Moody's



Investor Day 2012

September 12, 2012
New York, NY

Moody's



Welcome

Salli Schwartz

Global Head of Investor Relations

SEPTEMBER 12, 2012

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 2012 and other forward-looking statements in this release are made as of September 12, 2012, 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, the current world-wide credit market disruptions and economic slowdown, which is affecting and could continue to affect the volume of debt securities issued in domestic and/or global capital markets; other matters that could affect the volume of debt securities issued, 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; 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; both proposed and recently adopted legislation and regulations in the U.S., EU, other foreign, state and local jurisdictions, including the Dodd-Frank Wall Street Reform and Consumer Protection Act; regulations relating to the oversight of credit rating agencies; provisions in the Dodd-Frank Act, and potential EU regulations, modifying the pleading and liability standards applicable to credit rating agencies in a manner adverse to rating agencies; possible judicial decisions in various jurisdictions regarding the status of and potential liabilities of credit rating agencies; the possible loss of key employees; the outcome of any review by controlling tax authorities of the Company's global tax planning initiatives; the outcome of those legacy tax 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 outcome of other legal actions to which the Company, from time to time, may be named as a party; the ability of the Company to successfully integrate acquired businesses; a decline in the demand from financial institutions for credit risk management tools; and other risk factors as discussed in the Company's annual report on Form 10-K for the year ended December 31, 2011 and in other filings made by the Company from time to time with the Securities and Exchange Commission. This presentation includes certain non-GAAP financial measures as defined under SEC rules. As required by SEC rules, at the end of this slide presentation we have provided a reconciliation of those measures to the most directly comparable GAAP measures. A copy of this presentation, including the relevant reconciliation slides, is available on Moody's investor relations website http://ir.moodys.com.

2012 Investor Day Agenda

Welcome	**Salli Schwartz**, Global Head of Investor Relations
Opening Remarks	**Ray McDaniel**, President and CEO, Moody's Corporation
SESSION 1: Macroeconomic Overview	**Mark Zandi**, Chief Economist, Moody's Economy.com
SESSION 2: Moody's Investors Service – Growing the Business in a Changing Environment	**Michel Madelain**, President and COO, Moody's Investors Service **Mike Rowan**, Managing Director Global Commercial Group
SESSION 3: Legal Update	**John Goggins**, EVP and General Counsel
SESSION 4: Moody's Analytics – Broadening Moody's Relevance in Financial Risk Management ***(A Panel Discussion)***	**Mark Almeida**, President, Moody's Analytics **Dan Russell**, Executive Director, Research **Geoff Fite**, Executive Director and COO, Enterprise Risk Management **Rishi Khosla**, Chairman & CEO of Copal Partners **Salli Schwartz**, Global Head of Investor Relations
SESSION 5: Financial Strategy	**Linda Huber**, EVP and CFO, Moody's Corporation **Rob Fauber**, SVP, Corporate Development **Lisa Westlake**, SVP and Chief HR Officer
Closing and Thanks	**Raymond McDaniel**, President and CEO, Moody's Corporation

2012 Investor Day Logistics

- Following Ray McDaniel's opening remarks and Mark Zandi's macroeconomic overview, we will move next door to rooms C/D for the remaining sessions
- All refreshment breaks and product demos will take place in rooms A/B
- We ask that you hold all questions until Q&A at the end of each session
- If you need assistance, please ask our event staff – identifiable by red-colored tags below their name badges – for help
- There is also an 'Information Booth' directly outside this room
- We plan to collect feedback on Moody's 2012 Investor Day via a brief electronic survey that will be sent to you following today's event

Moody's Financial Summary

2011 Revenue: $2.3 billion

2010-2011 Revenue Growth: 12.2%

2011 Operating Income: $0.9 billion

2011 Operating Margin 39.0%

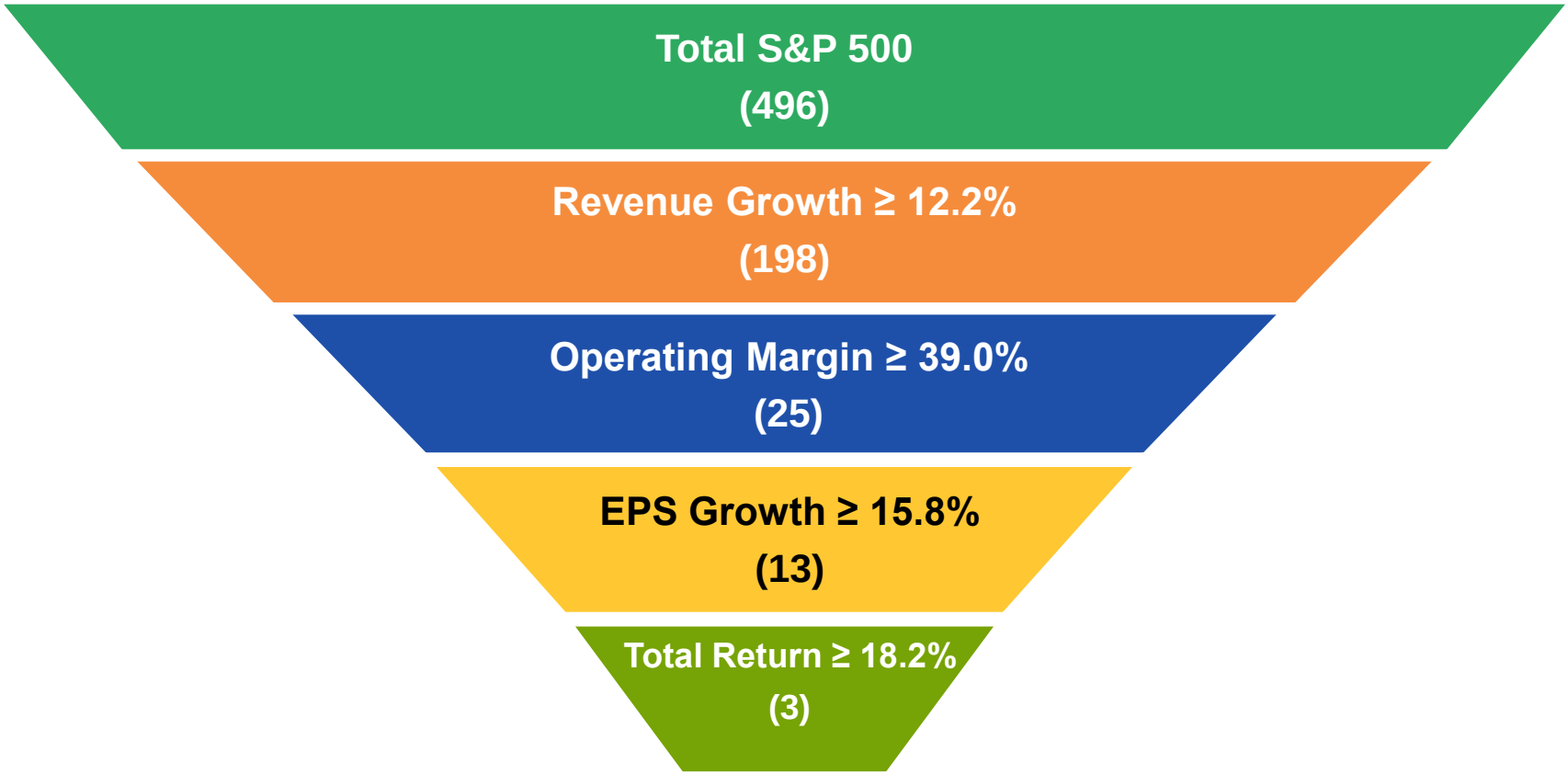
2011 EPS $2.49

2010-2011 EPS Growth 15.8%

2008-2011 Total Return 18.2%

Source: Capital IQ, IBES, Bloomberg. Market Data is as of August 24, 2012
Note: Total return reflects total cash dividends and share repurchases between 2008 and June 30, 2012 as a percentage of current Market Capitalization.

S&P 500 Company Screen by Revenue, Operating Margin, EPS and Total Return



Source: Capital IQ, IBES, Bloomberg. Market Data is as of August 24, 2012
Note: Includes companies with a market cap > $2 billion. Total return reflects total cash dividends and share repurchases between 2008 and June 30, 2012 as a percentage of current Market Capitalization.

Moody's

Opening Remarks

Ray McDaniel

President and Chief Executive Officer

SEPTEMBER 12, 2012

Session Overview

1. Guidance and ongoing growth opportunities
2. Capital markets considerations
3. Moody's vision and long-term strategy
4. Spotlight on the emerging markets
5. Concluding thoughts

Full-Year 2012 Guidance as of September 12, 2012

» **Revenue:**	↑ Approximately 12% to 13%
» **Operating Expenses:**	↑ Approximately 12% to 13%
» **Operating Margin:**	Approximately 39%
» **Adjusted Operating Margin[(1)]:**	Approximately 43%
» **Effective Tax Rate:**	Approximately 32%
» **Earnings Per Share[(2)]:**	$2.76 - $2.86 (GAAP); $2.70 - $2.80 (Pro-forma)
» **Share Repurchase:**	Approximately $300 million (subject to available cash, market conditions, and other, ongoing capital allocation decisions)
» **Capital Expenditures:**	Approximately $60-70 million
» **Depreciation & Amortization:**	Approximately $100 million
» **Incremental Compliance & Regulatory Expenses:**	$10-15 million

(1) See Appendix for reconciliation of operating margin to adjusted operating margin.
(2) Pro-forma EPS excludes an approximate $0.06 per share benefit related to the favorable resolution of a legacy tax matter in the third quarter of 2012. See Appendix for reconciliation of GAAP EPS to pro-forma EPS.

Moody's has Ongoing Robust Opportunities for Growth

Debt market issuance driven by **global GDP growth**	**Disintermediation** of credit markets	**Growth in MA** driven by further penetration of MA's client base and expansion of bank & insurance regulatory requirements	**Pricing** initiatives aligned with value
~3-4%	**~2%**	**~2-3%**	**~4%**

Revenue Growth Opportunity: Low Double-Digit

Macro-Level Factors Directly Impact our Business

Europe

- Uncertainty; discontent
- Liquidity has improved, solvency more uncertain
- Impact on global GDP growth; potential contagion risk?

Historically low interest rates

- Federal Reserve anticipates low rates through 2014*
- ECB rates at record lows

Banking stress

- Banks not providing traditional levels of funding, leading to increased financing through the bond markets
- High numbers of newly rated corporate issuers across global markets

Risk models and regulation

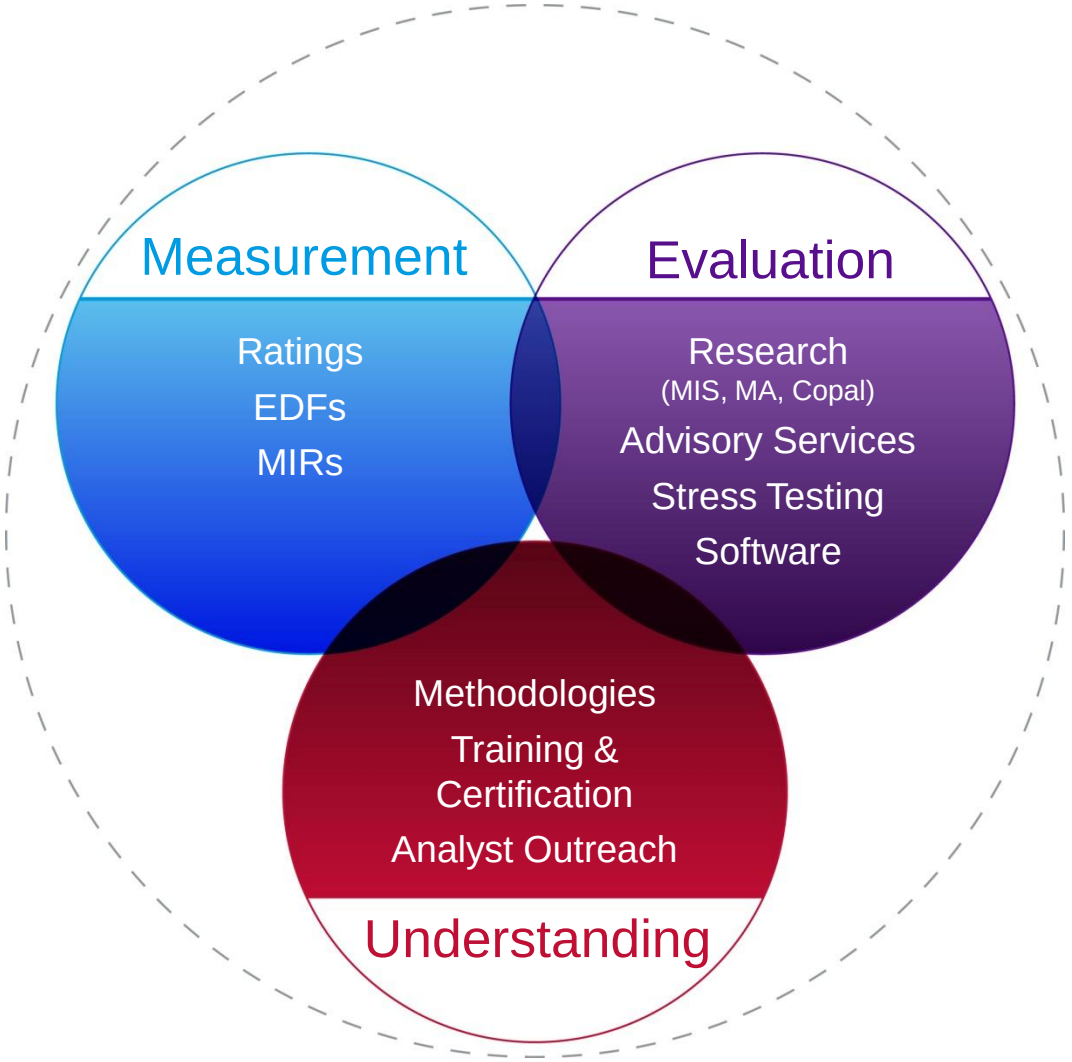
- Financial services regulations continue to evolve
- Ongoing needs for better risk models, analytics, software, services

*On August 1, 2012, the Federal Reserve stated it currently anticipates that economic conditions are "likely to warrant exceptionally low levels for the federal funds rate at least through late 2014."

…Which we can Navigate

Proactive marketing and pricing strategy	» Maximize benefit from disintermediation » Pricing increases aligned with value; issuance activity in those areas provides a knock-on effect
Products unrelated to issuance cycles	» Ongoing monitoring of outstanding ratings » Revenue from frequent issuer pricing arrangements » Moody's Analytics – 80% subscription revenue
Continued product development	» Ongoing upgrades to regulatory reporting software to reflect most current regulatory requirements » Bank stress testing and other advisory work in response to customer needs
Ability to manage costs	» Built-in flex in incentive compensation, profit sharing » Strategic control over hiring – timing, location » Off-shoring opportunities

Moody's Helps Institutions Manage Financial Risk



We Strive to be the World's Most Respected Authority Serving Risk-Sensitive Markets

- **Defend and enhance our core ratings & research businesses**
  - Ratings accuracy and transparency
  - Research timeliness and insight
  - Outreach and distribution
- **Invest in strategic growth opportunities**
  - Leverage brand to extend Moody's authority/relevance in financial markets
  - Broadly occupy institutional credit/financial risk management and information vertical
  - Extend thought leadership footprint
  - Swim upstream in emerging financial markets



Twin Commitments to Supporting Growth and Returning Cash to Shareholders

Strong free cash flow

Moody's Investors Service

- Invest organically in ratings quality and product extensions
- Extend ownership in select JVs / alliances
  - Very few acquisition targets of scale that are also actionable

Moody's Analytics

- Invest organically in sales staff and implementation staff to meet demand
- Continue methodical approach to acquisitions and portfolio management
  - Primarily through bolt-on acquisitions

Return capital to shareholders via mix of stock buybacks and dividends

Moody's Global Presence



Moody's Global Staffing

- More than 1,400 analysts
- Approximately 6,500 employees
- Presence in 28 countries

	U.S.	Non-U.S.	Total
6/30/2012	2,531	3,955	6,486
6/30/2011	2,349	2,200	4,549

Moody's Presence in Key Emerging Markets

	China	India	Latin America
Moody's Offices	Beijing, Hong Kong, Shenzhen	Gurgaon, Mumbai	Buenos Aires, Mexico City, Sao Paulo
Moody's Joint Ventures	CCXI (49%)	ICRA (28.5%)	none
MIS Rates Cross-Border Bond Issuance	X	X	X
MIS Rates Domestic Bond Issuance			X
Moody's Participates in Domestic Bond Market via Joint Venture	X	X	
MA Sells to Local Financial Institutions	X	X	X
Low-Cost Development Center	X	X	
2011 Revenue Recorded in Market	~$75mm*	~$50mm*	~$60mm

*Moody's also records equity income from both CCXI and ICRA. India's revenue represents total 2011 revenue of Copal, of which Moody's owns an approximate 75% economic interest.

