Moody's Corporation to Begin Expensing Stock Options in 2003

NEW YORK--Dec. 13, 2002--Moody's Corporation (NYSE: MCO) announced today that it will expense all stock options the company grants beginning January 1, 2003.

All options granted on or after January 1, 2003 will be expensed over the stock option-vesting period based on their fair value on the date they were issued.

In making this announcement, Clifford L. Alexander, Jr., Chairman of Moody's Corporation said, "Moody's role is to promote transparency in the debt capital markets. We highly value and support enhanced disclosure for the benefit of capital market participants, so we have taken this step to further the clarity of our own financial disclosure."

Under present accounting rules, the company currently estimates that the expensing of options will reduce its 2003 earnings per share by about $0.04, dilution of about 2%.

Moody's Corporation (NYSE: MCO) is the parent company of Moody's Investors Service, a leading provider of credit ratings, research and analysis covering debt instruments and securities in the global capital markets, and Moody's KMV, a credit risk management technology firm serving the world's largest financial institutions. The corporation reported revenue of $797 million in 2001. Further information is available at www.moodys.com.

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