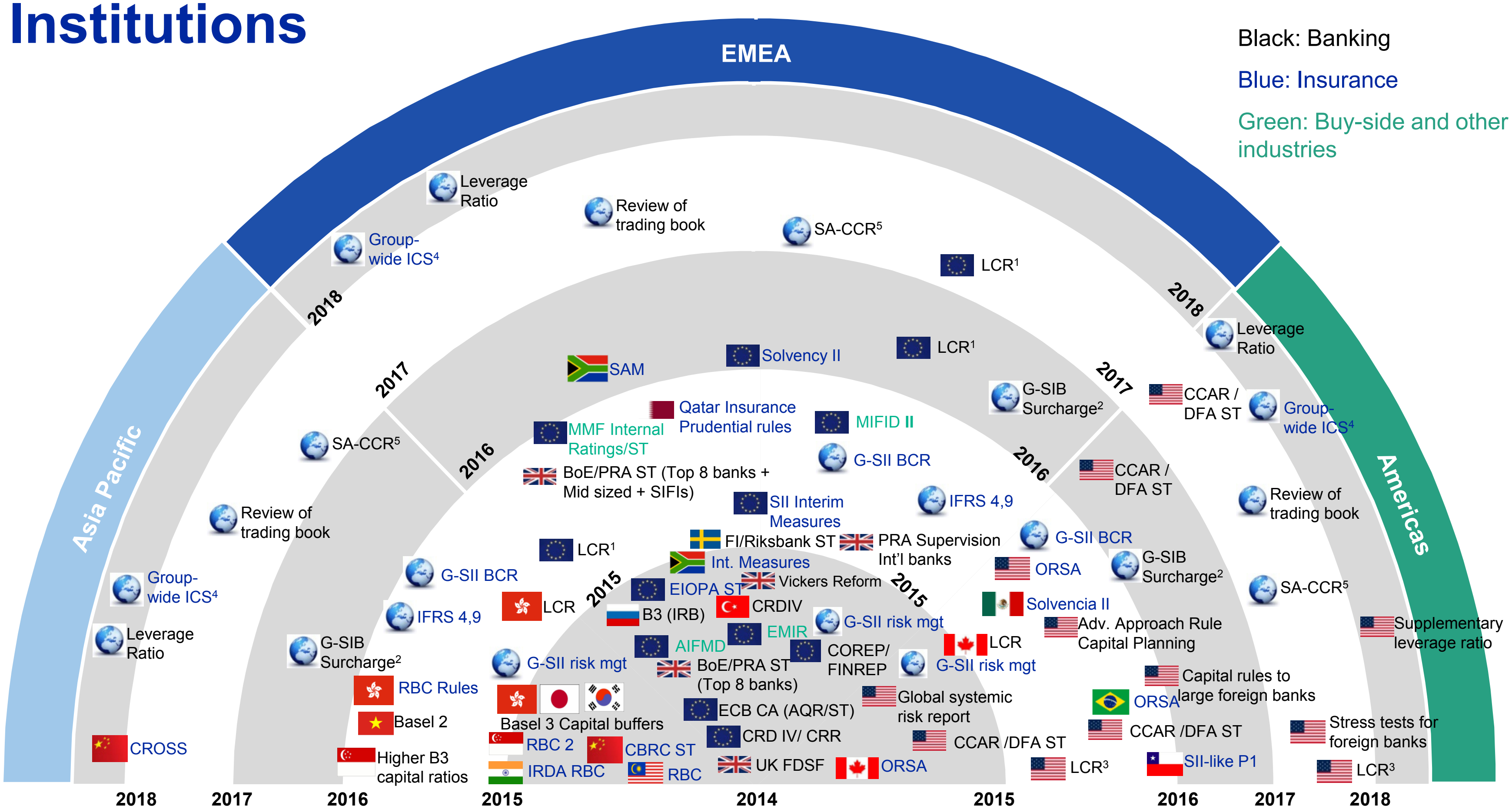
Source: U.S. Bureau of Labor Statistics and the U.K. Office for National Statistics.

Growing Regulatory Requirements for Financial Institutions

Black: Banking

Blue: Insurance

Green: Buy-side and other industries

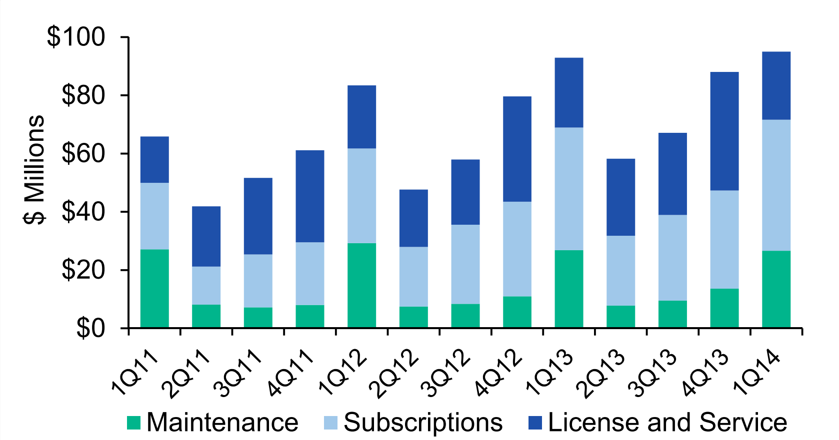


Source: Moody's Analytics market research as of April 2014.

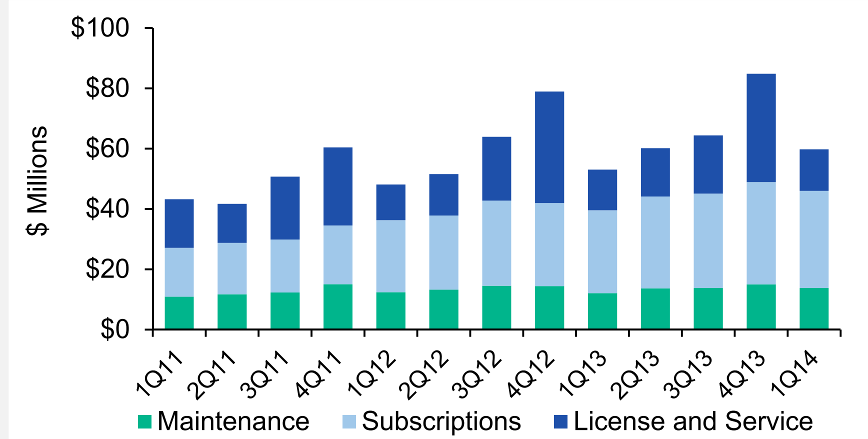
1. In the EU, the Liquidity Coverage Ratio (LCR) will be implemented faster than originally envisaged under Basel III. The timetable will be: 60% by 2015, 70% by 2016, 80% by 2017 and 100% by 2018.
2. The higher loss absorbency requirements for global systemically important banks (G-SIBs) will be phased in from January 2016, with full implementation by January 2019.
3. In the US, advanced-approach banks and non-bank systemically important financial institutions (SIFI) institutions will have to meet 80% of the LCR by January 1, 2015 and 100% of the ratio by January 1, 2017.
4. Insurance Capital Standard
5. The new standardized approach (SA-CCR) replaces both the Current Exposure Method (CEM) and the Standardized Method (SM) in the capital adequacy framework.

ERS Sales Growth Leads Revenue Growth

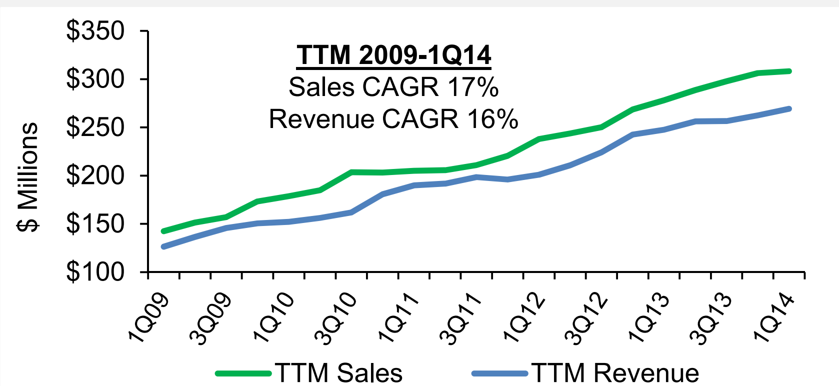
ERS Sales by Type



ERS Revenue by Type



ERS TTM Sales and Revenues



- Maintenance and subscription revenues are recurring and represent approximately two-thirds of TTM total revenue
  - Renewed annually; recognized over contract periods
- License and service revenues are one-time
  - Recognized as implementation projects are completed
  - Sales provide 12-24 months visibility into revenue
- Seasonal pattern
  - Sales strongest in 1Q & 4Q due to corporate budget cycle
  - Revenue strongest in 4Q, driven by prior year's 4Q sales and customer requirements for year-end project completion
- Quarterly revenue results can be uneven, reflecting "lumpiness" in revenue recognition as large projects are completed

Copal Amba is the Market Leader in Analytics and Research Support Services

- Provider of research, analytics and business intelligence services to global financial institutions and corporations
- A subsidiary of Moody’s Corporation
- Over 2,900 employees with strong banking and research backgrounds