Summary Thoughts

- Moody's helps institutions manage risk
- We are distinctively well-suited for a rapidly evolving financial world
- The diversification of our products and services allows profitable participation in economies at various stages of development / maturity
- …which allows Moody's not only to survive, but to prosper, in a wide range of conditions

Moody's

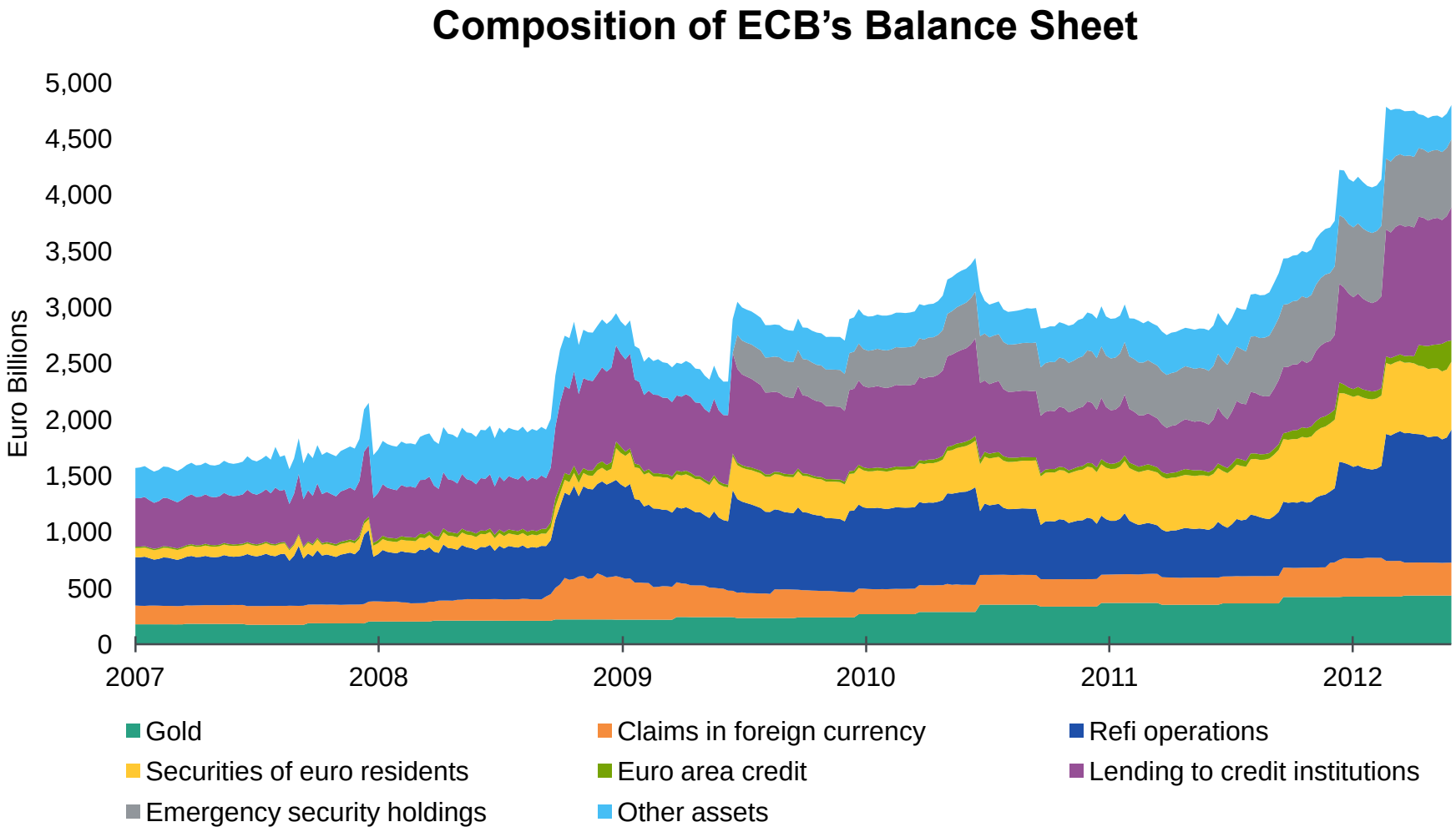
Session 1: Macroeconomic Overview

Mark Zandi

Chief Economist, Moody's Economy.com

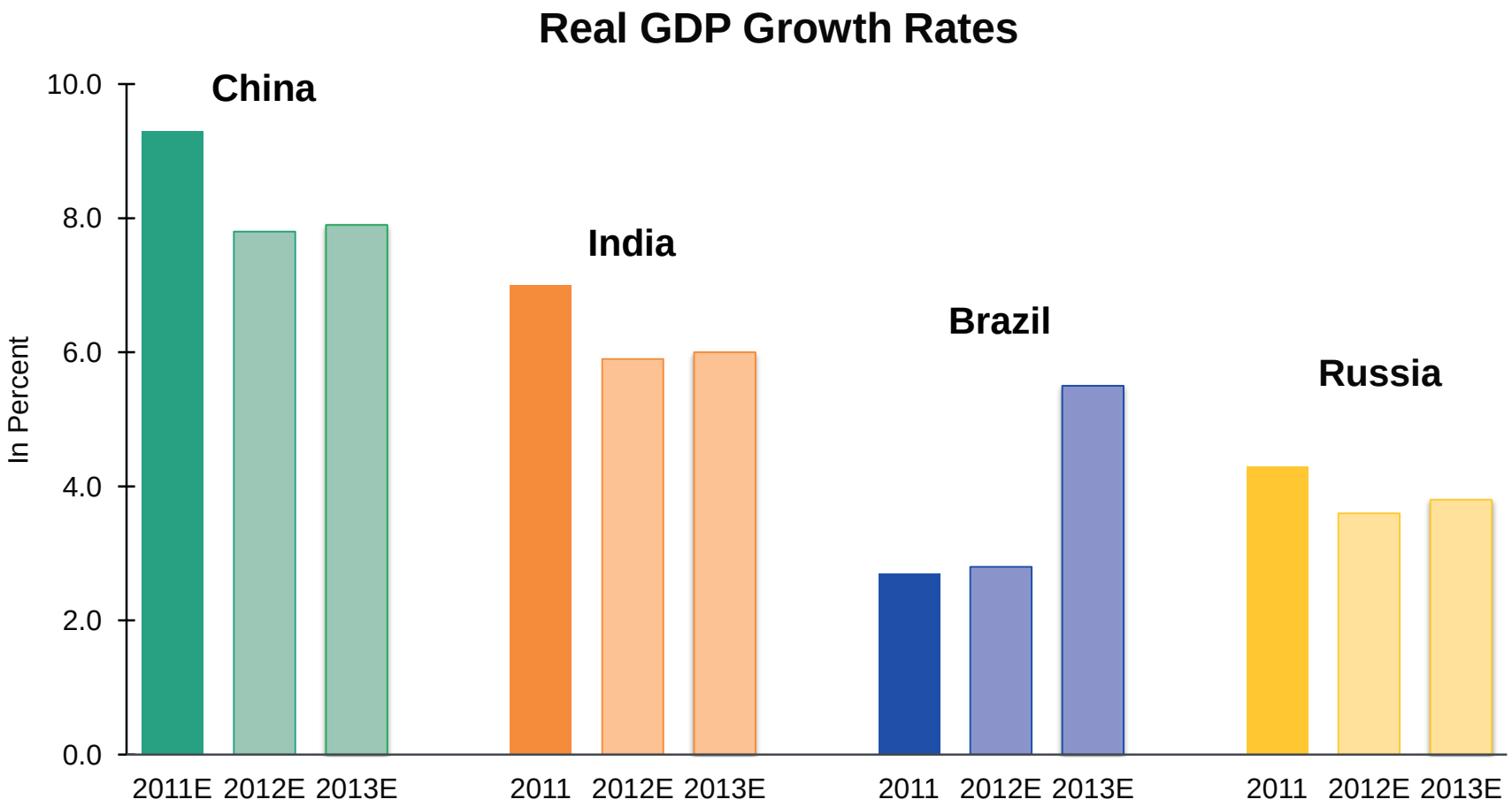
SEPTEMBER 12, 2012

The Europeans are All-In



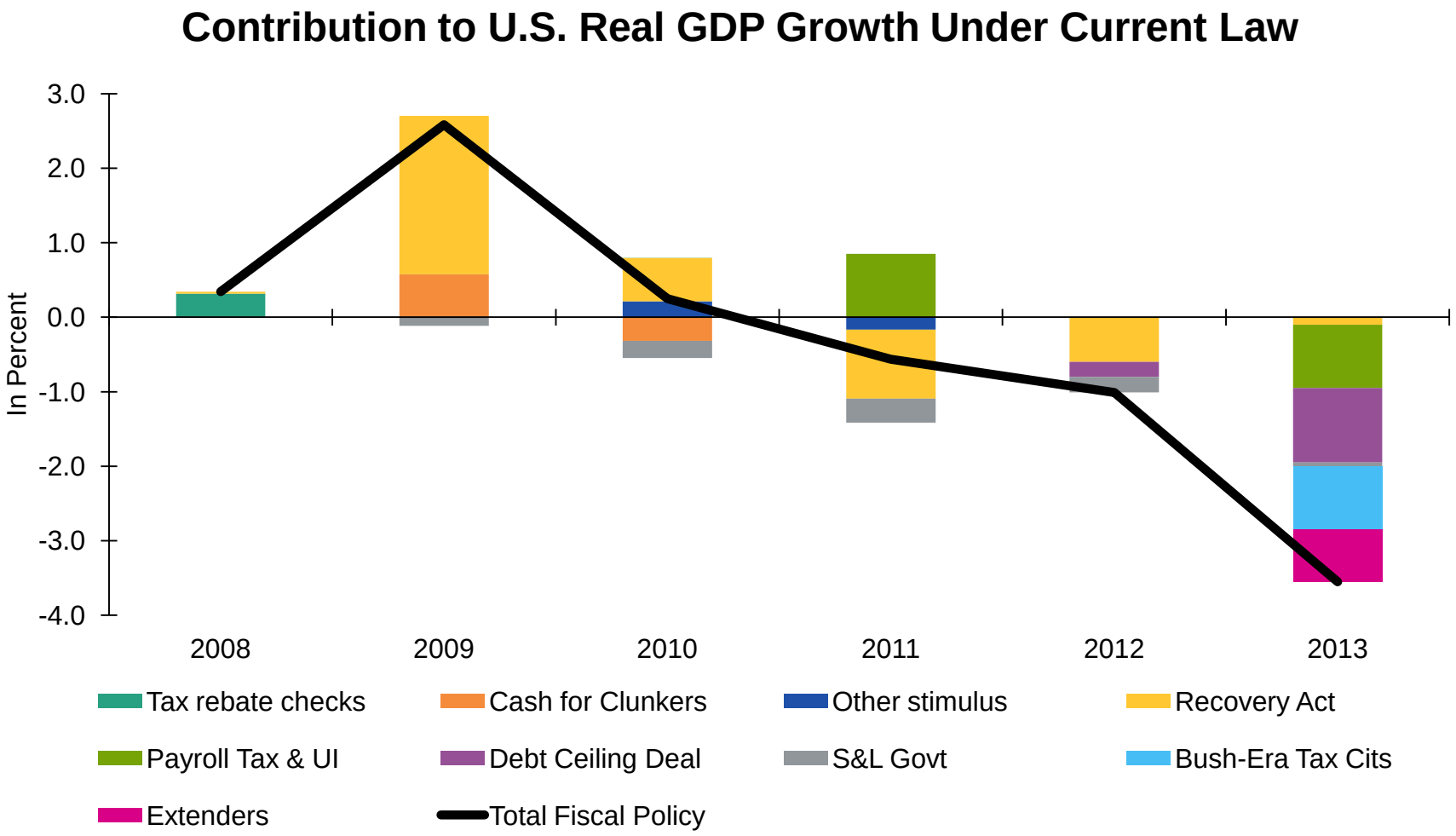
Sources: ECB, Moody's Analytics. Data through June 2012

Emerging Markets Struggle to Gracefully Touch Down



Source: Government sources, Moody's Analytics

The Fiscal Cliff is Fast Approaching



Source: Moody's Analytics

Moody's

Q&A

Macroeconomic Overview

Moody's

Session 2: MIS - Growing The Business In A Changing Environment

Michel Madelain
President & Chief Operating Officer, Moody's Investors Service

Michael Rowan
Managing Director, Moody's Investors Service

Sep.12, 2012

Session Overview

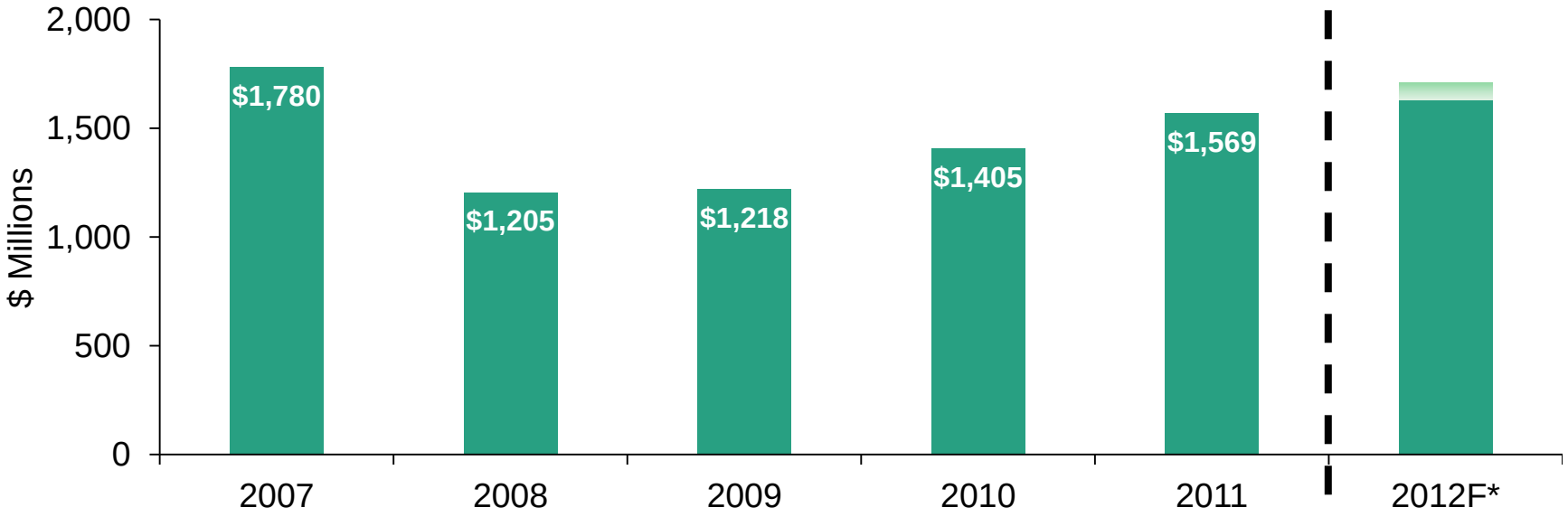
1. Relevance of Ratings
2. Growth Drivers and Opportunity for MIS
3. Competitive Landscape
4. Key Strategic Themes

Relevance of Ratings

MIS Ratings Remain Highly Relevant to Fixed Income Markets

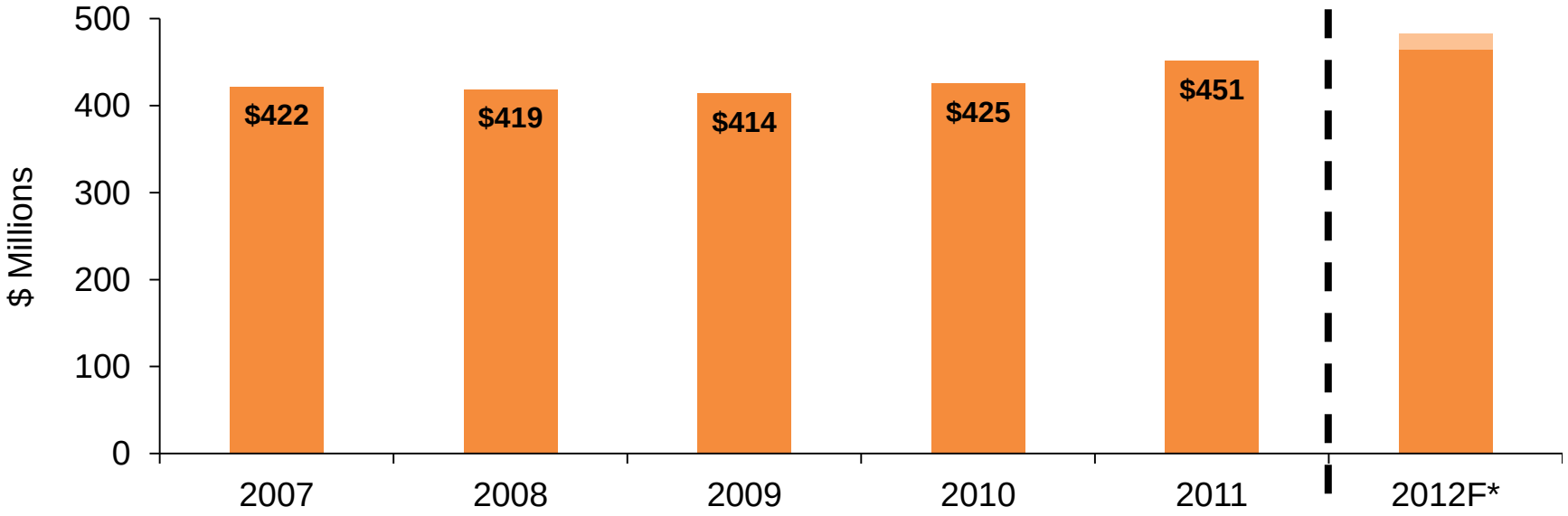


MIS Revenue has Steadily Increased Back Toward Pre-Crisis Levels



*Guidance as of September 12, 2012.

Moody's Analytics RD&A Revenue has been Resilient Throughout the Global Financial Crisis

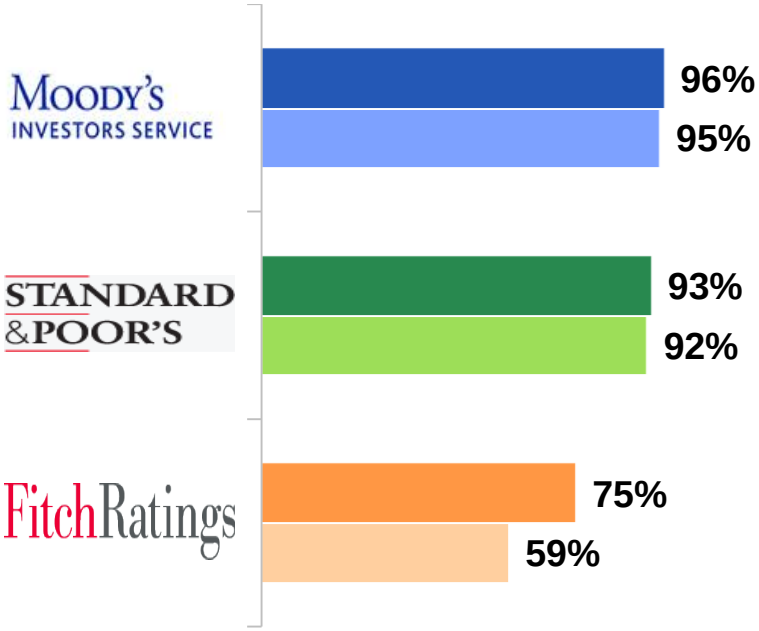


*Guidance as of September 12, 2012.

