Moody's Corporation Updates Earnings Outlook for Fourth Quarter 2001 and Issues Earnings Guidance for 2002

NEW YORK, Dec 14, 2001 -- Moody's Corporation (NYSE: MCO) today announced that it expects earnings per share for the quarter ending December 31, 2001 to exceed the First Call consensus estimate of $0.30 per share.

Moody's management expects diluted reported EPS in the range of $0.34 to $0.36, with the same diluted EPS on a pro forma basis. For the quarter ended December 31, 2000, the company reported diluted EPS of $0.25 and pro forma diluted EPS of $0.24. Pro forma EPS includes interest expense on the company's private placement debt and excludes any interest income on invested cash for both periods. Moody's management attributes its improved outlook for fourth quarter results to higher than expected levels of issuance in the debt capital markets.

In 2001, Moody's has benefited from strong debt issuance in the United States and robust volumes in United States and European structured finance. It is difficult to forecast business volumes in 2002 for a number of reasons. In the United States, weak corporate profits, business investment spending and merger and acquisition activity could lead to a slowdown in domestic debt issuance. Also in the United States, the consumer economy could suffer the effects of rising unemployment rates, high levels of consumer debt and the wealth effect of lower financial asset prices, leading to a slowdown in structured finance volumes. However, the aggressive stimulus action of the Federal Reserve Bank, including reductions in official interest rate targets, creates a favorable environment for debt issuance and continued consumer spending. In Europe, the outlook for corporate issuance remains solid in view of recent interest rate reductions by the European Central Bank. The secular growth of the European structured finance market is expected to continue in 2002.

Depending on the timing and extent of these impacts, Moody's management currently expects 2002 year-to-year percent revenue growth to be in the mid to high single digits; the impacts of a lower tax rate and share repurchases are expected to result in double digit growth in diluted EPS, with low teens growth in pro forma diluted EPS.

Moody's expects to release actual results for the fourth quarter of 2001 on February 4, 2002, at which time it also expects to update its guidance for 2002.

Moody's Corporation (NYSE: MCO) is a leading provider of credit ratings, research and analysis covering debt instruments and securities in the global capital markets. Further information is available at www.moodys.com

This press release contains preliminary and unaudited statements regarding expected results for the fourth quarter of 2001 and preliminary guidance for full-year 2002. Actual results could differ materially from those which are currently expected for a variety of reasons, including revenue-related adjustments and actual operating and non-operating expenses and adjustments. In addition, the statements contained in this release 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. The forward-looking statements and other information in this press release are made as of December 14, 2001, 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 include, but are not limited to, unanticipated expenses arising from the September 11 terrorist attacks and the temporary displacement of the company from its main offices; changes in the volume of debt securities issued in domestic and/or global capital markets; changes in interest rates and other volatility in the financial markets; possible loss of market share through competition; introduction of competing products or technologies by other companies; pricing pressures from competitors and/or customers; the potential emergence of government-sponsored credit rating agencies; proposed U.S., foreign, state and local legislation and regulations, including those relating to nationally recognized statistical rating organizations; the possible loss of key employees to investment or commercial banks or elsewhere and related compensation cost pressures; the outcome of any review by controlling tax authorities of the company's global tax planning initiatives; the uncertainty regarding market acceptance and revenue generating opportunities for web-based research products; and other factors as discussed in The New D&B Corporation Form 10 (Amendment No. 2) filed on September 11, 2000 with the Securities and Exchange Commission and in other filings made by the company from time to time with the Securities and Exchange Commission.

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