Advisory
- Advisory, ECM, DCM, Global Markets
- 40+ clients

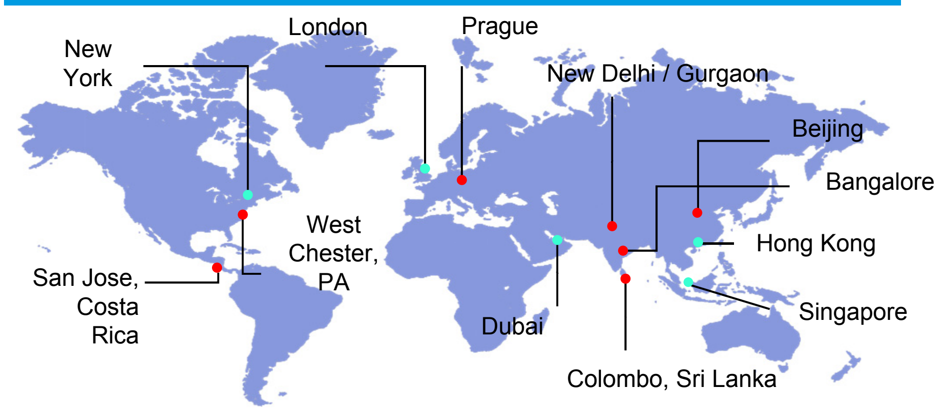
Brokerages
- Equities, FICC, Research Production, Quants
- 30+ clients

Asset management & private wealth
- Equities, Credit, Quants, Marketing, Compliance
- 35+ clients

Corporates & consulting
- Primary Research, Business Research
- 50+ clients

Commercial banking
- Origination, Underwriting, Portfolio Management
- 10+ clients

Global Research and Analytics Center Locations



- Business development center
- Research and analytics center

- More than 600,000 surveys conducted annually across 90 countries in 18 languages
- Multi-industry, multi-lingual, multi-geography and multi-medium
- Key clients include investment banks, asset managers, market research, consulting and business intelligence firms

Exëvo is a wholly owned subsidiary of Copal Partners

5 Conclusion

Why Invest in Moody’s?

» **We strive to be the world’s most respected authority serving risk-sensitive financial markets**

» **We have had strong revenue and earnings growth, as well as strong cash flow conversion**

- 2009 – 2013 Revenue CAGR of 13%
- 2009 – 2013 GAAP EPS CAGR of 21%
- 2009 – 2013 free cash conversion rate of 30%

» **We are committed to returning capital to our shareholders**

- Current annualized dividend of $1.12 (~27% of 1Q14 net income)
- Anticipate total 2014 share repurchases of approximately $1 billion (subject to available cash, market conditions and other ongoing capital allocation decisions) *

» **We will selectively invest in strategic growth opportunities**

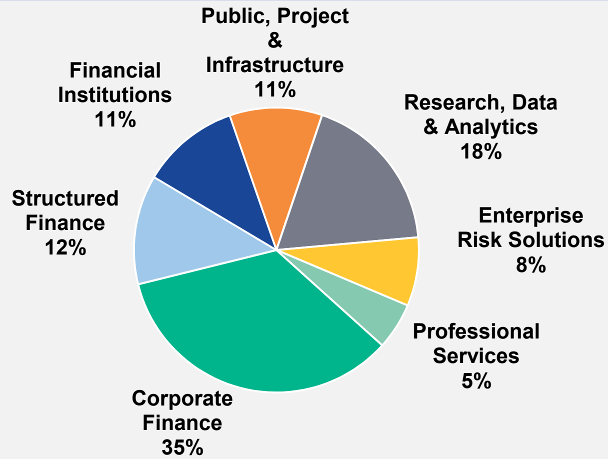
- Leverage brand to extend our relevance in financial markets
- Expand our product offerings and geographic influence

*Guidance as of April 25, 2014

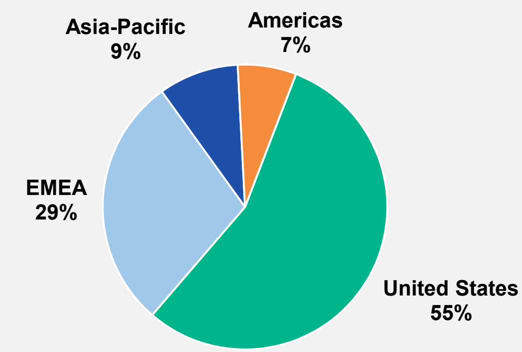
6 Appendix

Breadth of Moody's Businesses and Global Footprint Provide Diversification

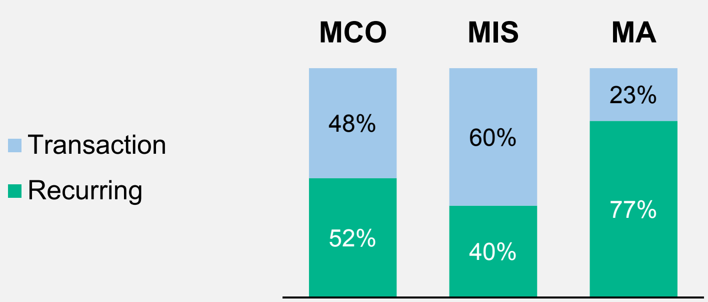
1Q14 Revenue by Business



1Q14 Revenue by Geography



1Q14 Revenue by Type



Transaction and Recurring Revenue

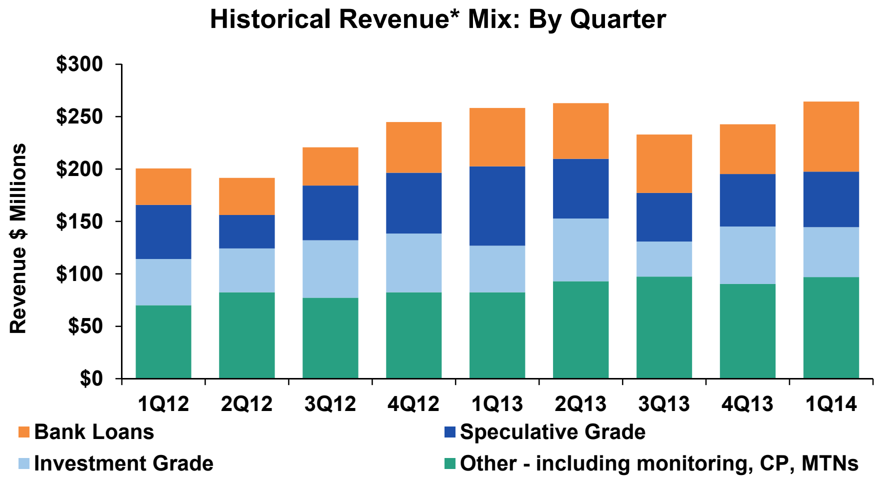
Moody's Investors Service

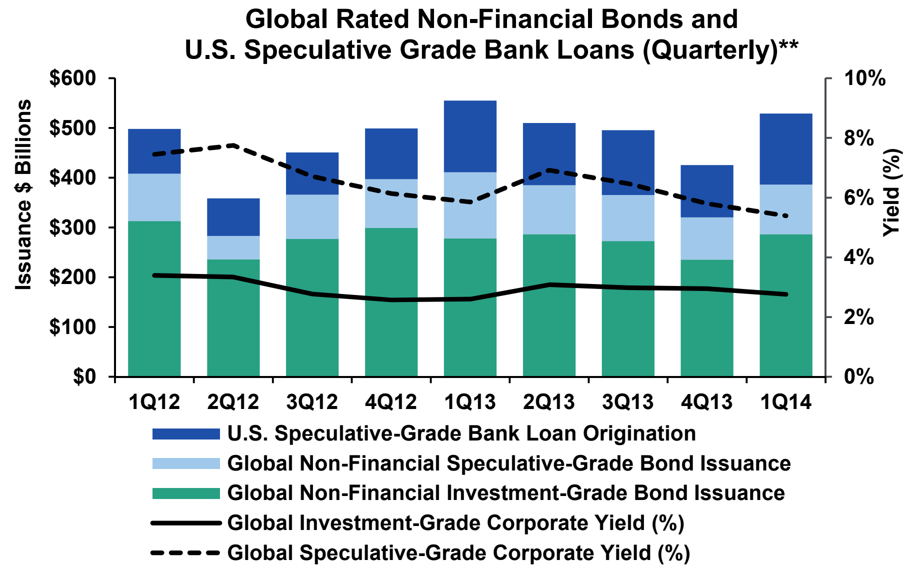
- **Transaction** revenue recognized when rating published
- **Recurring** revenue recognized ratably over security life

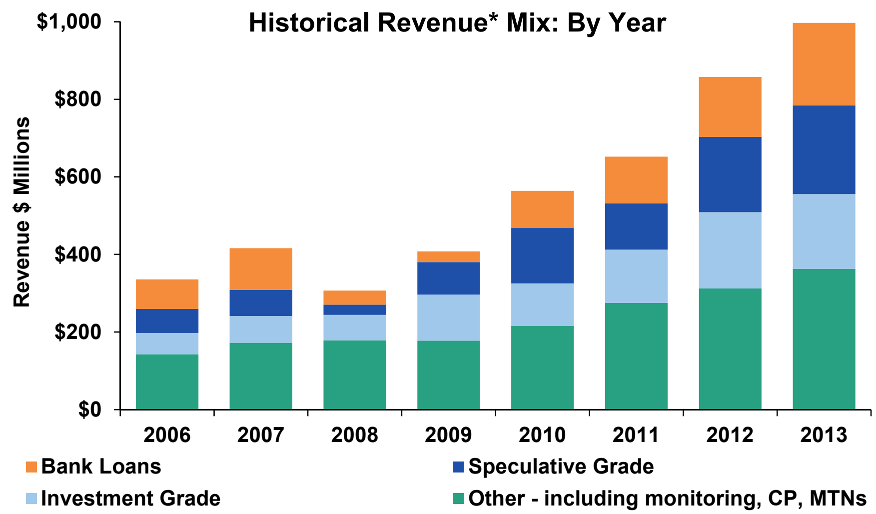
Moody's Analytics

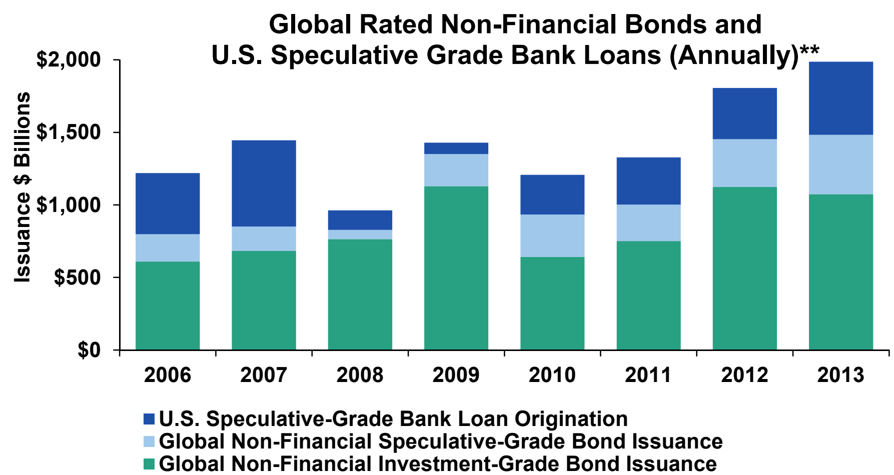
- **Transaction** revenue recognized when service rendered
- **Recurring** revenue recognized ratably over contract period