MIS Maintains a Leading Market Position

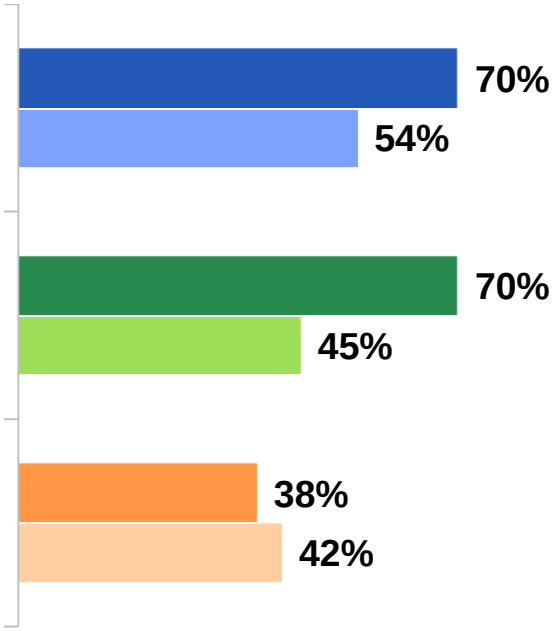
Global Fundamental Market Coverage

Market Size - Total Rated Cross Border Issuance: US $1.9T in 2007 and $1.7T in 2011



Global Structured Finance Market Coverage

Market Size - Total Rated Deal Count: 3,478 in 2007 and 1,069 in 2011



2007 2011

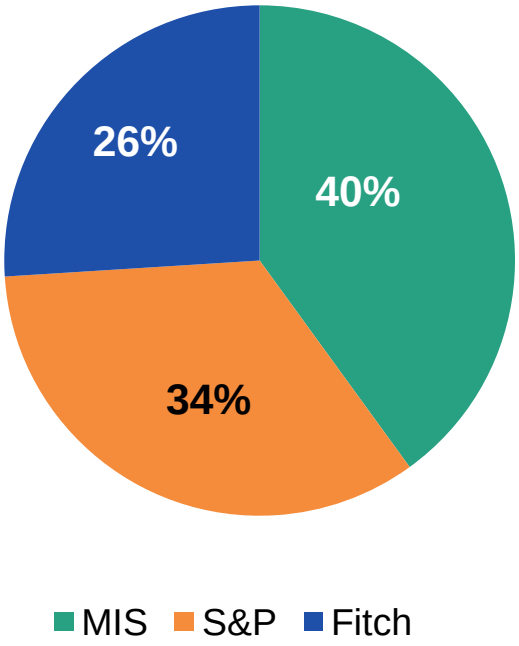
» MIS continues to lead globally in both fundamental and structured finance ratings business

Sources: Dealogic, Moody's Capital Markets Research Group, Asset Backed Alert, Commercial Mortgage Alert, Inside MBS & ABS, JP Morgan CDO Weekly, Bloomberg

Media Coverage Reflects Strong Voice in the Market

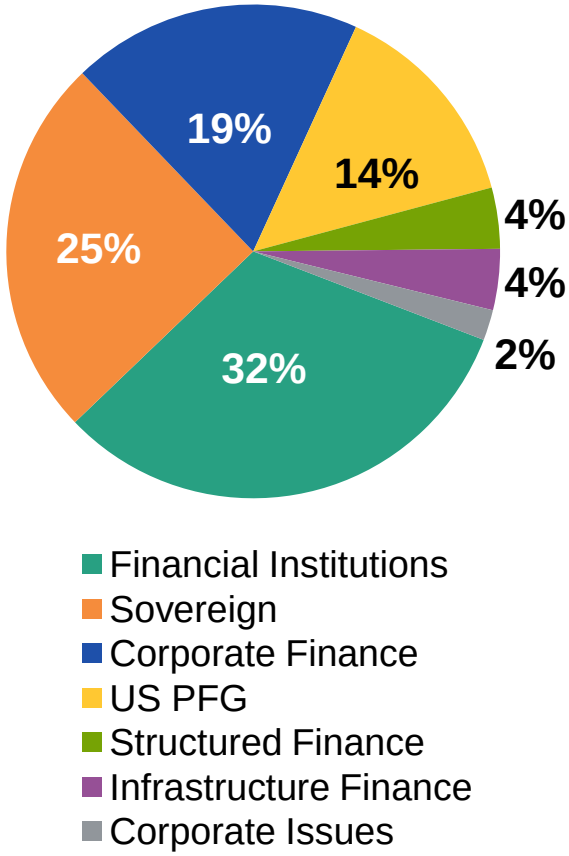
Share of Voice

Jan. 1, 2012 – Aug 31, 2012



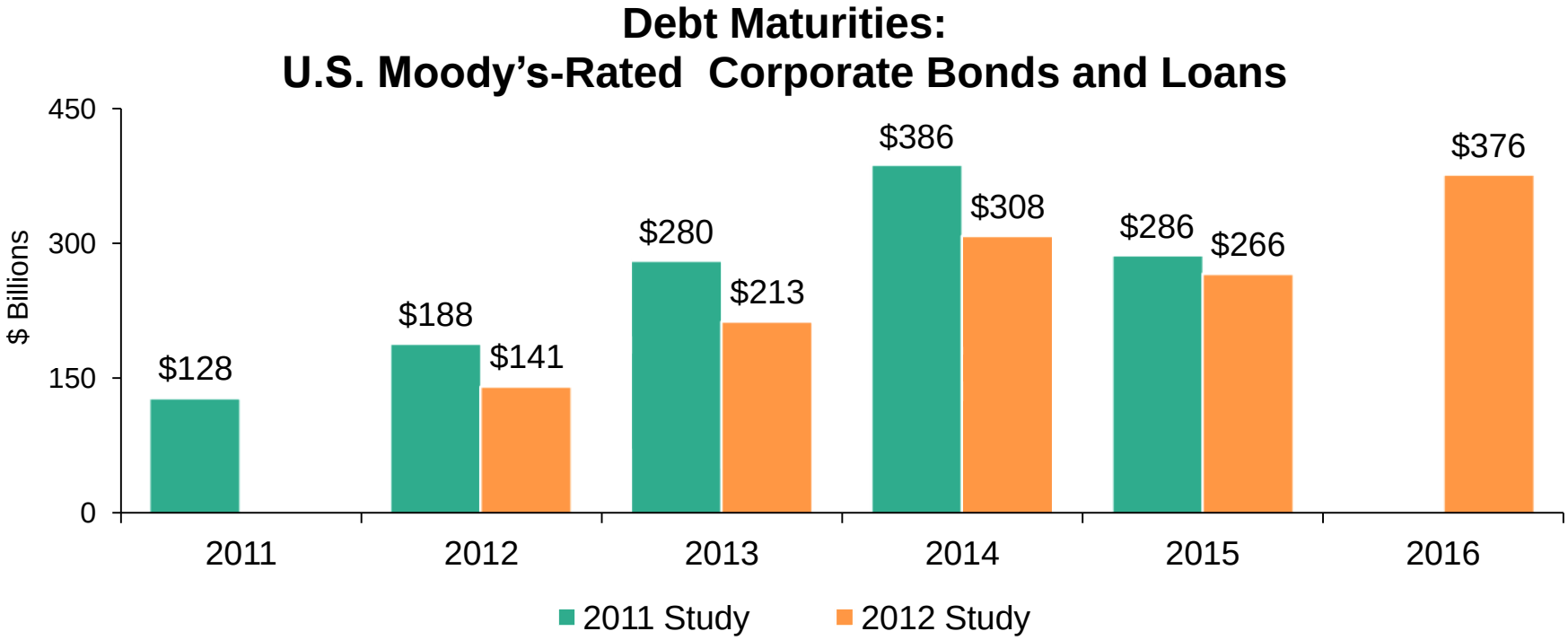
Drivers of Coverage

Jan. 1, 2012 – Aug 31, 2012



Growth Drivers and Opportunity for MIS

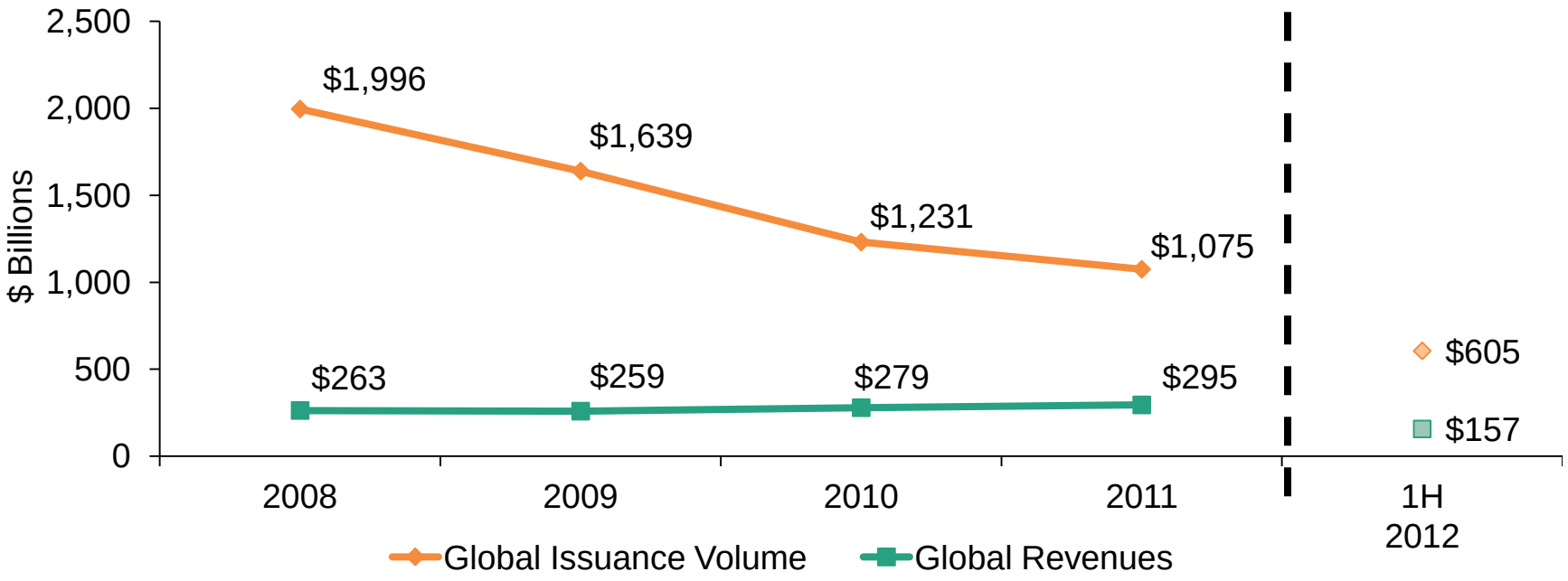
Significant Refinancing Needs in the U.S. Corporate Sector Support Ongoing Demand for Ratings



- In the U.S., wall of maturities has been pushed out but not reduced
- Investment grade companies will use their balance sheet strength to expand business, unlike speculative grade companies which borrowed more to refinance pending maturities

Source: Moody's Investors Service. 2012 study as of February 2012

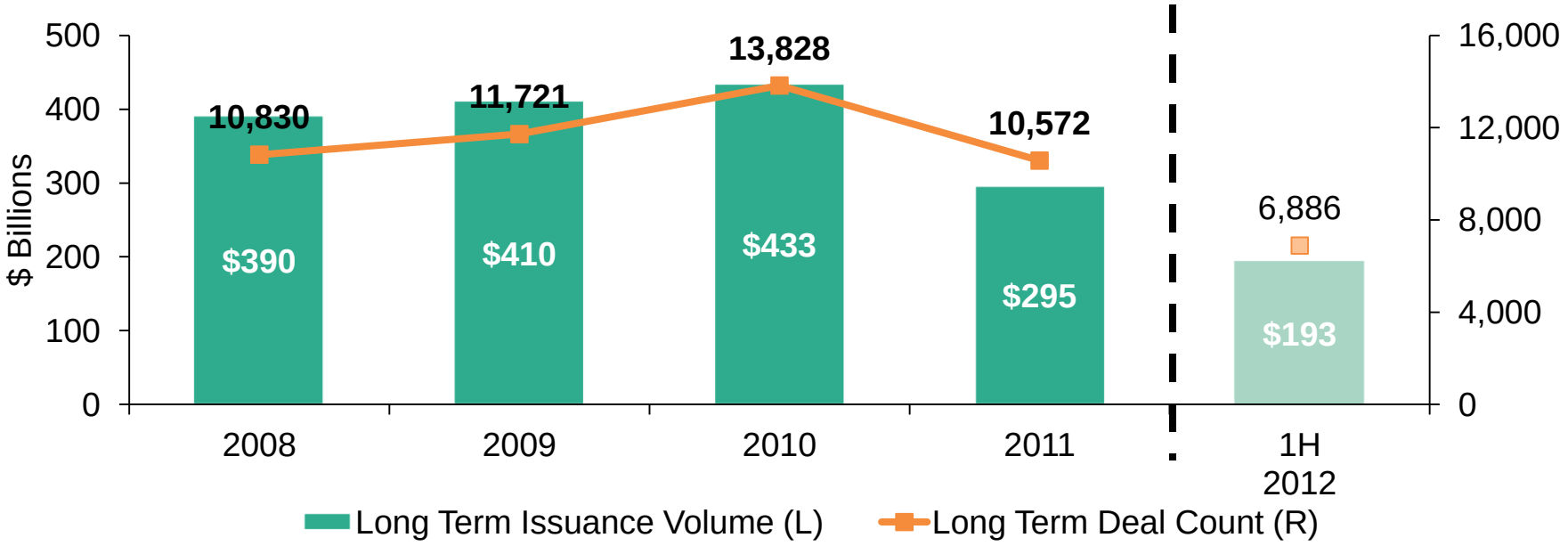
MIS Revenue from Financial Institutions is Stable Despite Issuance Decline



- Besides issuance, banks use ratings for programs and interbank counterparty purposes
- MIS pricing structure reflects alternative use of ratings and relatively greater proportion of stable recurring fees

Source: Dealogic and Moody's Investors Service

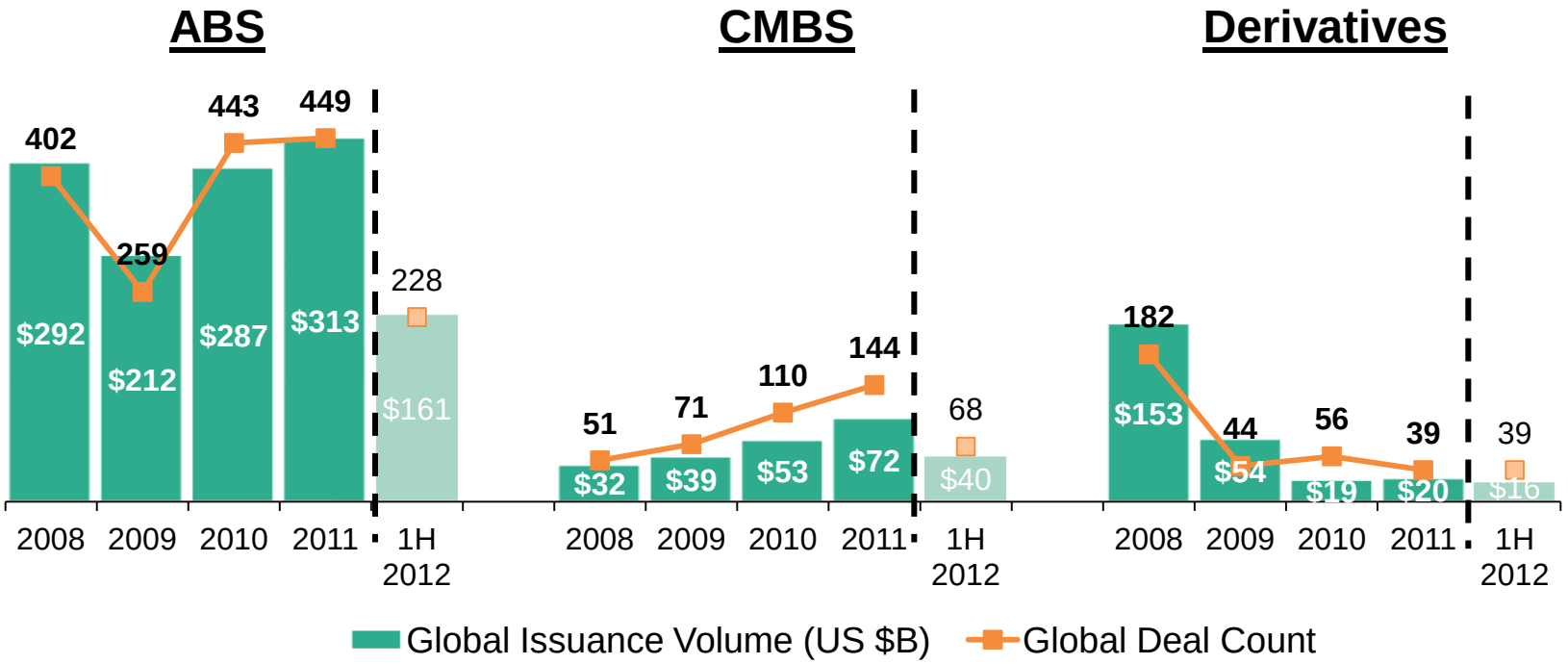
Low Interest Rates and Pent Up Demand for Capital Will Drive Issuance in U.S. Public Finance



- Conditions for refunding will remain favorable as interest rates remain low
- States and local governments will drive modest volume increases due to deferred spending and pent up capital demand
- Increase in credit risk, evidenced by recent municipal defaults, supports demand for ratings but may create short-term disruptions

Source: Bond Buyer

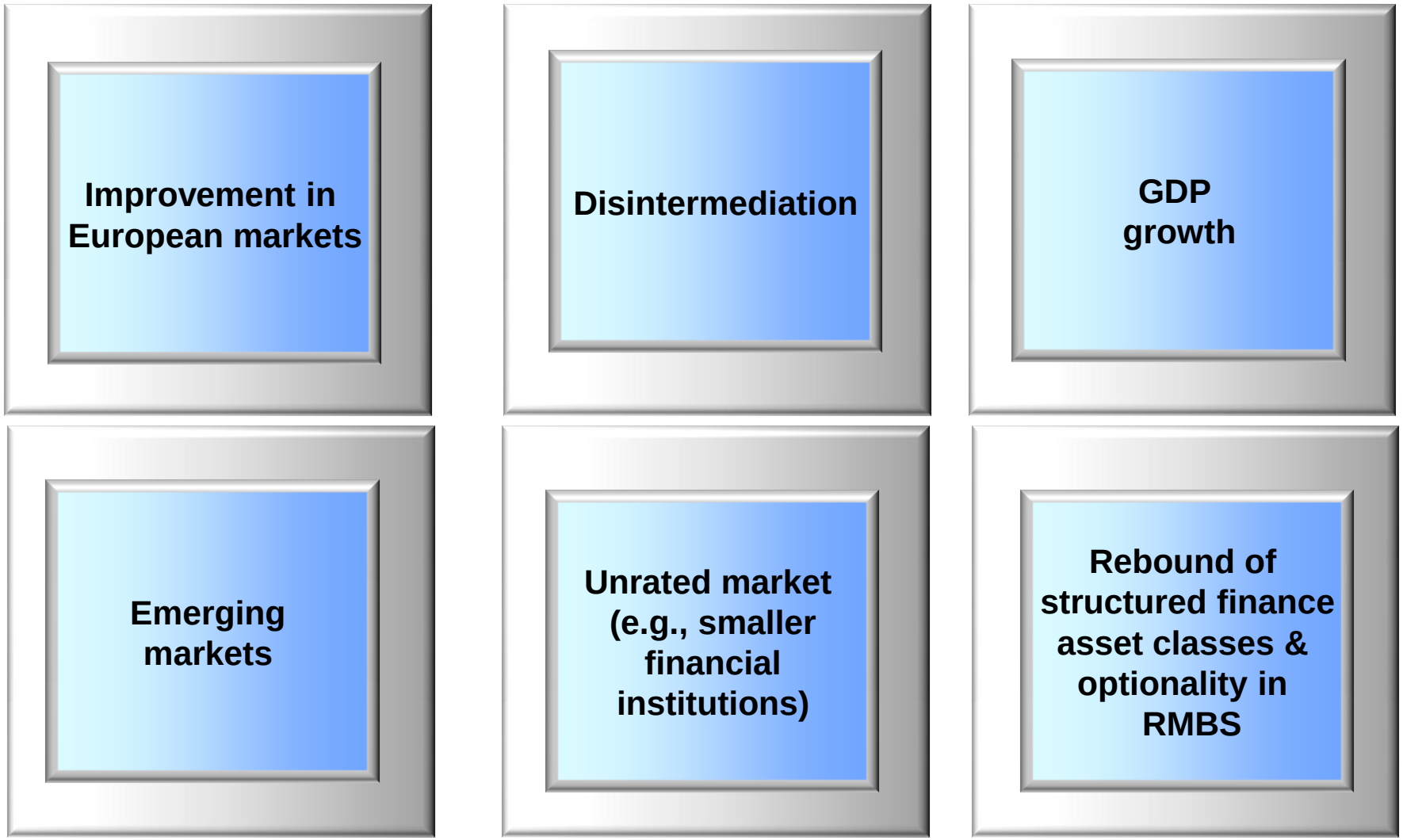
Modest Growth in Structured Finance in the U.S. Offsets Challenges in Other Geographies



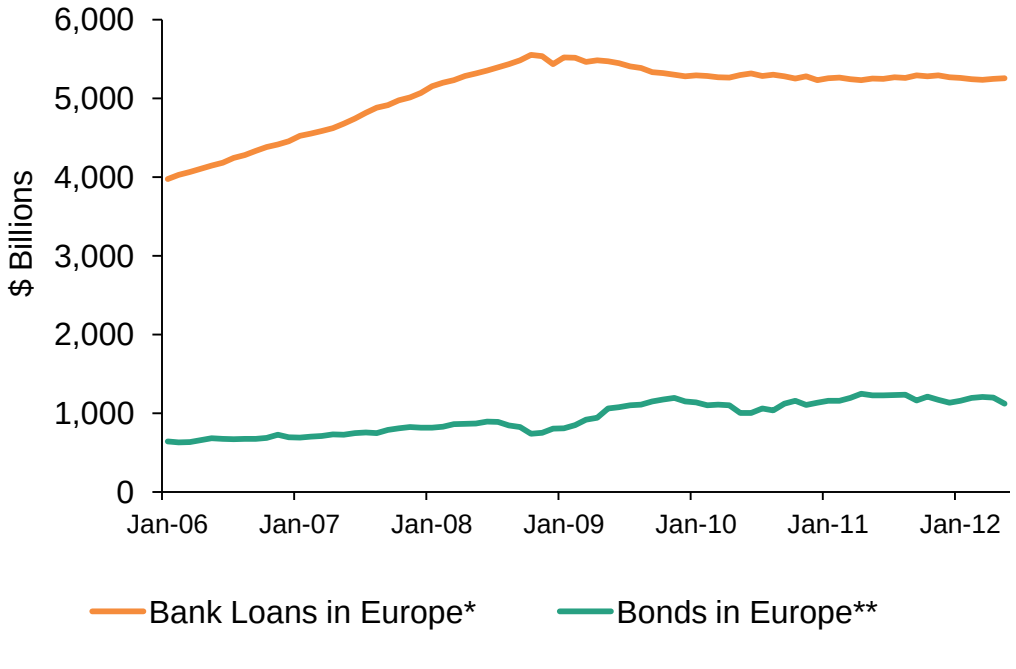
- Asset classes with upside potential are ABS, CMBS and Derivatives; resurgence in RMBS is not foreseen in the near-term
- MIS expects revenues from structured finance to stabilize around $80-$90 million in the near-term
- Ongoing regulatory and legislative changes continue to hamper the market; highly competitive market as new competitors focus on structured finance

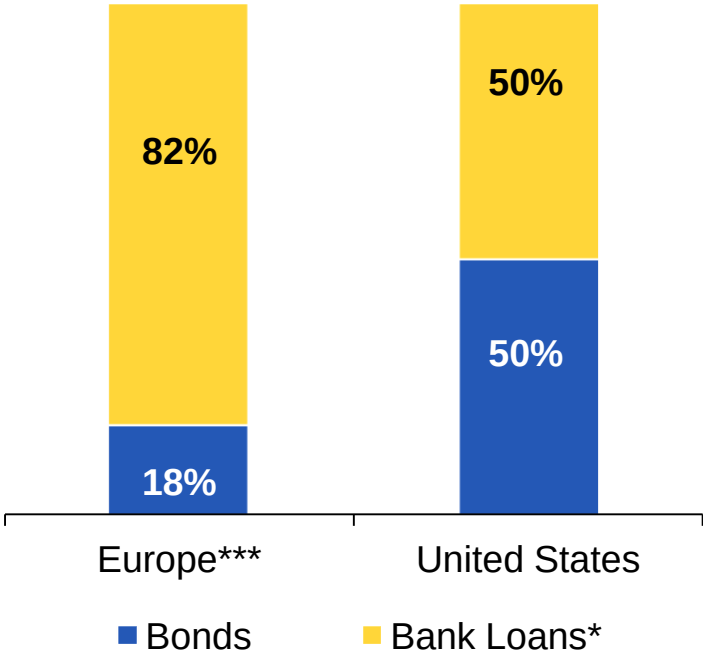
Sources: Asset-Backed Alert and Commercial Mortgage Alert

MIS Can Continue to be a Double-Digit Revenue Growth Business



European Non-Financial Corporate Debt Profile Shows Capital Markets Have Room for Growth

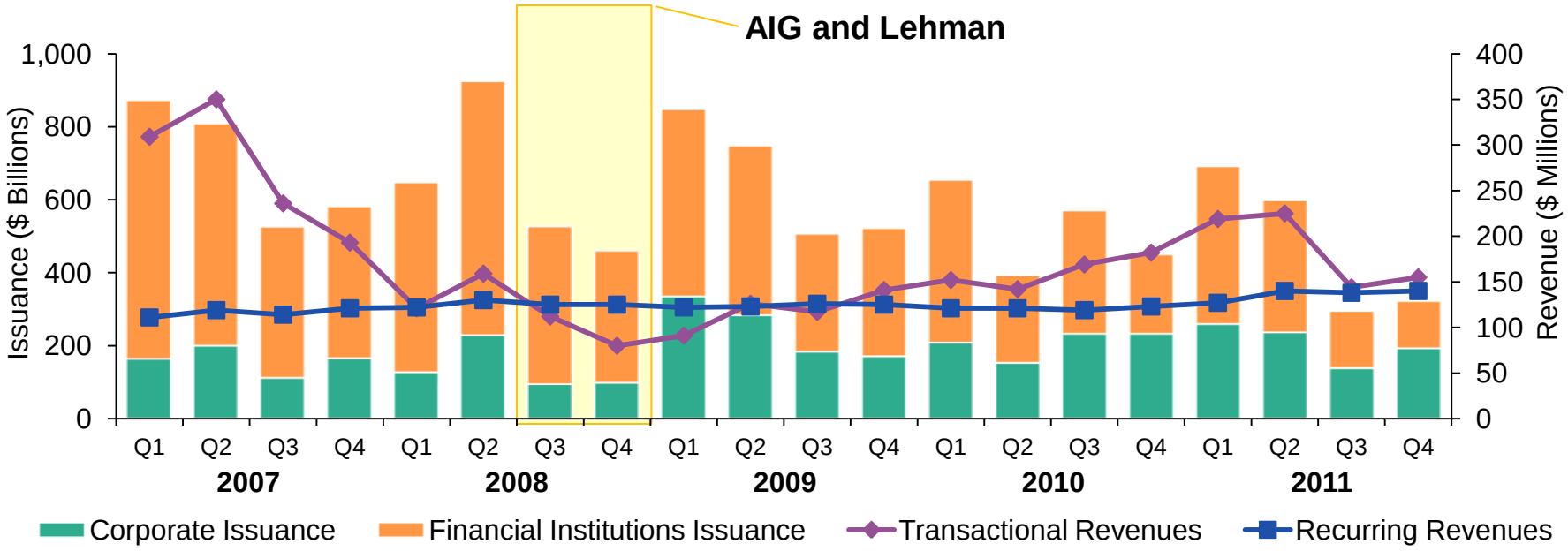




- Shift from bank loans to debt in Europe continues to present the largest opportunity in the near-term; Jan. 2006 to May 2012 CAGR: 9% for Bonds vs. 5% for Loans
- In the first half of 2012, European companies raised more money from the bond markets than from bank loans(1)

Sources: Federal Reserve, European Central Bank, Barcap Indices, Moody's Capital Markets Research Group; Data as of May 31, 2012
*Includes Eurozone and UK bank loans. ** Includes Investment Grade and High Yield euro and sterling denominated debt
*** European bond data represents euro and sterling denominated debt. European loan data represents Eurozone and UK bank loans
(1) Source: Dealogic

Assessing Impact of Euro Zone Credit Event

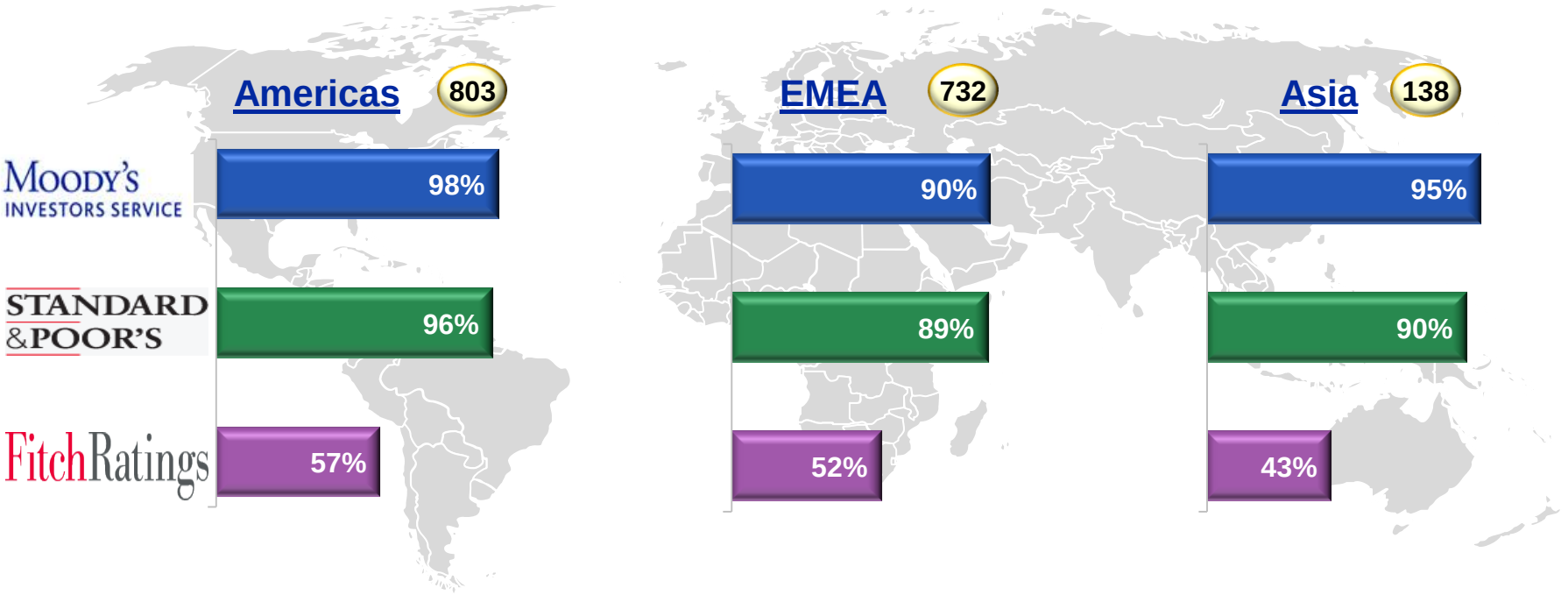


- Multiple defaults or exit from Euro zone by peripheral countries would result in prolonged period of market disruption
  - Resulting in limited capital markets access by issuers from those countries
- Experience from AIG and Lehman events in 2008, led to two quarters of revenue contraction, and extended period of slow recovery to regain lost revenues

Source: Dealogic and Moody's Investors Service

Competitive Landscape

Fundamental Market Coverage by Issuance Volume

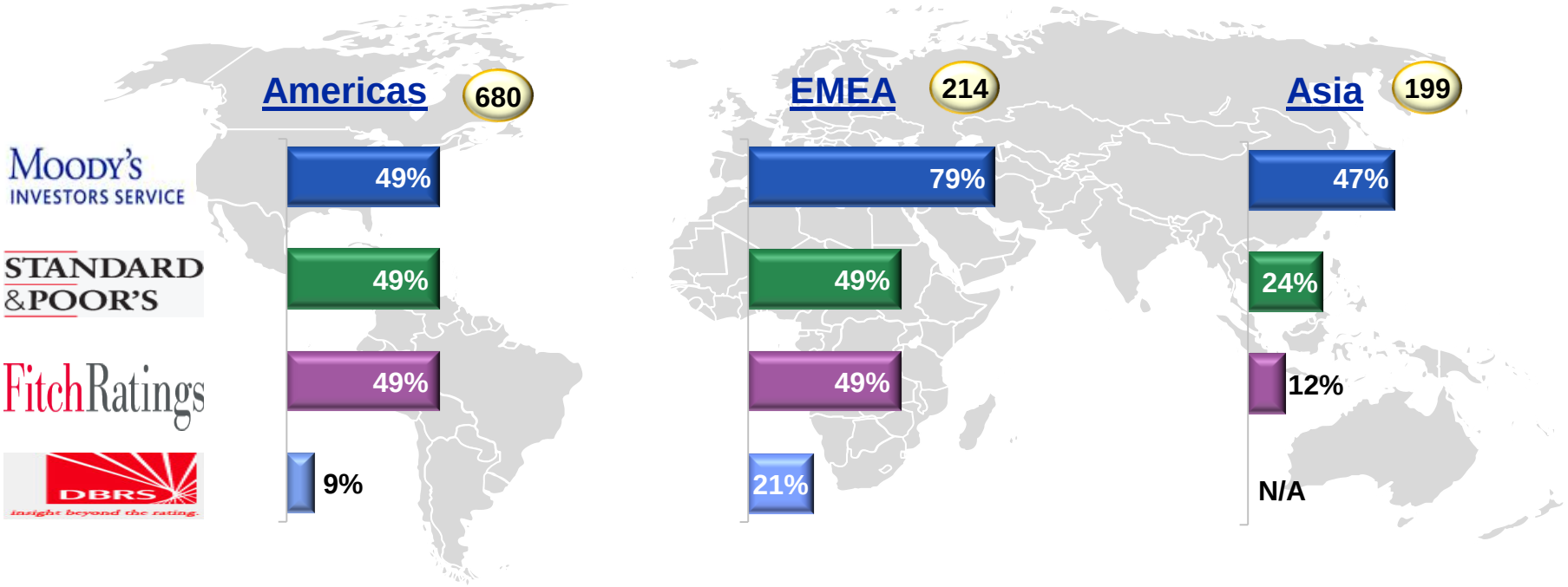


Market Size = Total Rated Cross Border Bond Market in US $B from July 2011 to June 2012

- Ratings industry structure is stable with MIS leading in the Americas, EMEA and Asia
- MIS is a "must have"

Source: Dealogic and Moody's Capital Markets Research Group

Structured Finance Market Coverage by Deal Count



Market Size = Total Rated Deal Count from July 2011 to June 2012

- MIS competes neck-to-neck with S&P and Fitch in the Americas
- MIS has a solid leading position in both EMEA and Asia