Corporate Finance: Revenue and Issuance





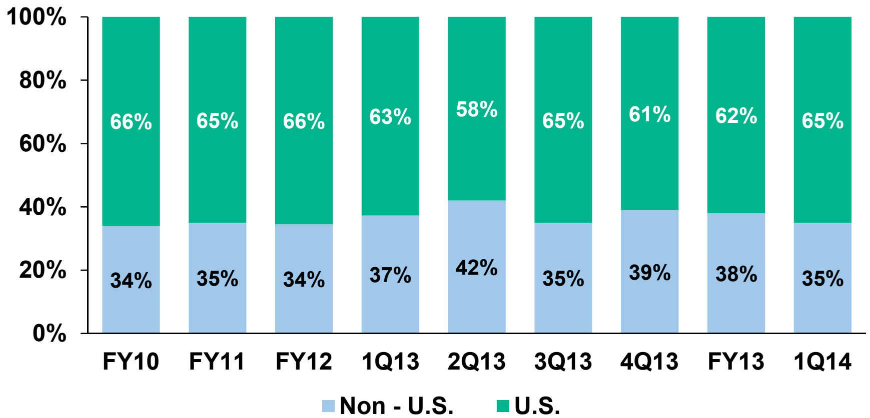




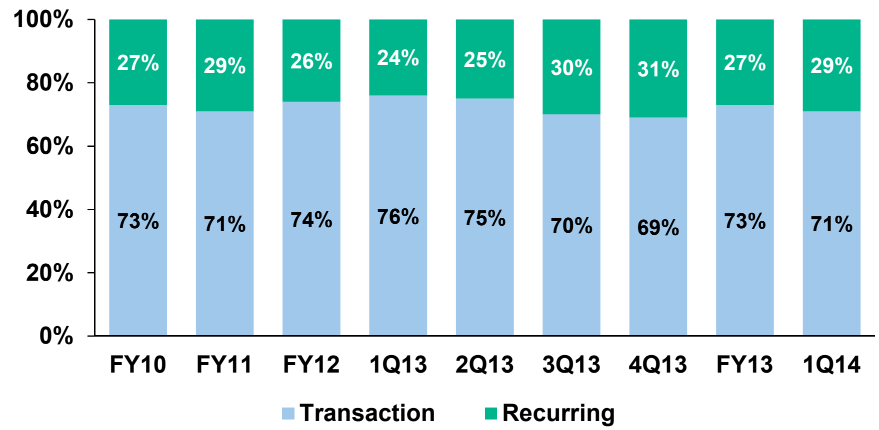
*Historical data has been adjusted to conform with current information. All amounts above exclude intercompany revenue.
** Sources: Moody's Capital Markets Research Group, Dealogic, Barclay's Capital; U.S. Speculative-Grade Bank Loan Origination represents Moody's rated new U.S. bank loan programs.
Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.

Corporate Finance: Revenue Diversification

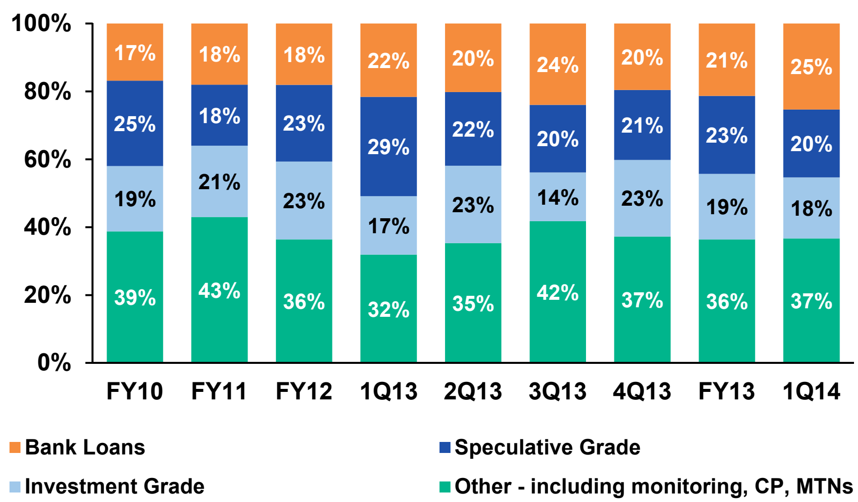
Revenue Distribution by Geography



Revenue* Distribution: Recurring vs. Transaction

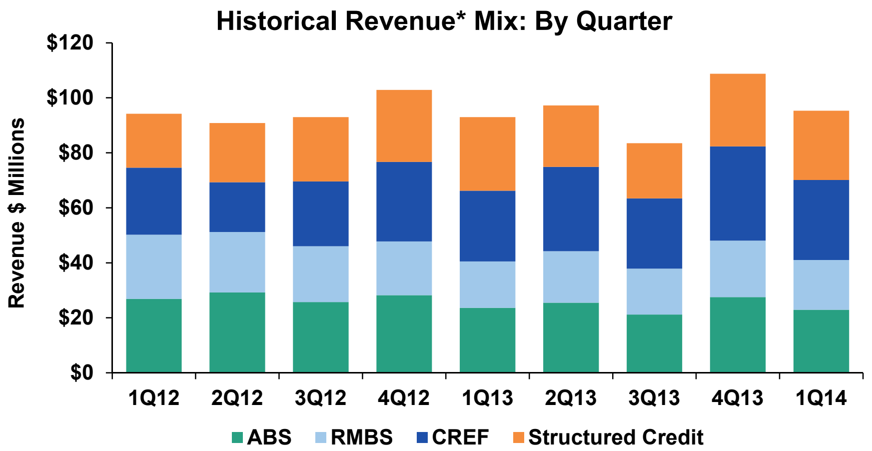


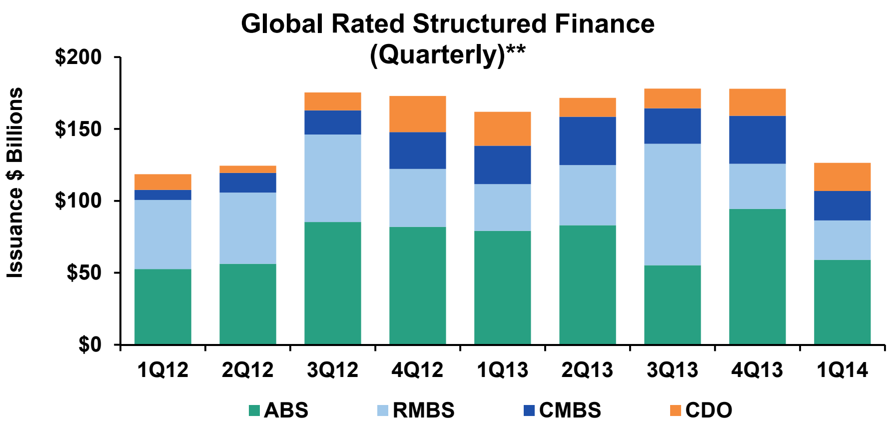
Revenue by Product

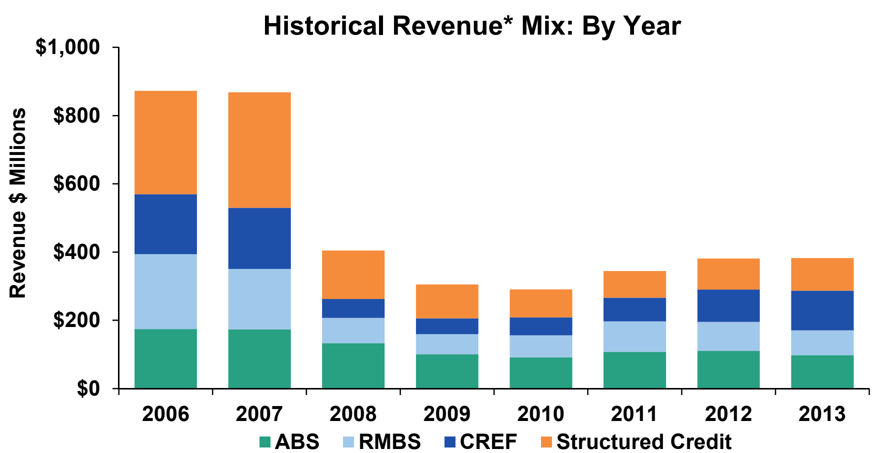


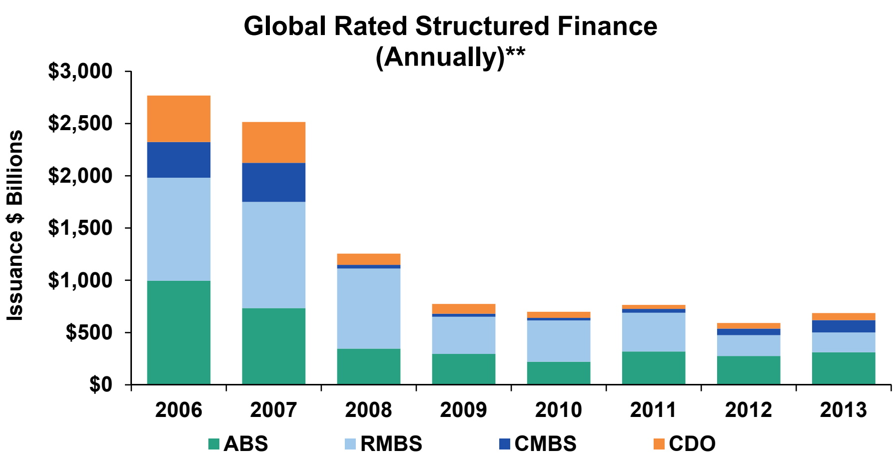
*Historical data has been adjusted to conform with current information. All amounts above exclude intercompany revenue.