Sources: Asset Backed Alert, Inside MBS & ABS, Commercial Mortgage Alert, JP Morgan CDO Weekly, and Bloomberg

Key Strategic Themes

Key Strategic Themes

Strengthen core business capabilities in technology, people and controls

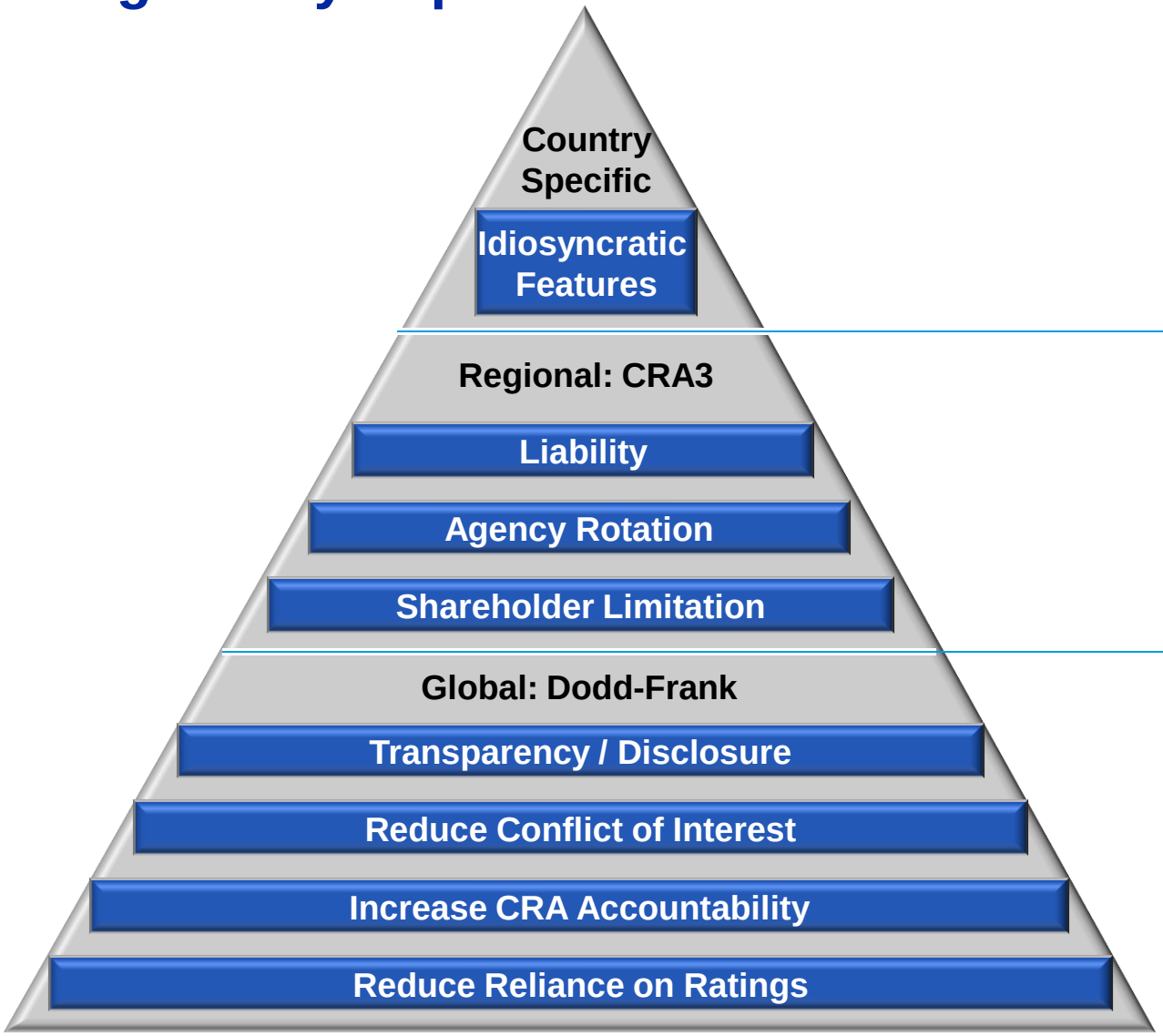
Improve financial performance through operational efficiencies and pricing initiatives



Increase value, expand the product portfolio to access adjacent opportunities and deepen investor use

Position MIS to capture market growth opportunities and increase market coverage globally

Regulatory Implementation



- Abiding by regulations in eight local regimes
- Uncertainty on the outcome
- Proactive planning for potential operational adjustments
- Dodd-Frank implementation is in progress

Moody's



Q&A

MIS - Growing The Business In A Changing Environment

MOODY'S

Session 3: Legal Update

John Goggins

Executive Vice President and General Counsel

SEPTEMBER 12, 2012

Session Overview

1. Update on Moody's Shareholder Class and Derivative Actions
2. Update on Ratings-Related Litigation

Moody's Shareholder Class and Derivative Actions

- Moody's shareholder class action
  - Plaintiffs' motion for class certification denied in March 2011; leave to appeal denied in July 2011
  - Parties now engaged in limited discovery, with motions for summary judgment on specific issues to be filed in October

- Shareholder derivative suits
  - Parties agreed to a settlement implementing structural and governance changes
  - Settlement was approved by Court on September 6th
  - No money was paid to plaintiffs, but the Court awarded plaintiffs' counsel approximately $4 million in attorneys' fees and reimbursed them for approximately $1 million in expenses

Ratings-Related Litigation – '33 Act Cases

- All '33 Act cases have now been favorably resolved -- 9 cases dismissed by the court; 9 voluntarily dismissed by plaintiffs
- Favorable decisions from 6 district court judges
- Favorable decision from Second Circuit in *Operating Engineers* case (May 2011), holding:
  - (1) rating agencies can't be sued as "underwriters" under the '33 Act; and
  - (2) ratings "speak [ ] merely to the Agency's opinion of the creditworthiness of a particular security."

Other Ratings-Related Cases – Overall Status

- Significant progress in resolving ratings-related litigations filed since 2007
- In U.S., a little more than four dozen cases have been filed, and nearly three dozen have been dismissed or voluntarily withdrawn
- Outside the U.S., approximately 19 cases have been filed and 8 have been dismissed or withdrawn

Other Ratings-Related Cases – Bases for Dismissal

» Cases have been dismissed on several independent grounds:

- Because ratings are opinions, they are non-actionable as "misrepresentations of fact" unless a plaintiff alleges and proves that Moody's disbelieved the opinion at the time of issuance (Anschutz; Ohio Pension; Rice; Grassi; Genesee; First Community)
- Absence of duty to plaintiffs, which is a required element for negligence-based claims (Anschutz, Ohio Pension, Rice, Grassi)
  - Favorable Second Circuit opinion in *Anschutz* case in August 2012 (in order to establish the duty element of a negligent misrepresentation claim under New York Law, plaintiff needs to prove actual privity of contract or direct contact with the defendant)
- Lack of personal jurisdiction (First Community; others pending)

Update on Selected U.S. Cases

- Abu Dhabi
  - Nine of the eleven original claims have been dismissed with prejudice
  - Class certification denied (June 2010)
  - Ruling on Moody's Motion for Summary Judgment August 17th:
    - Summary judgment on fraud count granted as to three plaintiffs' claims in their entirety and one plaintiff's claim in substantial part
    - Elimination of these claims has reduced plaintiffs' claimed damages substantially
    - Motion for summary judgment was denied as to remaining plaintiffs, so case will proceed to trial on those claims
    - In light of new Second Circuit decision in another Moody's case (Anschutz), the Court ordered plaintiffs to show cause why their negligent misrepresentation claim should not be dismissed. Plaintiff's brief was filed on August 31st, and Moody's is in the process of responding
    - Plaintiffs have also moved for reconsideration of the Court's dismissal of the SEI , Butterfield, and Commerzbank claims, and Moody's is in the process of responding to these motions as well

Update on Selected U.S. Cases (cont.)

- CalPERS
  - Favorable ruling on “prong one” of anti-SLAPP motion – ratings are protected speech under the statute because they are part of public discussion and connected to financial issues of public interest
  - Unfavorable ruling on “prong two” – CalPERS has demonstrated sufficient likelihood of success on merits to allow claim to proceed to discovery
  - Moody’s has appealed decision on “prong two” to the California Court of Appeal
  - All proceedings stayed until decision on appeal – not expected until 2013

Moody's

Q&A

Legal Update

Moody's

Session 4: Moody's Analytics – Broadening Moody's Relevance in Financial Risk Management

Mark Almeida

President, Moody's Analytics

SEPTEMBER 12, 2012

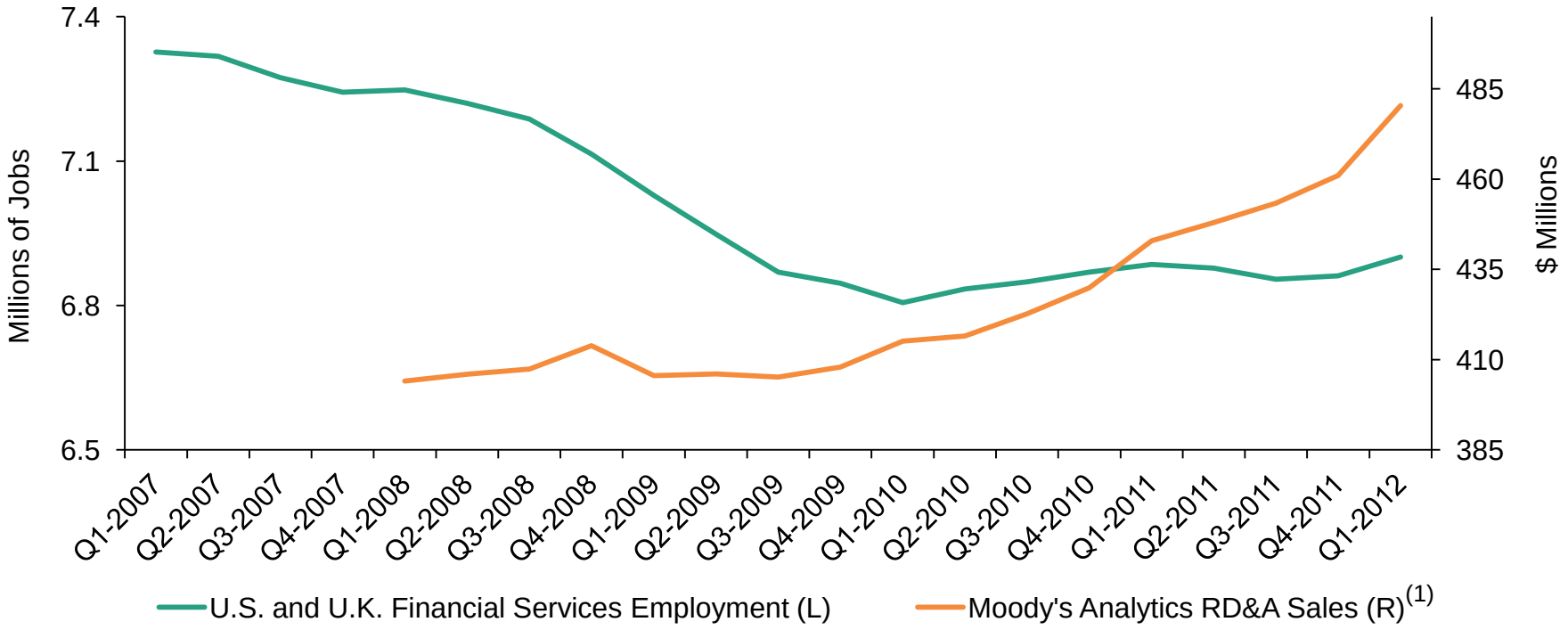
Moody's Analytics: Well-Positioned to Drive More Growth

- **Strong operating performance**[1]
  - 7 consecutive quarters of double-digit revenue growth
  - 10% revenue CAGR over 2007-2011 period
  - Adjusted operating margin of 26% in 2Q 2012[2]
- **Solid market position supporting risk management at financial institutions**
  - Rich product portfolio supported by unique, differentiating features
  - Product offering focused on delivering need-to-have products and services
- **Big market opportunity**
  - Addressable market estimated at $12 billion
  - Good penetration of customer base, with plenty of opportunity ahead

(1) Includes acquisitions.
(2) See Appendix for reconciliation of operating margin to adjusted operating margin.

Strong Growth Despite Challenging Environment

» Pricing model limits exposure to customer contraction



(1) Annual contract value, shown at constant FX rates (as of January 9, 2008)

Product Offering Relevant Across Financial Institutions

		Loan markets		Securities Markets			Other	
		Comm'l Lending	Consumer Lending	Investment Management	Investment Banking	Sales & Trading	Risk Mgmt	Treasury
RD&A	MIS research & data	✓		✓	✓	✓	✓	
	Credit market analysis & data	✓		✓	✓	✓	✓	
	Economic research, data, & modeling	✓	✓				✓	✓
	Structured finance analytics			✓	✓	✓		✓
ERS	Software	✓		✓			✓	✓
	Risk modeling	✓	✓				✓	✓
Prof. Srvcs.	Training	✓	✓	✓	✓	✓	✓	✓
	Offshore analytical resources	✓		✓	✓	✓		

» Centrally managed sales organization leverages established customer relationships, facilitates distribution of new product

Established as a Leading Provider to Customers Globally

Customer Segment	Unit Penetration	Penetration in Top Quintile
Top 450 Asset Managers	54%	81%
Top 1,000 Commercial Banks	45%	83%
Top 500 Insurance Companies	26%	58%
Top 450 Investment Banks	18%	48%
Top 1,000 Non-Financial Corporates	21%	42%

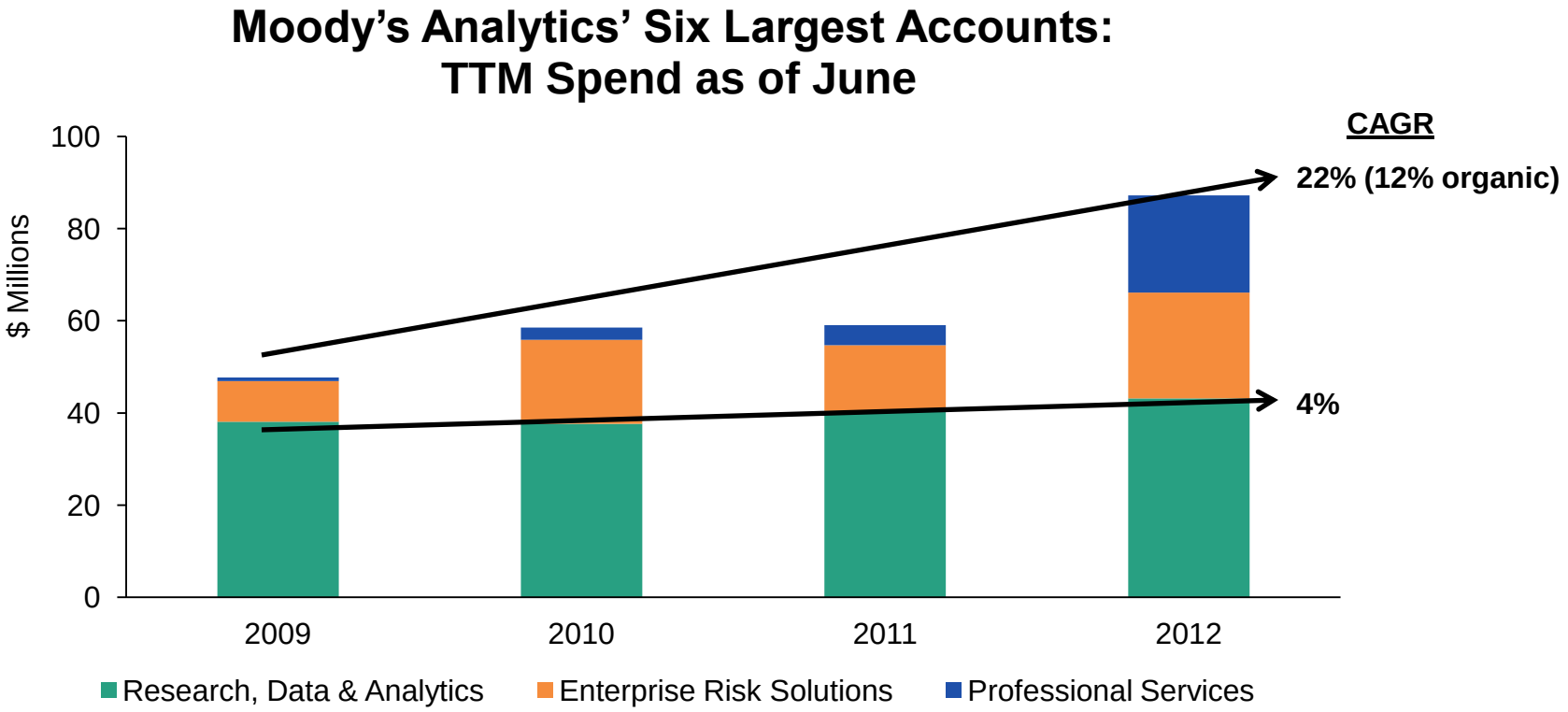
- Current penetration underscores relevance and suggests further opportunity across segments
- Average fees range from $125k (Corporates) to $650k (Commercial Banks)
- Worldwide distribution channel well developed -- nearly 60% of revenue comes from customers outside the U.S.
- Existing customers represent richest source of growth

Moody's Analytics Competes for Market Opportunities Estimated at Nearly $12 billion

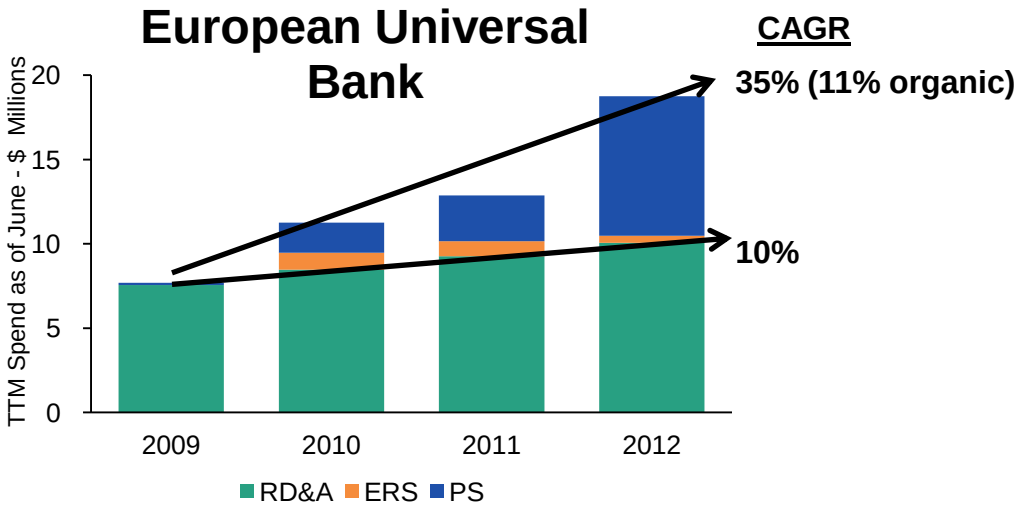
	Market Size	Expected Growth	Competitive Landscape	MA's Position
Enterprise Risk Solutions	$5.0 billion	High	Fragmented	Strong
Financial Services Knowledge Process Outsourcing	$1.8 billion	High	Fragmented	Strong
Financial Training & Certification	$1.8 billion	Moderate	Fragmented	Strong
Credit Research	$1.4 billion	Low	Concentrated	Leader
Consumer Credit Analytics	$0.8 billion	Moderate	Concentrated	Niche player
Economic Information	$0.5 billion	Medium	Fragmented	Strong
Quantitative Credit Scoring	$0.2 billion	Low	Concentrated	Leader
Structured Finance Analytics	$0.2 billion	Low	Highly Concentrated	#2 player

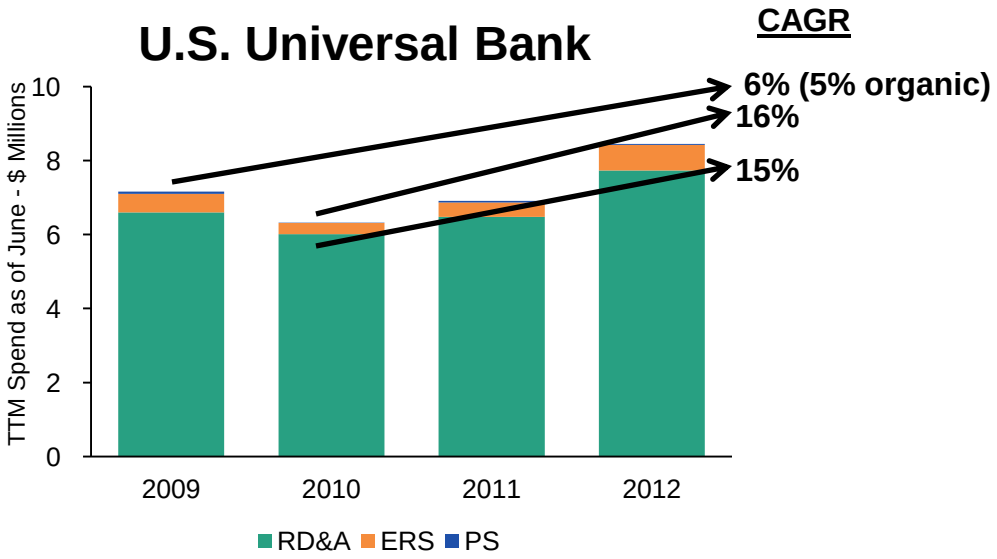
Growth of Largest Accounts Reflects Strength of Product Portfolio

- RD&A provides solid foundation of recurring revenue
- As ERS becomes increasingly important, introduces more variability over time
- With Copal, significant growth opportunity from extending penetration across account base



RD&A as a Growth Driver





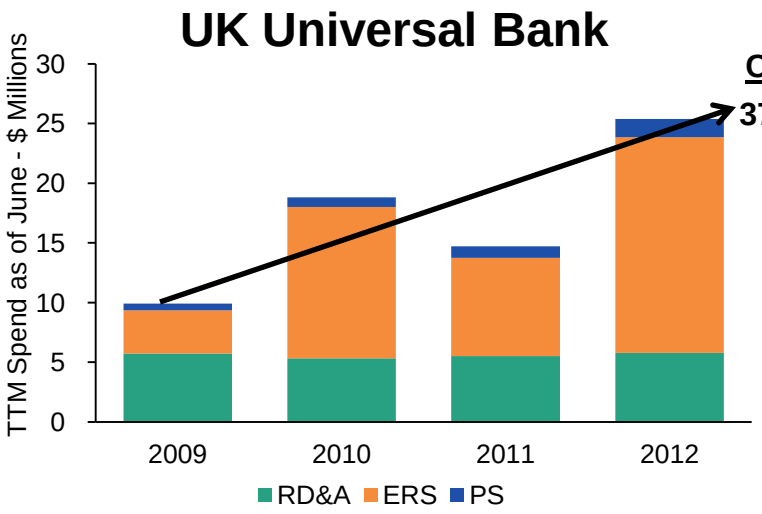
35% CAGR: strong RD&A growth, supplemented by Copal

- All areas of RD&A grow throughout period
- Copal's largest customer
- Important penetration opportunity for ERS

Good growth after contraction due to financial crisis; large opportunity for ERS and Copal

- Following crisis-driven consolidation, good growth across all product areas; 16% CAGR since 2010
- Steady growth in ERS, aided by B&H acquisition, but more opportunity ahead
- Important penetration opportunity for Copal

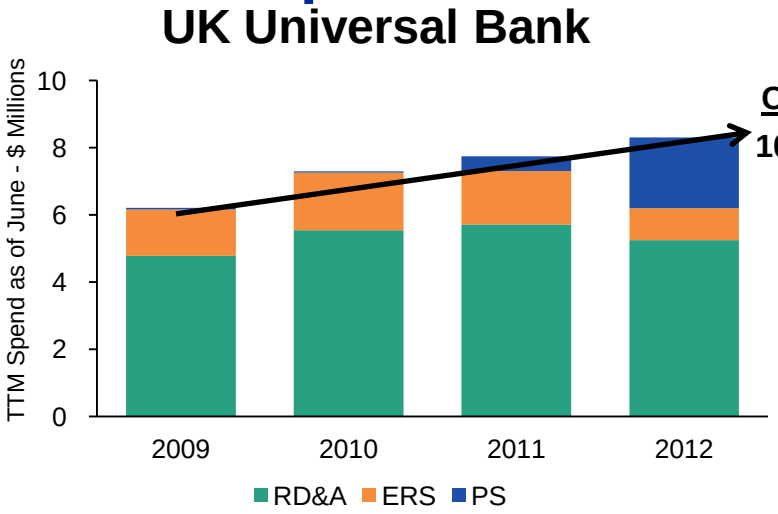
ERS Deeply Embedded in Some Accounts…



Strong organic growth, driven by ERS

- MA's largest customer, with more than $25mm in TTM sales
- RD&A flat at ~$6mm; reduction in structured finance analytics offset by strong growth in quantitative credit product
- Nearly $14mm in organic growth from ERS, as bank undertakes global Basel II compliance project
- Copal and B&H add nearly $1mm to run-rate in 2012

…and Copal Provides Stability with More Repeat Revenue



10% CAGR, as Copal offsets lumpiness of ERS

- Account grows by nearly $2mm in over 3 years (10% CAGR)
- RD&A up nearly $0.5mm, primarily from MIS research and data
- ERS declines in 2012, reflecting closure of large projects in 2010-2011
- Copal adds more than $1mm in 2012

Growing Recognition Enhances Competitive Position

Risk Magazine Reader's Choice Technology Rankings

- **#1** Basel III ERM Compliance
- **#1** Regulatory Risk Capital Calculation
- **#1** Regulatory Compliance and Reporting
- ***Firm of the Future*** -- selected among 8 leading providers of risk management technology

AsiaRisk Magazine Reader's Choice Technology Rankings

- **#1** Economic Capital Calculation and Management
- **#2** Liquidity Risk Management

Waters Magazine Rankings

- Best Credit Risk Solution Provider 2 years in a row

Chartis RiskTech 100

- **#1** in Credit Risk overall

Fintech 100

- Rated in top 50 among financial services technology providers

Structured Credit Investor -- 2012 Customer Satisfaction Survey

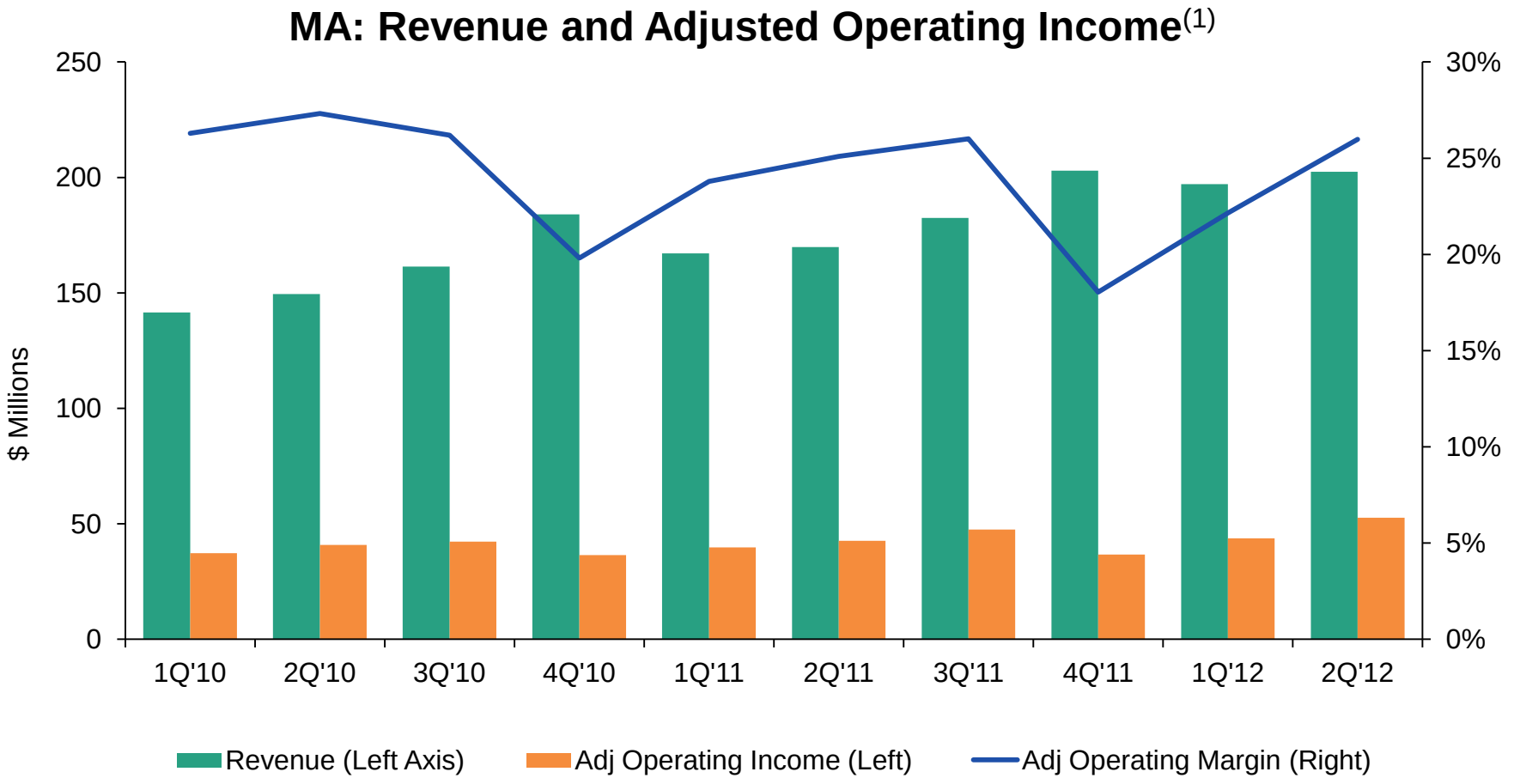
- **#1** in Client Service

Focusing Product Suite on Need-to-have Products

- Customer demand is most robust when driven by external forces
  - Regulation: banks and insurers required to undertake common activities
  - Network effects: uniquely positioned to support long-established industry practices in bond and credit markets
  - Competition: providing capabilities to enable banks and investment managers to keep up with industry trends

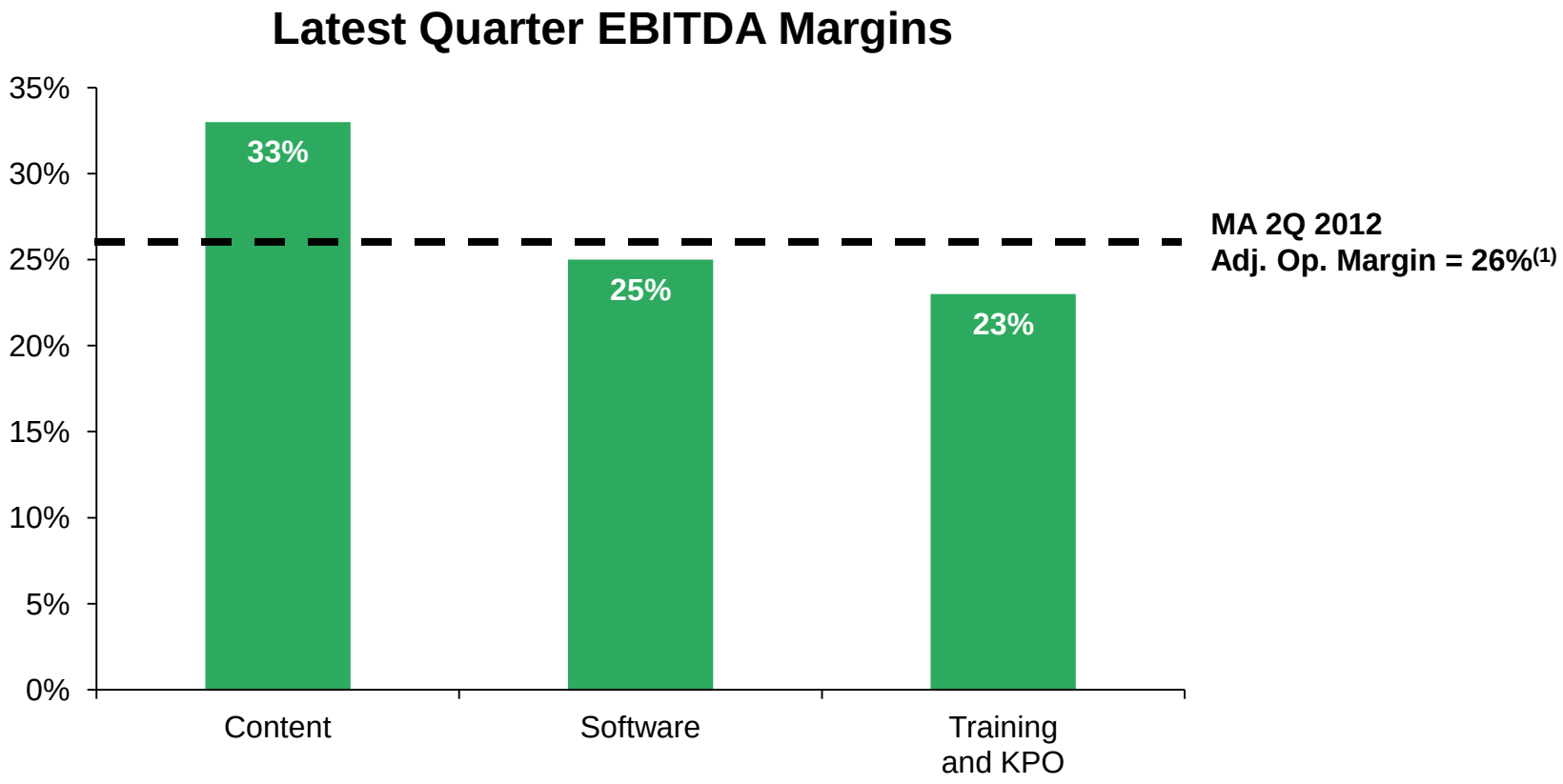
MA LOB	Product Offering	Target Customer(s)	Drivers	Category
RD&A	Research and data associated with MIS ratings	Investors and dealers in bond markets	Widespread use of ratings as benchmark	Network effects
RD&A	Economic scenarios and modeling	Banks	Stress-testing requirements	Regulation
ERS	Regulatory capital calculation and reporting solutions	Banks	Basel rules	Regulation
ERS	Solvency analysis and reporting tools	Insurance companies	Solvency II requirements	Regulation
Prof Services	Cost-effective middle-office resources	Investment banks, buy-side firms	Margin pressure (doing more with less)	Industry competition
Prof Services	Professional skills based on global best-practices	Banks, securities firms (especially in developing markets)	Regulatory requirements, adoption of global best practices	Regulation/competition

Delivering Steady Growth



Note: includes inter-segment revenue
(1) See Appendix for reconciliation of operating margin to adjusted operating margin.

EBITDA Margins of Comparable Companies



Data from Thomson Reuters.
(1) See Appendix for reconciliation of operating margin to adjusted operating margin.