Structured Finance: Revenue and Issuance





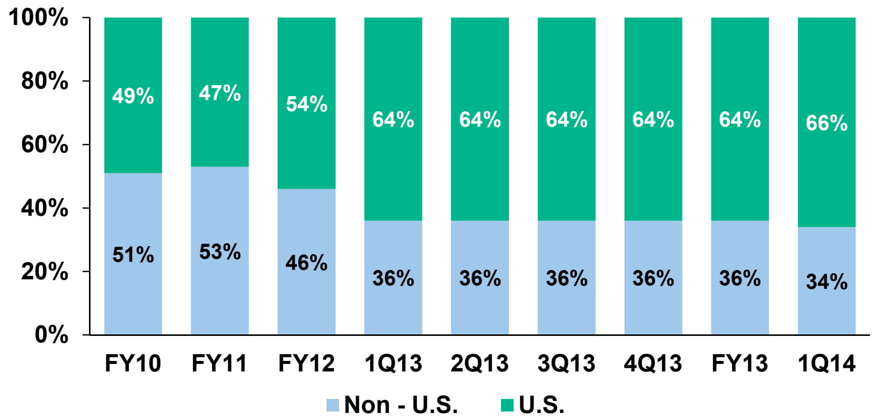




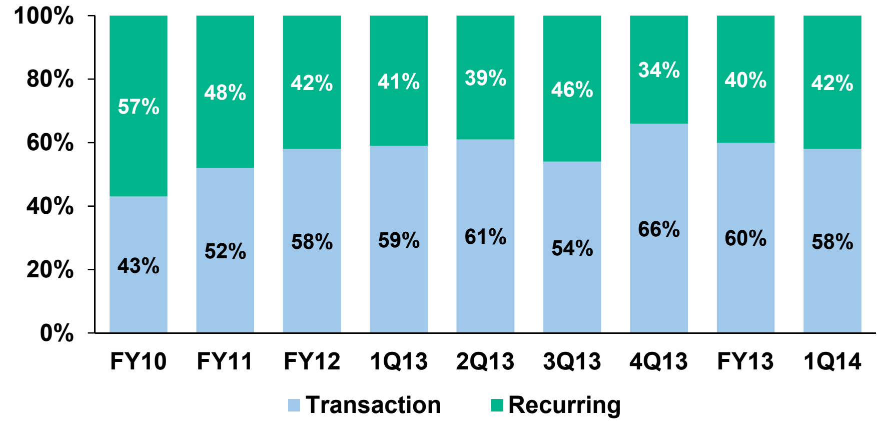
*Historical data has been adjusted to conform with current information. All amounts above exclude intercompany revenue.
** Sources: AB Alert, CM Alert, Moody's Corporation.
Notes: ABS includes asset-backed commercial paper and long-term asset-backed securities. RMBS includes covered bonds. CREF includes commercial mortgage-backed securities, real estate finance, and commercial real estate CDOs. Debt issuance categories do not directly correspond to Moody's revenue categorization.

Structured Finance: Revenue Diversification

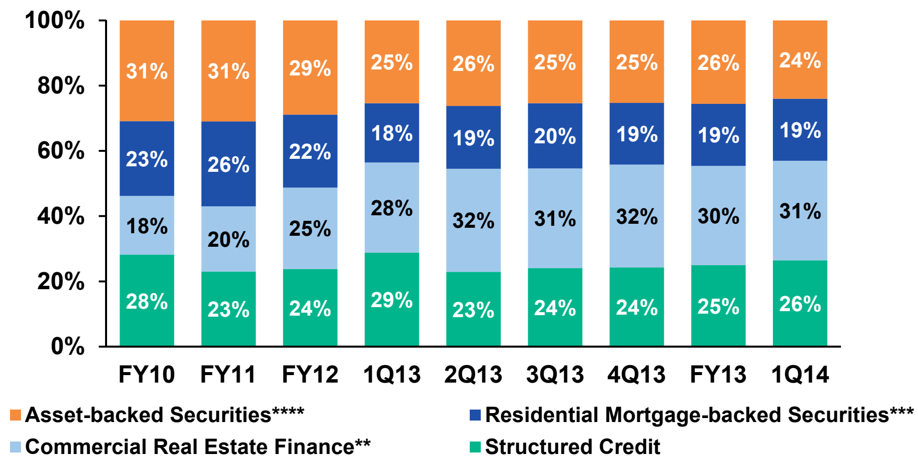
Revenue Distribution by Geography



Revenue* Distribution: Recurring vs. Transaction

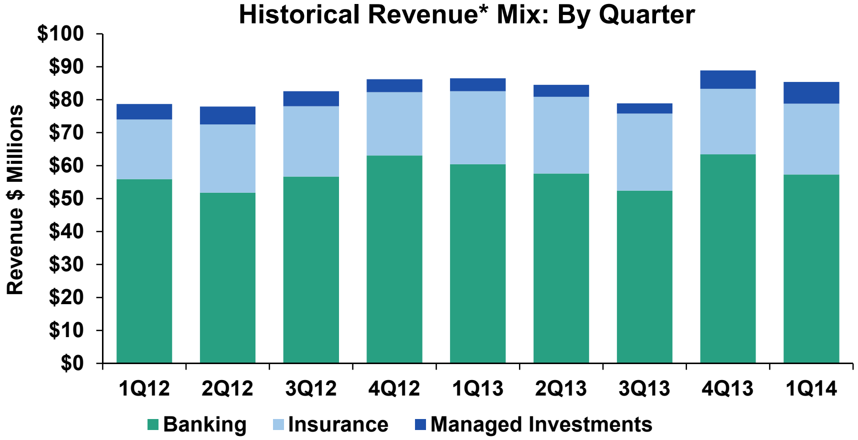


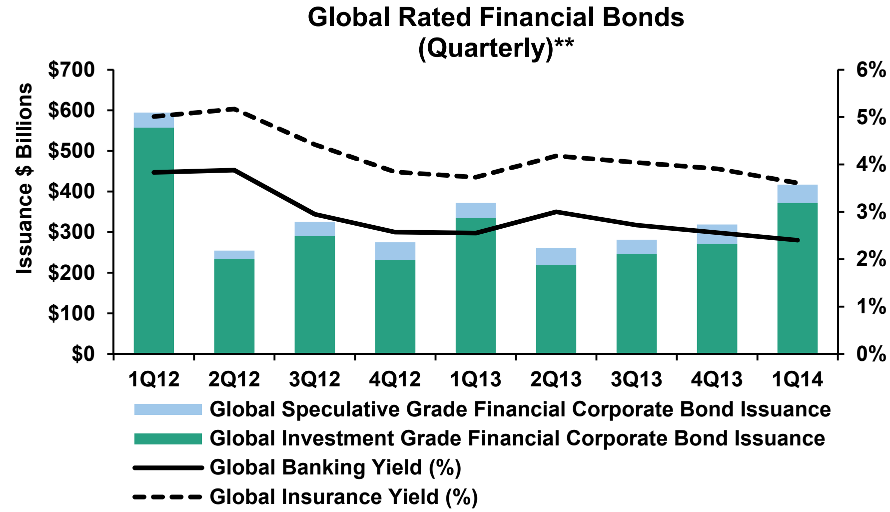
Revenue by Product

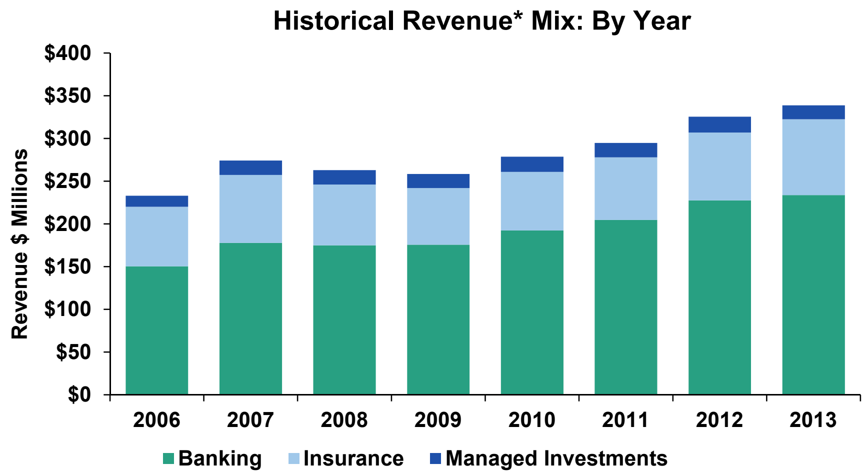


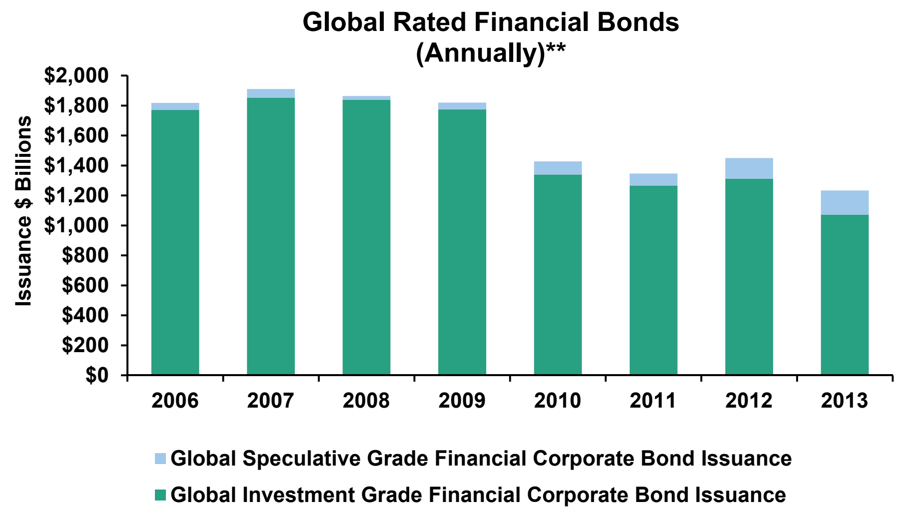
*Historical data has been adjusted to conform with current information. All amounts above exclude intercompany revenue.
**CREF includes commercial mortgage-backed securities, real estate finance, and commercial real estate CDOs.
***Residential Mortgage-backed Securities includes covered bonds.
****ABS includes asset-backed commercial paper and long-term asset-backed securities.

Financial Institutions: Revenue and Issuance



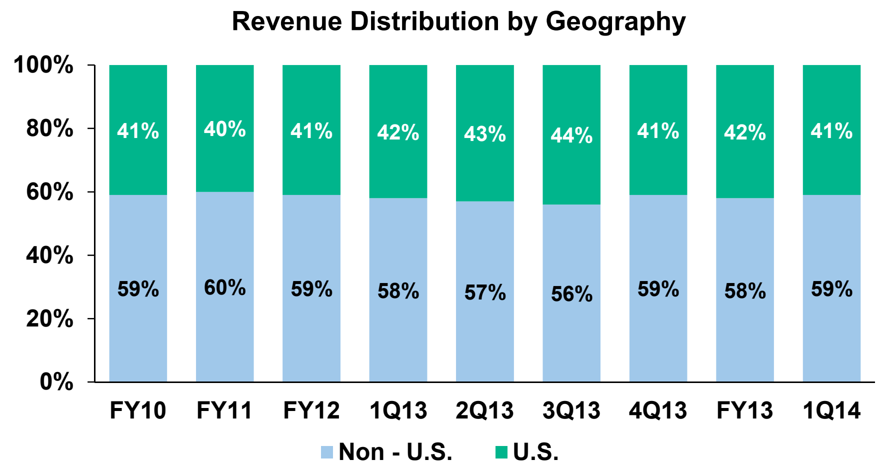


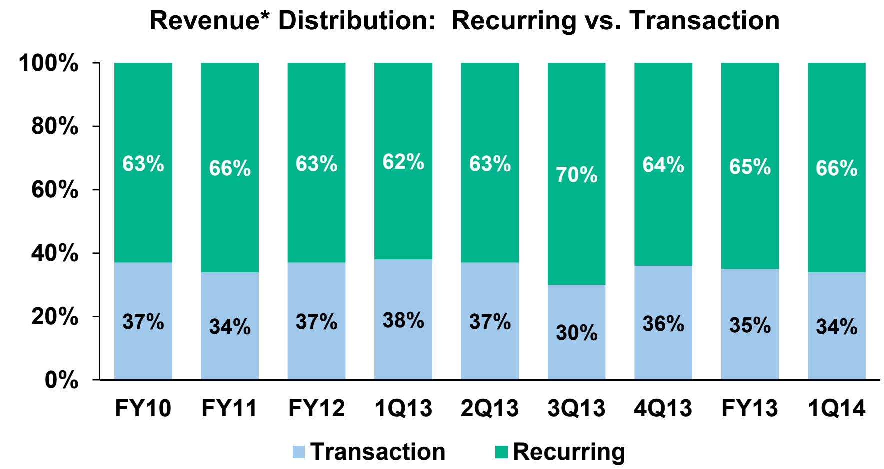


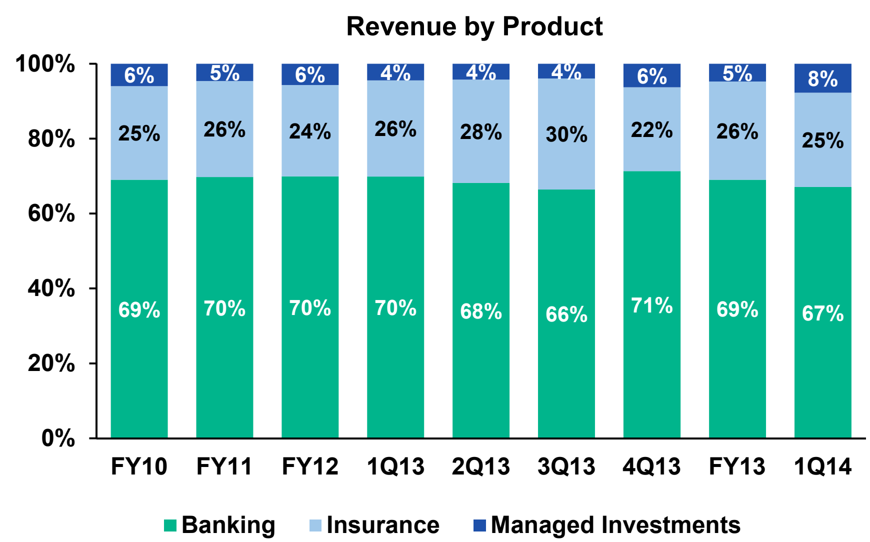


*Historical data has been adjusted to conform with current information. All amounts above exclude intercompany revenue.
** Sources: Moody's Capital Markets Research Group, Dealogic, Barclay's Capital Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.