Moody's Analytics: Well-positioned to Drive More Growth

- Delivering strong results despite market uncertainty
- Holds solid market position in supporting risk management activities at financial institutions
- Projecting further growth as we build on our well-established position
- Investing successfully to deliver more growth in mature businesses and via new initiatives

Panel Discussion

Moody's Analytics – Broadening Moody's Relevance in Financial Risk Management

Mark Almeida
Dan Russell
Geoff Fite
Rishi Khosla
Salli Schwartz *(Moderator)*

Moody's



Q&A

Moody's Analytics – Broadening Moody's Relevance in Financial Risk Management

Moody's

Session 5: Financial Strategy

Linda Huber

Executive Vice President and Chief Financial Officer

SEPTEMBER 12, 2012

Key Messages

» Financial Overview

- Strong first half top-line **growth** across most of Moody's businesses
- **Diversification** of businesses provides strong revenue growth outlook
- **Cost-saving strategies** will help drive margin expansion in existing businesses
- Business growth, tax planning and share repurchases drive **double-digit EPS growth**

» New Metrics

- New non-GAAP measures provide for better comparison between periods and to peer companies

» Capital Allocation

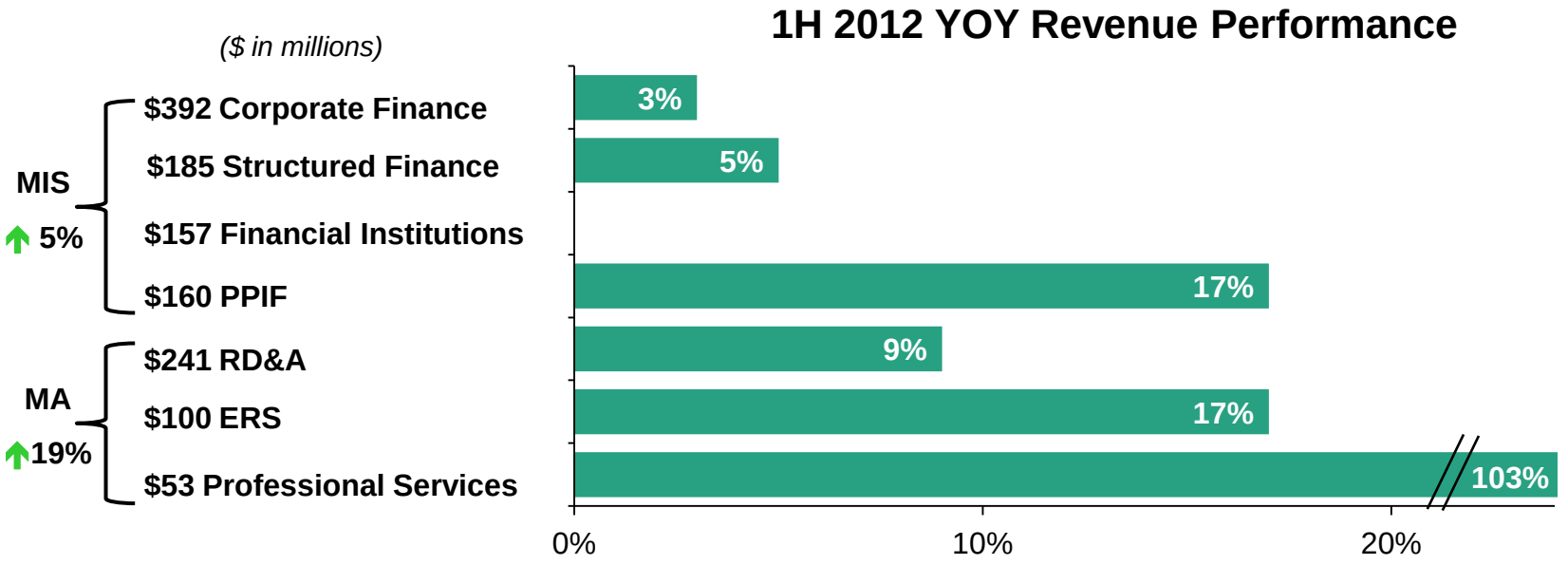
- Capital allocation strategy balances investments and return of capital
- Strong cash flow generation drives solid balance sheet

1

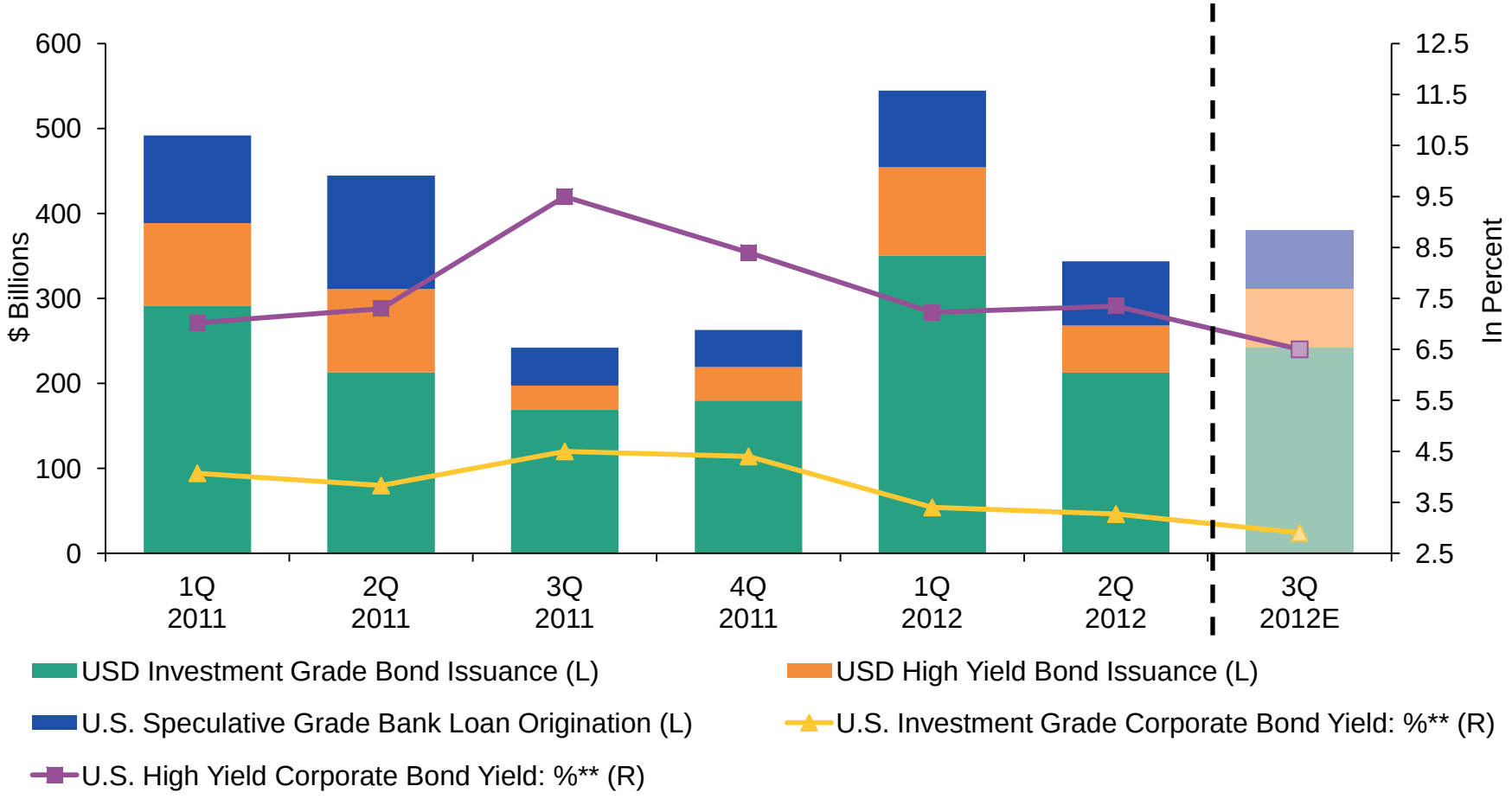
Financial Overview

Strong Performance in First Half of 2012, with Growth Across Most Lines of Business

- **MIS:** single-digit growth in Corporate and Structured Finance and double-digit growth in PPIF
- **MA:** double-digit growth, driven by acquisitions, in Enterprise Risk Solutions and Professional Services
- In the first half of 2012, U.S revenue grew twice as fast as non-U.S. revenue and comprised 53% of total revenue



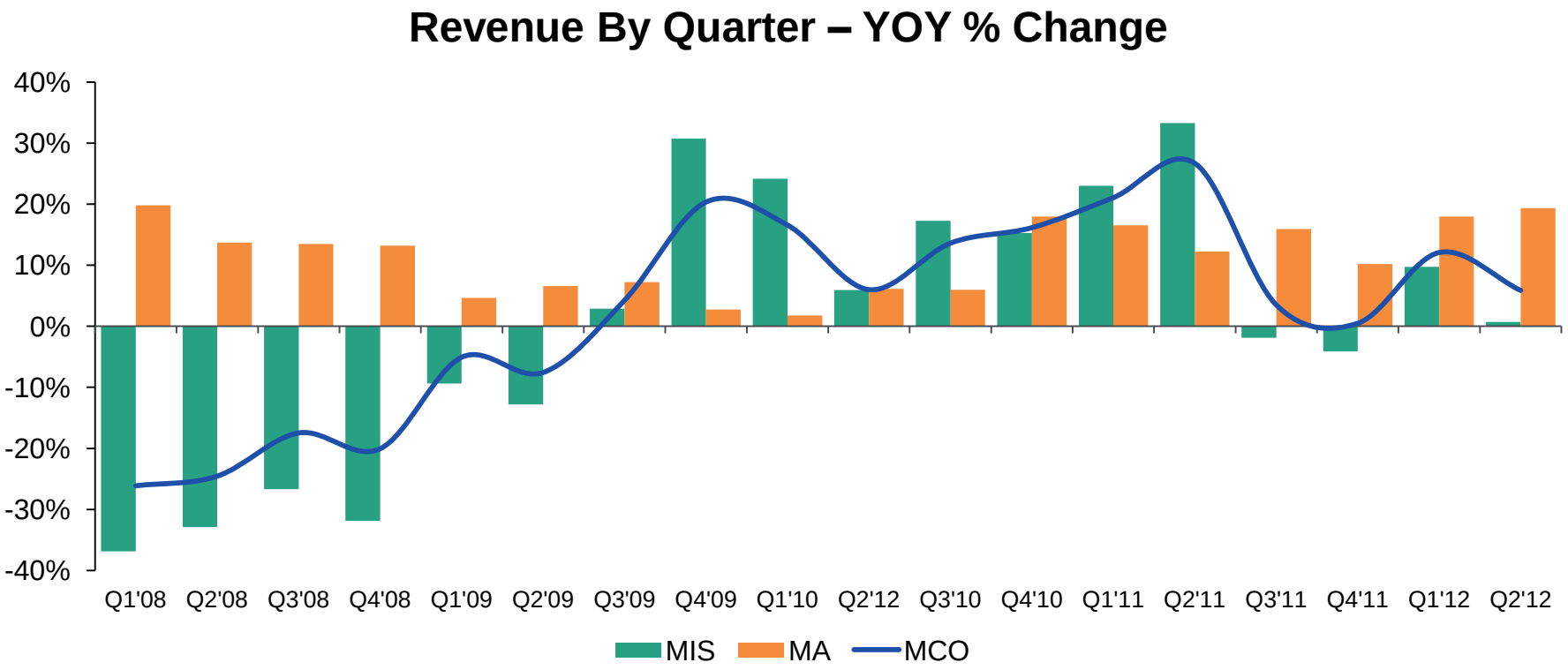
Issuance Overview and Outlook*



* Debt issuance categories do not directly correspond to Moody's revenue categorization. Historical bond issuance data is sourced from Dealogic and Moody's Capital Markets Research Group. 3Q 2012 bond estimates include July and August issuance data from Dealogic and Moody's Capital Markets Research Group plus the average bond issuance forecast for September from the following investment banks: Bank of America Merrill Lynch, Citi, JPMorgan, and Morgan Stanley. 3Q 2012 estimate for bank loan origination includes July issuance data from Dealogic and Moody's Capital Markets Research Group plus issuance data and forecast from Moody's Investors Service for August and September, respectively.
**Yield data is sourced from Barclays Capital and Moody's Capital Markets Research Group. % yield on last day of each respective time period, except for 3Q 2012, which is as of September 7, 2012.

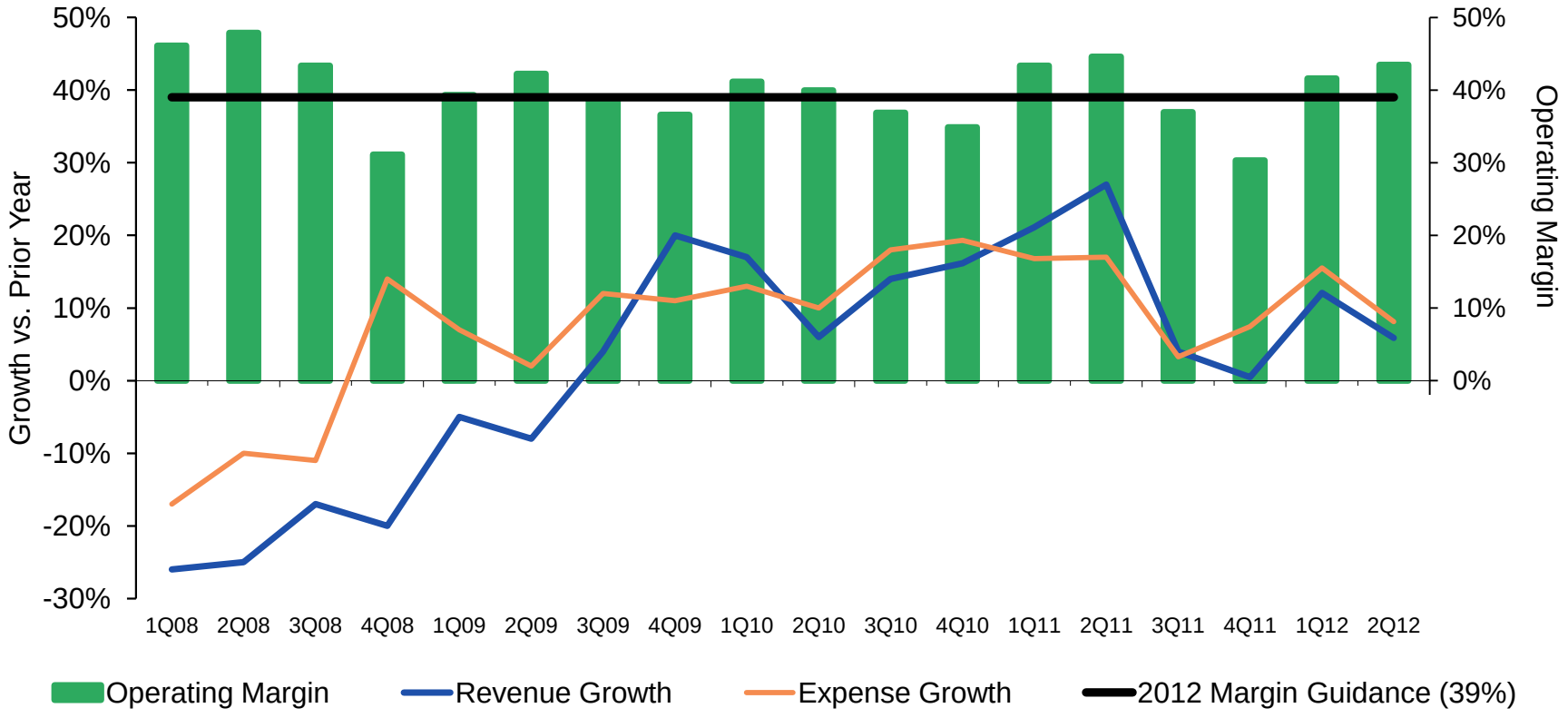
Steady MA Revenue Growth Complements Variability of MIS Revenue

» MA revenue growth steadily up between 4% and 20%, while MIS revenue growth ranges from down 35% to up 30%



Quarterly Margin Variability Reflects Issuance and Seasonal Factors

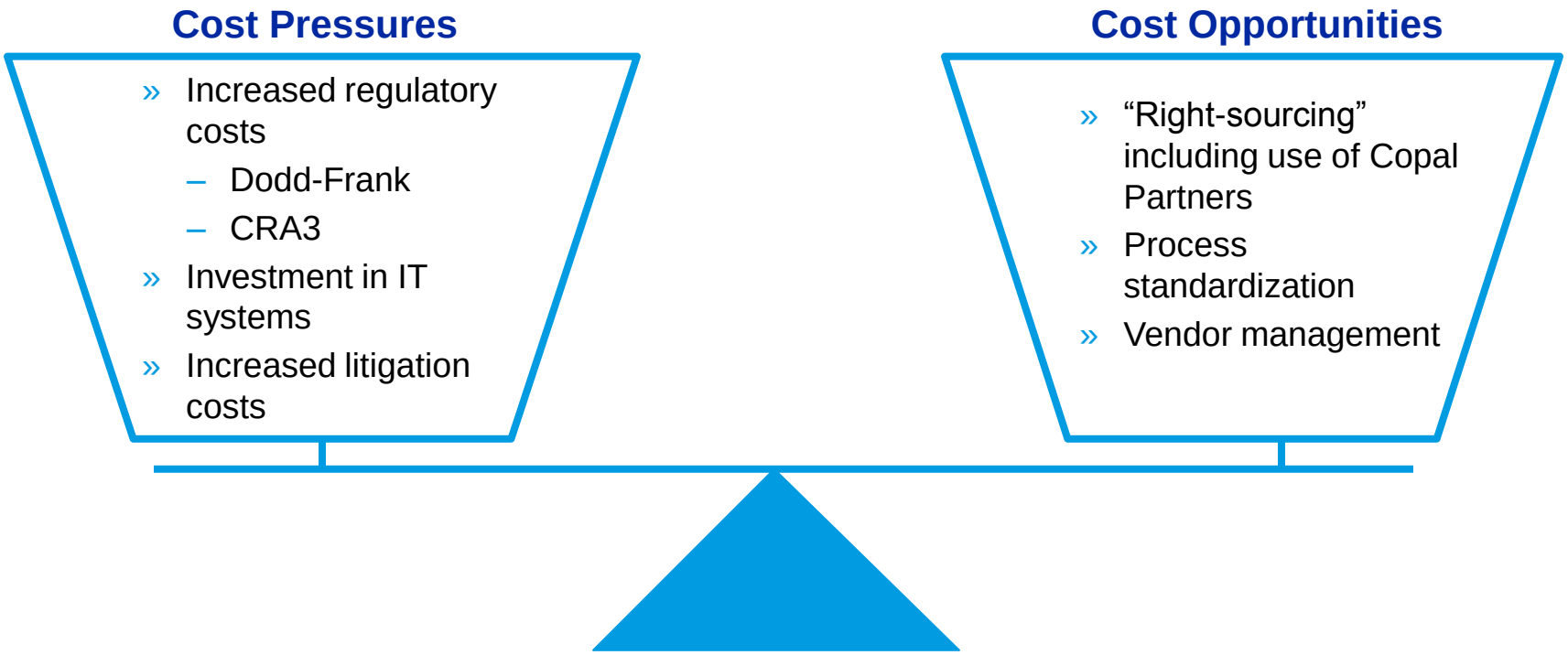
» In nine of the past 18 quarters Moody's operating margin has exceeded 40%