Financial Institutions: Revenue Diversification

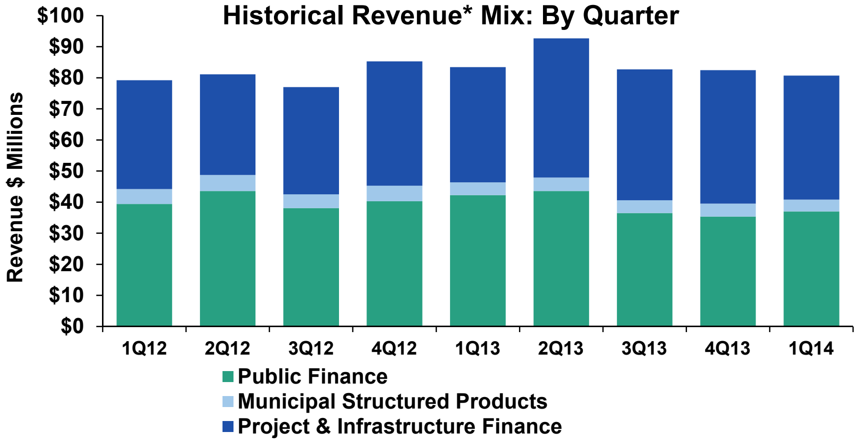


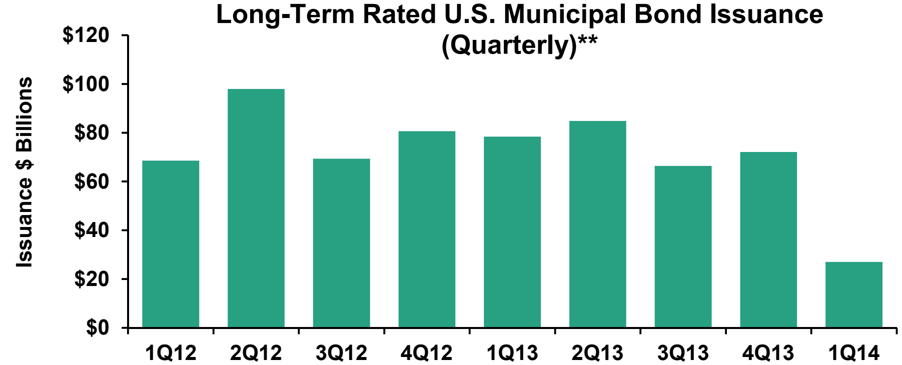


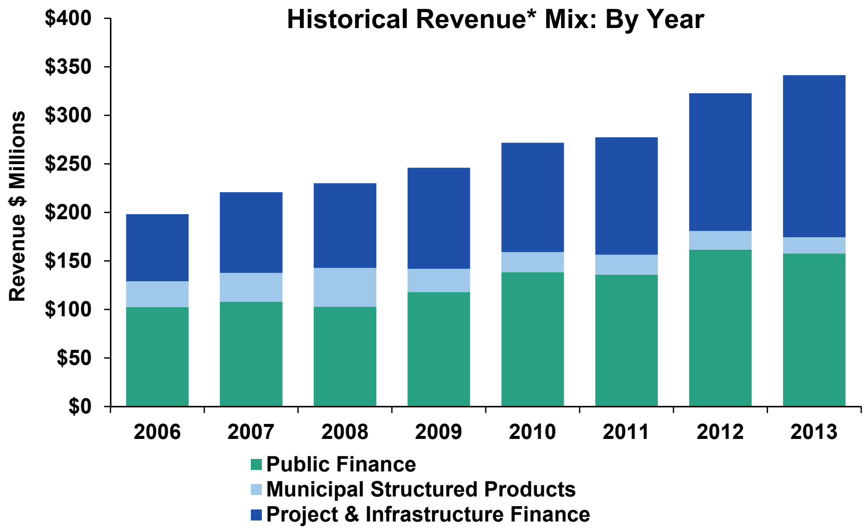


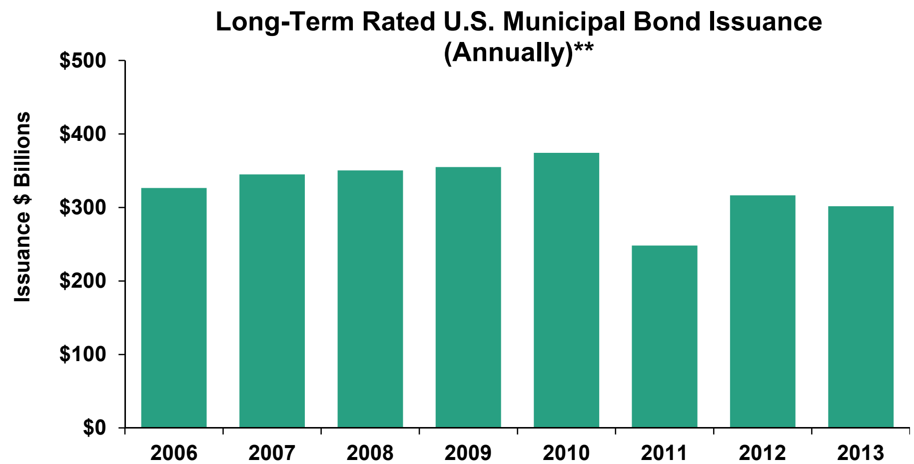
*Historical data has been adjusted to conform with current information. All amounts above exclude intercompany revenue.

Public, Project and Infrastructure: Revenue and Issuance



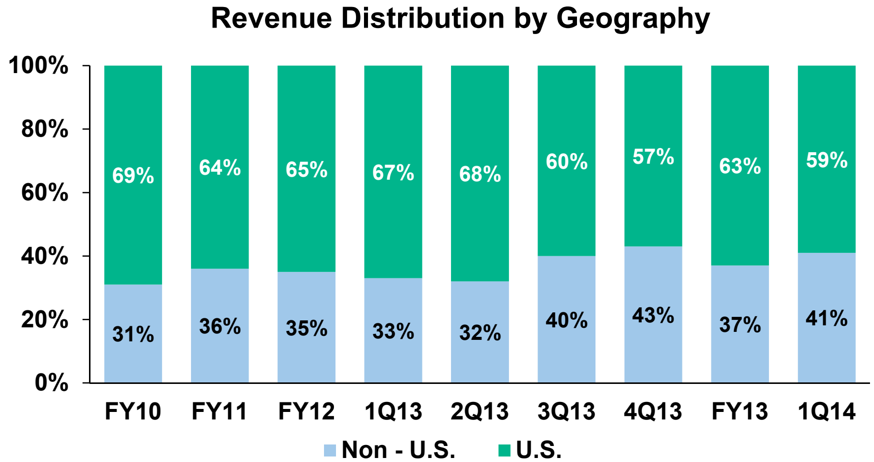


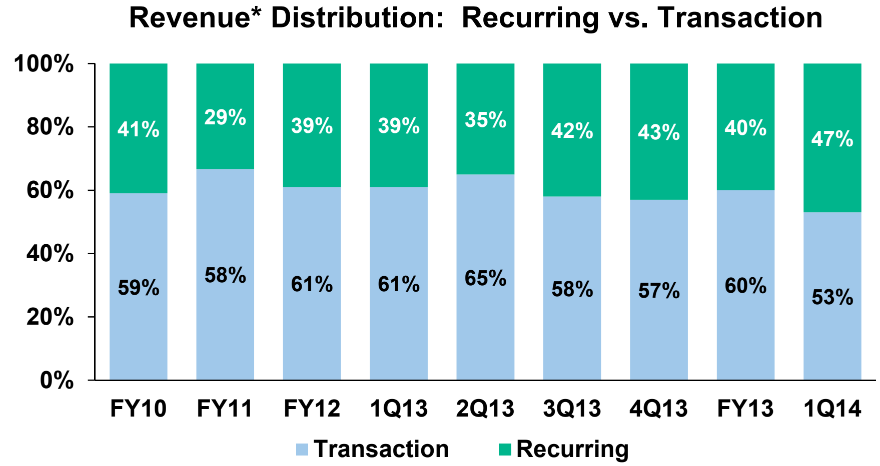


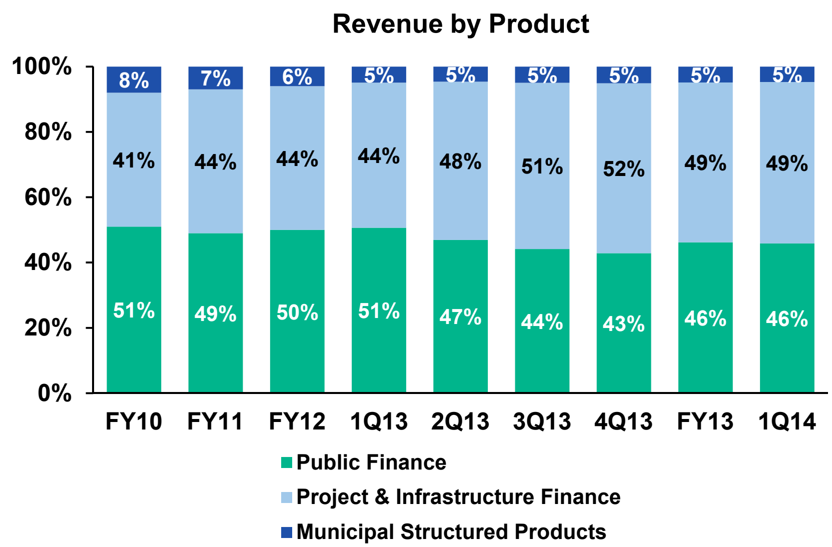


*Historical data has been adjusted to conform with current information. All amounts above exclude intercompany revenue.
** Sources: Thomson SDC, Moody's Corporation. Note: Debt issuance categories do not directly correspond to Moody's revenue categorization.

Public, Project and Infrastructure: Revenue Diversification







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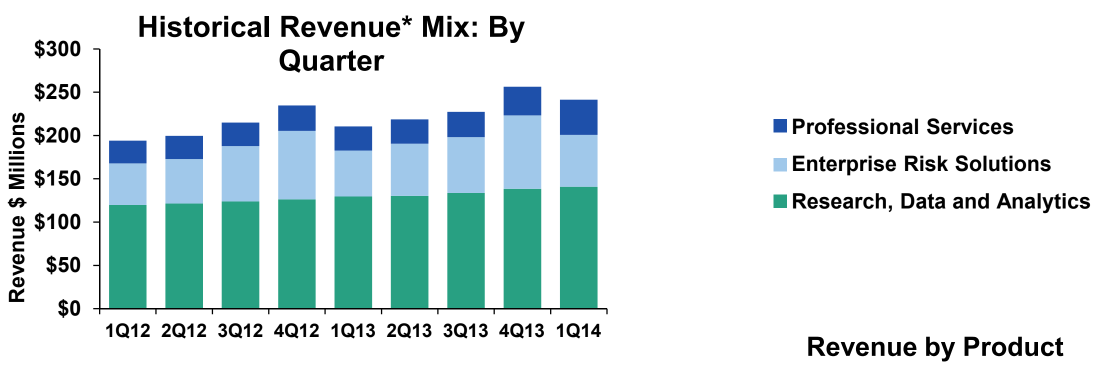
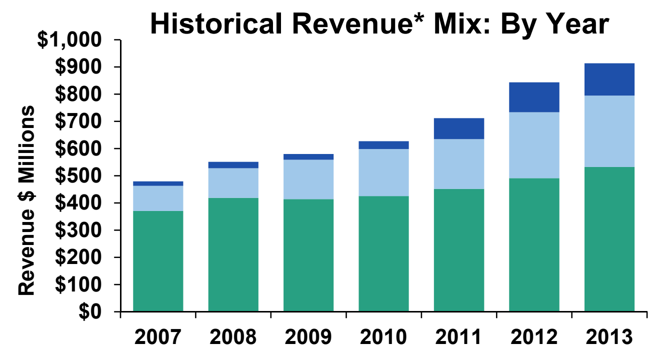
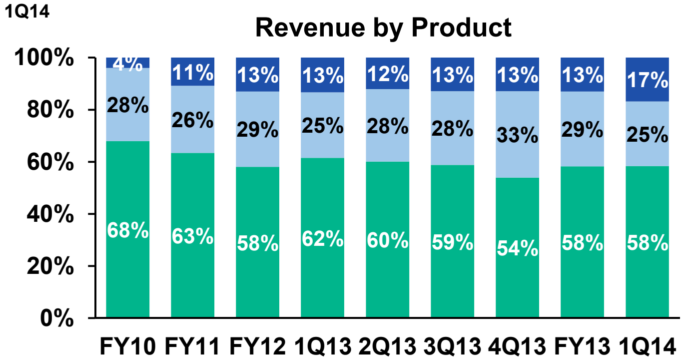
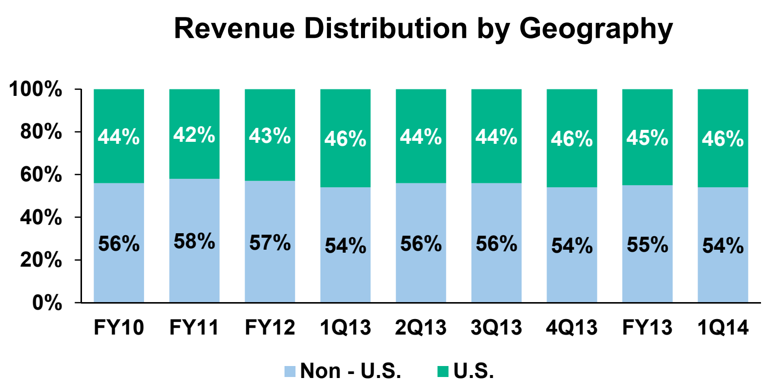
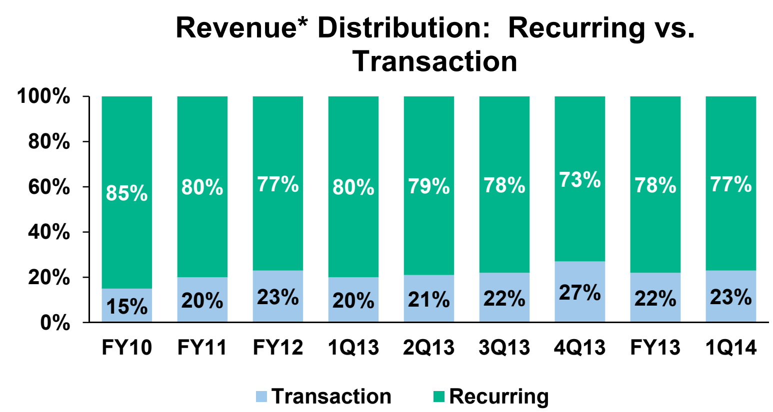
Moody’s Analytics: Financial Overview











*Historical data has been adjusted to conform with current information. All amounts above exclude intercompany revenue.

Select Regulations Related to Structured Finance

Basel III	The Basel III regulatory capital framework requires that all banking organizations improve the quality and increase the quantity of their capital, and sets higher standards for large, internationally active banks. It further revises the treatment of securitization exposures, including setting the lowest risk weight for both long and short-term exposures at 20% for both the internal ratings-based approach and the standardized approach. In U.S., the phase-in period starts in January 2014 for the largest U.S. banks and in January 2015 for all others. In December 2013, the Basel Committee proposed revisions to the Basel securitization framework which sets a 15% risk-weight floor for all approaches. Comment period ended on March 21, 2014.
Dodd-Frank Act	
Volcker Rule (§619)	The Volcker Rule prohibits banking entities from engaging in short-term proprietary trading of certain securities and derivatives for their own account. The Volcker Rule also imposes limits on banking entities' investments in, and relationships with, hedge funds and private equity funds. In mid-January 2014, the five federal agencies adopted an interim final rule which permits the banking entities to retain interests in certain collateralized debt obligations backed primarily by trust preferred securities that would otherwise be subject to the Volcker Rule's covered fund investment prohibitions. On April 7, 2014, the Fed announced its intention to give banking entities two additional one-year extensions (which together would extend the deadline until July 21, 2017) to conform to the Volcker Rule their ownership interests in and sponsorship of CLOs that fall under the definition of covered funds. Only CLOs in place as of December 31, 2013 will be eligible for the extensions.
Enhanced Prudential Standards (§165)	On February 18, 2014, the Fed approved a final rule strengthening the supervision and regulation of large U.S. bank holding companies and foreign banking organizations ("FBO"). The final rule establishes a number of enhanced prudential standards, including liquidity, risk management, and capital. It also requires a FBO with a significant U.S. presence to establish an intermediate holding company over its U.S. subsidiaries. On April 8, 2014, the Fed, the FDIC and the OCC adopted a final rule on Enhanced Supplementary Leverage Ratio Standards for large, interconnected U.S. banking organizations. Also, the agencies issued a proposed rule on Supplementary Leverage Ratio.
QM (§§1411, 1412, 1414)	Effective January 10, 2014, mortgage lenders must comply with the Consumer Finance Protection Bureau's Ability-To-Repay and Qualified Mortgage Rule. The rule also provides a safe harbor for loans that satisfy the definition of a qualified mortgage (QM) and are not "higher-priced," and provides a rebuttable presumption for higher-priced mortgage loans.
QRM (§941)	Exempts from risk retention requirements asset-backed securities that are collateralized exclusively by residential mortgages that qualify as "qualified residential mortgages " (QRM). The QRM definition was re-proposed on August 28, 2013 and includes two alternatives. One alternative aligns the definition of QRM with QM. The second alternative, QM-Plus, adopts the QM criteria and in addition, requires a 70% loan-to-value ratio, a first-lien on a one-to-four family principal dwelling and the borrower's credit history would need to indicate an ability to manage debt. Qualified Commercial Real Estate Loans ("QCREL") will also be exempt from risk retention.
Loan-Level Disclosure (§942)	Increases disclosure and may reduce issuance volume. Similar to the outstanding Reg. AB II re-proposal, the regulation requires an issuer of an asset-backed security to disclose, for each tranche or class of security, certain loan level information regarding the assets backing that security.
Risk Retention (§941)	Requires retention of an unhedged and untransferable 5% credit risk of SF securities, potentially dampening U.S. SF issuance for certain asset classes. This may cause the SPV to stay on securitizer's balance sheet under FAS 167 if the securitizer manages the SPV in a way that substantially affects its performance. Special rules for CMBS (third party holder of first loss piece) if certain criteria are met).
FASB/IASB joint financial instruments accounting projects	Requires some debt instruments to be marked to fair value. Debt instruments carried at amortized cost or fair value through other comprehensive income would be subject to more conservative impairment testing, with more timely recognition of credit losses than under existing rules. The proposals may create a disincentive to hold securitized assets (i.e., if they have to be marked to fair value and/or subject to more conservative impairment testing), but conversely the proposals may incentivize banks to securitize more of their loan portfolios.

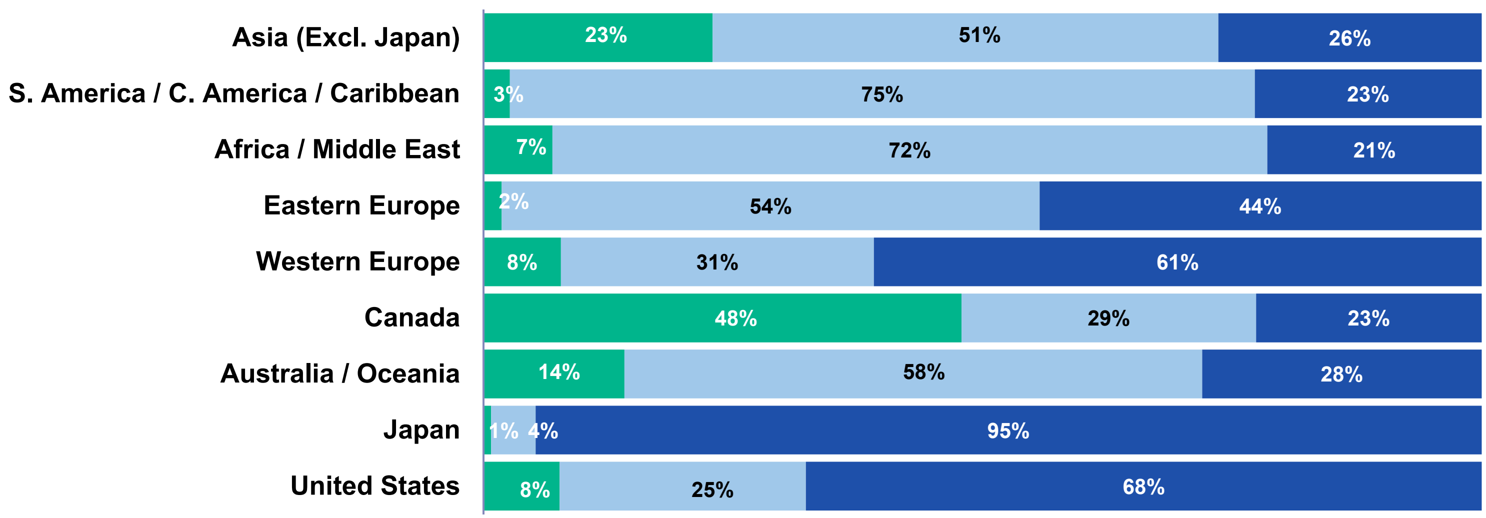
Moody's Analytics is Relevant to Financial Markets at All Stages of Development

» Moody's Analytics enables us to increase our presence in emerging markets, selling products and services before debt capital markets are fully mature

Emerging → **Developed**

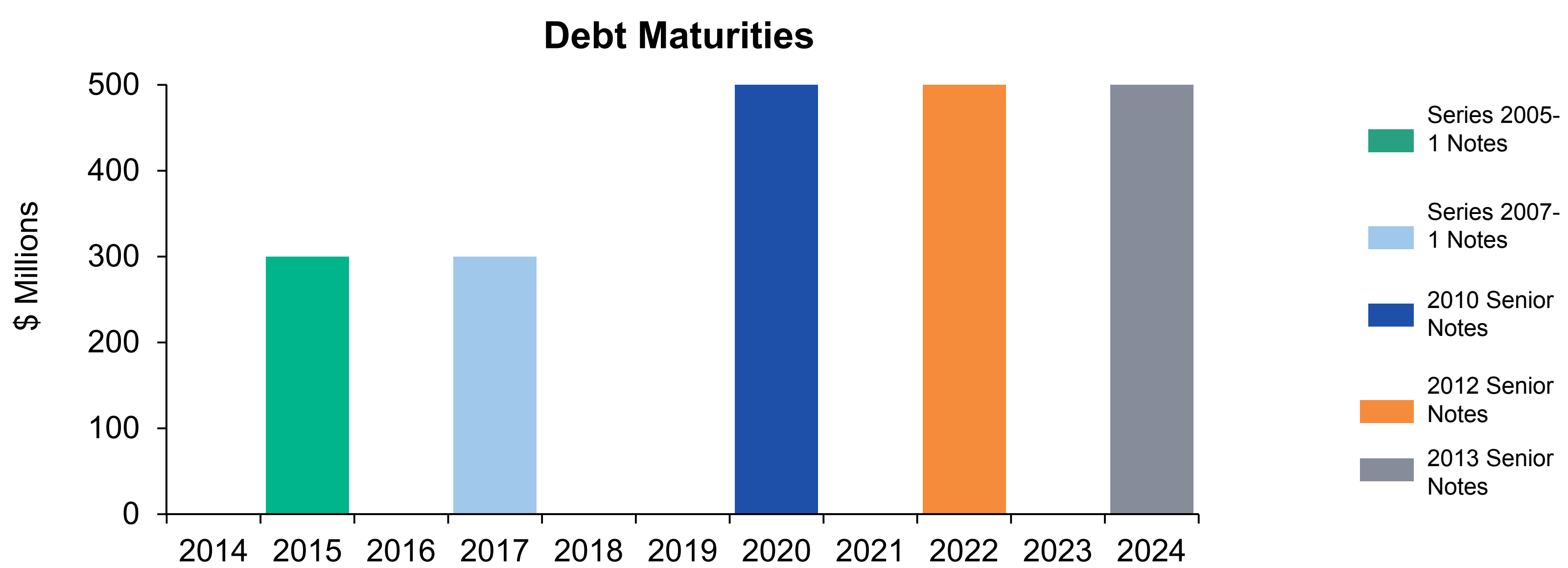
Professional Services | **Enterprise Risk Solutions** | **Research, Data and Analytics**

MA 2013 Sales by Region



Focus on Financial Flexibility

- Moody's current credit rating from S&P is BBB+
  - Leverage metrics remain well within S&P's stated criteria for the current rating
- Well-spaced maturity profile reduces refinancing risk with ≤$1 billion maturing in any two year period



Recurring Revenue Detail

Recurring Revenue ($ Millions)

	2009	2010	2011	2012	2013	TTM 1Q14	2009 – TTM 1Q14 CAGR
Corporate Finance	$ 147	$ 155	$ 190	$ 226	$ 273	$ 288	17%
Structured Finance	$ 181	$ 165	$ 165	$ 159	$ 151	$ 153	-4%
Financial Institutions	$ 179	$ 177	$ 194	$ 204	$ 219	$ 222	5%
Public, Project, & Infrastructure Finance	$ 102	$ 110	$ 116	$ 126	$ 137	$ 142	8%
Moody's Investors Service	**$ 608**	**$ 607**	**$ 664**	**$ 714**	**$ 781**	**$ 805**	**7%**
Moody's Analytics	**$ 516**	**$ 534**	**$ 571**	**$ 649**	**$ 708**	**$ 725**	**8%**
Moody's Corporation	**$ 1,124**	**$ 1,141**	**$ 1,235**	**$ 1,364**	**$ 1,489**	**$ 1,530**	**8%**

Moody's Global Presence

Moody's Global Staffing

- Approximately 1,500 analysts
- Approximately 8,500 employees
- Presence in 31 countries

	U.S.	Non-U.S.	Total
3/31/2014	2,860	5,665	8,525
3/31/2013	2,628	4,203	6,831

2008 Revenue MIS Business Line Reclassification

in $ millions

Reporting as per 2008 filings	1Q	2Q	3Q	4Q	FY08**
Structured Finance	$ 107.2	$ 120.1	$ 97.7	$ 92.2	$ 417.2
Corporate Finance	71.5	97.4	75.0	56.6	300.5
Financial Institutions	64.0	72.1	64.4	56.5	257.0
Public, Project & Infrastructure Finance	55.5	66.2	59.7	48.6	230.0
Total Moody's Investors Service*	**298.2**	**355.8**	**296.8**	**253.9**	**1,204.7**
Total Moody's Analytics	**132.5**	**131.8**	**136.6**	**149.8**	**550.7**
Total Moody's Corporation	**$ 430.7**	**$ 487.6**	**$ 433.4**	**$ 403.7**	**$ 1,755.4**

Reclass for 2008 and 2009 Business Change: Managed Investments, Credit Estimates	1Q	2Q	3Q	4Q	FY08
Structured Finance	$ (4.8)	$ (4.5)	$ (2.0)	$ (1.2)	$ (12.5)
Corporate Finance	1.8	1.6	2.0	1.1	6.5
Financial Institutions	3.0	3.0	-	-	6.0
Public, Project & Infrastructure Finance	-	-	-	-	-
Total Moody's Investors Service	**-**	**-**	**-**	**-**	**-**
Total Moody's Analytics	-	-	-	-	-
Total Moody's Corporation	$ -	$ -	$ -	$ -	$ -

2009 (Current) Business Line Reporting	1Q	2Q	3Q	4Q	FY08
Structured Finance	$ 102.4	$ 115.6	$ 95.7	$ 91.0	$ 404.7
Corporate Finance	73.3	99.0	77.0	57.7	307.0
Financial Institutions	67.0	75.1	64.4	56.5	263.0
Public, Project & Infrastructure Finance	55.5	66.2	59.7	48.6	230.0
Total Moody's Investors Service*	**298.2**	**355.9**	**296.8**	**253.8**	**1,204.7**
Total Moody's Analytics	**132.5**	**131.8**	**136.6**	**149.8**	**550.7**
Total Moody's Corporation	**$ 430.7**	**$ 487.7**	**$ 433.4**	**$ 403.6**	**$ 1,755.4**

* Excludes intersegment royalty

** FY08 "Reporting as per 2008 filings" represents cumulative total of 10Q filings

In August 2008, the global managed investments ratings group which was previously part of Structured Finance, was moved to the Financial Institutions business. In 2009, credit estimates was moved to Corporate Finance.

2009 Moody's Analytics Revenue Reclassification

in $ millions

Reporting as per filings in year		**2008**	**2009**
Subscriptions	$	475.9	n/a
Software		49.2	n/a
Professional Services		25.6	n/a
Total Moody's Analytics	**$**	**550.7**	**n/a**

Reclass for 2009 Realignment*:			
Subscriptions	$	(57.2)	n/a
Software		59.6	n/a
Professional Services		(2.4)	n/a
Total Moody's Analytics	$	-	n/a

2009 (Current) Reporting		**2008**		**2009**
Research, Data and Analytics	$	418.7	$	413.6
Enterprise Risk Solutions		108.8		145.1
Professional Services		23.2		20.8
Total Moody's Analytics	**$**	**550.7**	**$**	**579.5**

*During the fourth quarter of 2009 the Moody's Analytics ("MA") groupings were realigned and renamed to reflect the reporting unit structure for the MA segment at December 31, 2009. Pursuant to this realignment the Subscriptions grouping was renamed Research, Data and Analytics and the Software grouping was renamed Risk Management Software. The revised groupings classify certain subscription-based risk management software revenue and advisory services relating to software sales to the redefined Risk Management Software grouping. Risk Management Software was renamed Enterprise Risk Solutions during the first quarter of 2012.

Reconciliation of Non-GAAP Financial Measures to GAAP

Adjusted Operating Income and Adjusted Operating Margin Reconciliation

(in $ millions)	2009	2010	2011	2012	2013
As Reported Operating Income	$687.5	$772.8	$888.4	$1,077.4	$1,234.6
Operating Margin	*38.3%*	*38.0%*	*39.0%*	*39.5%*	*41.5%*
Add Adjustment:					
Depreciation & Amortization	*$64.1*	*$66.3*	*$79.2*	*$93.5*	*$93.4*
Restructuring	*17.5*	*0.1*	*-*	*-*	*-*
Goodwill Impairment Charge	*-*	*-*	*-*	*12.2*	*-*
Adjusted Operating Income	$769.1	$839.2	$967.6	$1,183.1	$1,328.0
Adjusted Operating Margin	*42.8%*	*41.3%*	*42.4%*	*43.3%*	*44.7%*

Moody's Corporation Operating Margin Guidance Reconciliation

	2014F*
Projected Operating Margin - GAAP	42% to 43%
Projected impact from Depreciation & Amortization	Approximately 3%
Projected Adjusted Operating Margin	45% to 46%

*Guidance as of April 25, 2014.

Reconciliation of Non-GAAP Financial Measures to GAAP (cont.)

Moody's Corporation Free Cash Flow Reconciliation

(in $ millions)	2009	2010	2011	2012	2013	2014F*
Cash Flow from Operations	$ 643.8	$ 653.3	$ 803.3	$ 823.1	$ 926.8	$ ~990.0
Less Adjustment:						
Capital Expenditures	*$ 90.7*	*$ 79.0*	*$ 67.7*	*$ 45.0*	*$ 42.3*	*$ ~90.0*
Free Cash Flow	$ 553.1	$ 574.3	$ 735.6	$ 778.1	$ 884.5	$ ~900.0
Cash Flow used in Investing Activities	$ (93.8)	$ (228.8)	$ (267.6)	$ (50.2)	$ (261.9)	
Cash Flow provided by (used in) Financing Activities	$ (348.8)	$ (241.3)	$ (417.7)	$ 202.6	$ (498.8)	

*Guidance as of April 25, 2014.

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