Note: Expenses and operating income exclude restructuring charges and adjustments

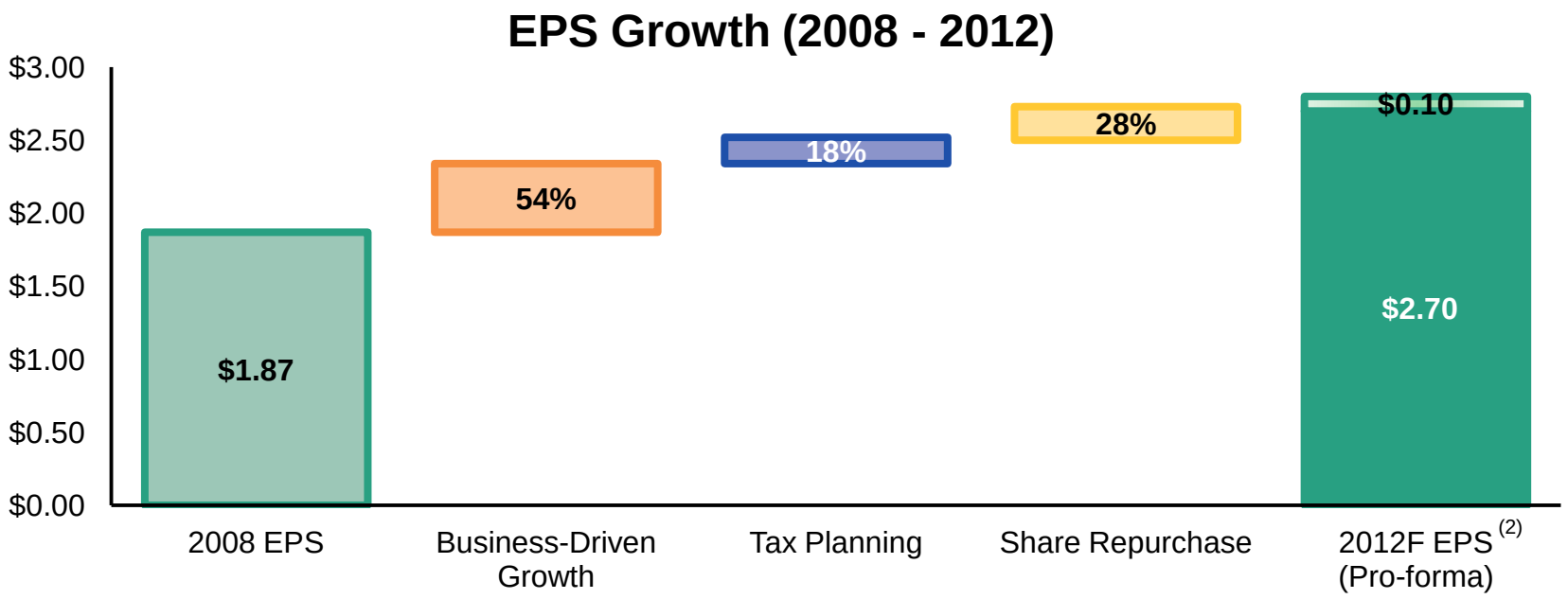
Balancing Cost Pressures and Opportunities

- Near-term margin expansion will be challenged by segment growth mix and regulatory cost growth
- Cost management strategies help offset margin pressures from regulatory investments and business mix
- Intermediate-term margin expansion possible if regulatory cost growth slows



EPS Growth Driven by Businesses, Tax Planning and Share Repurchases

- Double-digit EPS CAGR from 2008 to 2012 driven by:
  - Double-digit average revenue growth since 2008(1)
  - Tax rate decrease from 37% in 2008 to "approximately 32% in 2012"
  - Repurchases of 40 million shares from 2008 through June 30, 2012



(1) Includes acquisitions
(2) See Appendix for reconciliation of GAAP EPS to pro forma EPS. Guidance as of September 12, 2012.

2

Introduction of New Non-GAAP Financial Metrics

Adjusted Operating Income / Adjusted Operating Margin

Adjusted operating income represents operating income before depreciation, amortization and restructuring charges, if any; **adjusted operating margin** is adjusted operating income divided by revenue

- **Assists management in measuring the following:**
  - Operating performance of Company
  - Ability to service debt
  - Ability to fund capital expenditures
  - Ability to invest in the business
- **Provides more meaningful comparison of Company's operating results across periods**
  - Amount, timing and estimated useful life of capital expenditures causes variability in depreciation expense
  - Cost and timing of acquisitions along with allocation of purchase price to amortizable intangibles and estimated economic life of amortizable intangibles makes it difficult to compare operating performance across periods
- **Provides more meaningful comparison of operating performance to other companies**
  - Companies have different methods of acquiring productive assets
  - Companies have different estimates of useful life of similar productive assets
  - Different ages of productive assets across companies

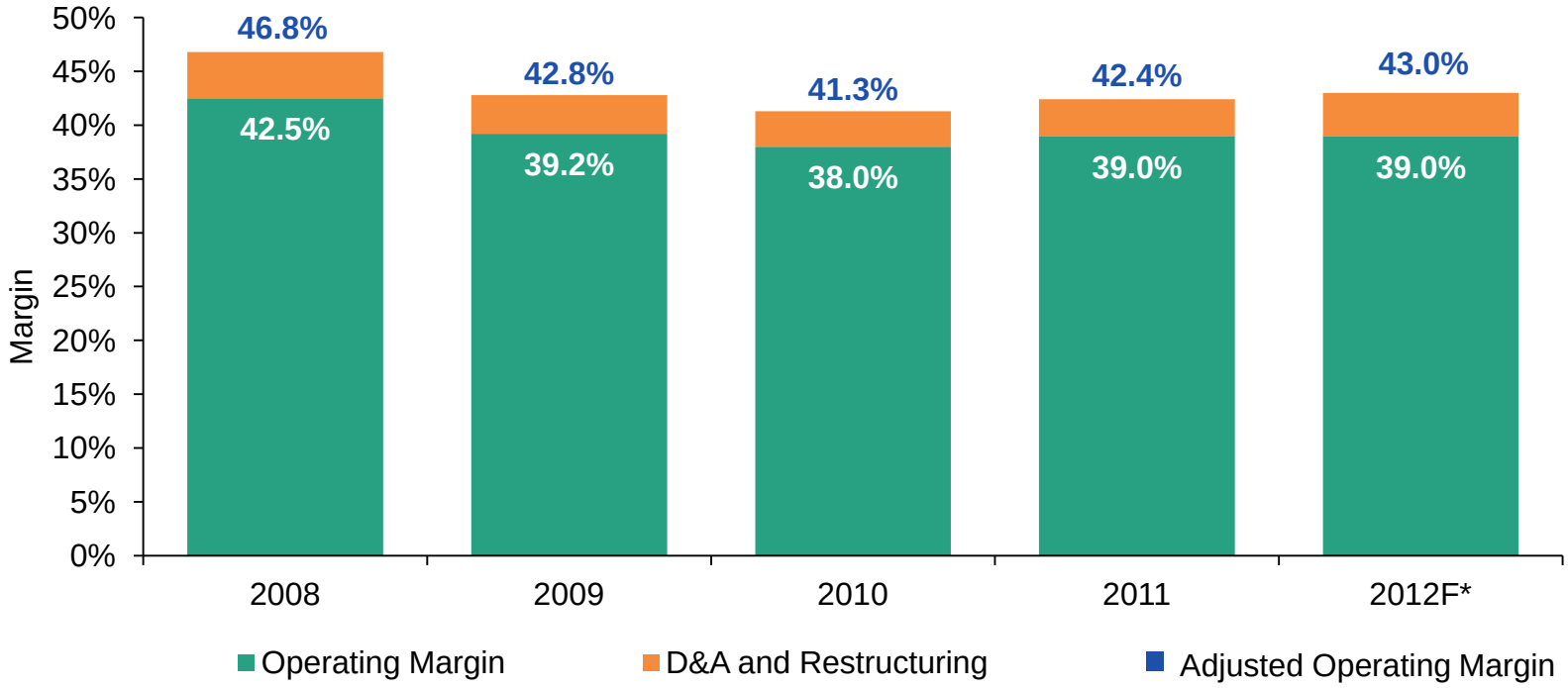
Free Cash Flow

Free Cash Flow represents cash flow from operations less capital expenditures

- **Assists management in measuring the following:**
  - Ability to service debt
  - Ability to pay dividends and repurchase shares
  - Ability to fund acquisitions
- **Capital expenditures are deemed recurring use of our cash flow as they are essential to our product and service innovations and maintenance of our operational capabilities**

New Metric #1: Adjusted Operating Margin

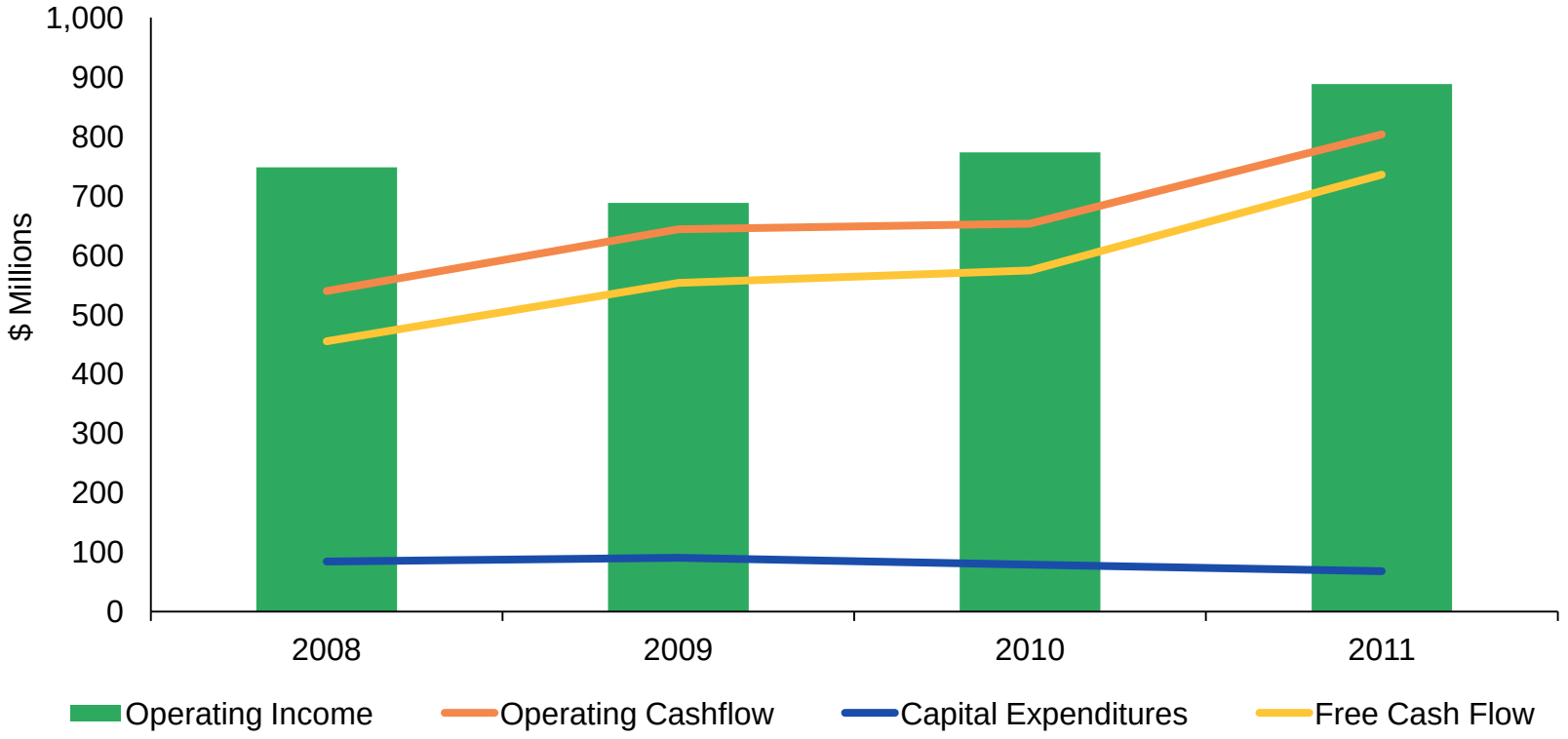
» 2012 Operating Margin Guidance of “approximately 39%” translates to “approximately 43%” for Adjusted Operating Margin(1)



*Guidance as of September 12, 2012.
(1) See Appendix for reconciliation of operating margin to adjusted operating margin.

New Metric #2: Free Cash Flow

» MCO's 3-Year Free Cash Flow CAGR of 17% compares with a mean of 10% and median of 4% for the S&P 500*



See Appendix for reconciliation of Cash Flow from Operations to Free Cash Flow
*Per Goldman Sachs analysis as of September 2012

3

Capital Allocation Strategy

Moody's Top 10 Shareholders (as of June 30, 2012)

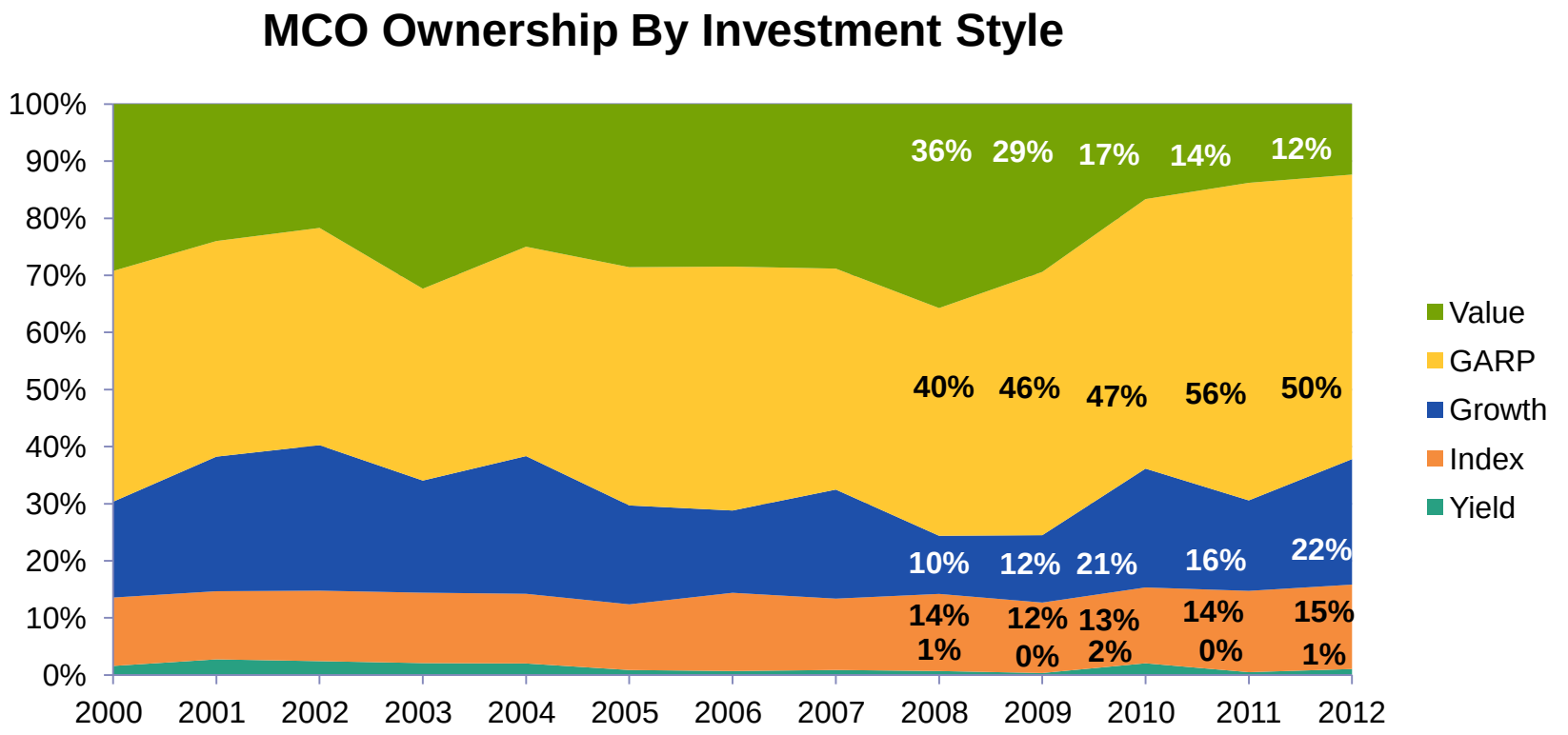
- **Top 10 investors own 54% of MCO's shares outstanding**
- **YTD 2012 Investor Relations activity:**
  - Over 200 calls and meetings with 120+ institutional investors
  - Investor non-deal roadshows in 11 cities in the U.S., Canada, Europe, Asia and South America
  - Participation at four investor conferences

	Institution	# of Shares (mm)	% Ownership
1	Berkshire Hathaway	28.4	12.8%
2	ValueAct Capital	17.0	7.7%
3	Capital World Investors	16.8	7.6%
4	Vanguard	11.5	5.2%
5	T. Rowe Price	9.6	4.3%
6	Manning & Napier	8.8	4.0%
7	BlackRock	8.0	3.6%
8	State Street Global	7.4	3.3%
9	Independent Franchise Partners	6.6	3.0%
10	MFS Investment Management	4.7	2.1%
	Total Diluted Shares Outstanding	**222.3**	

Source: Ownership information based on SEC filings

Moody's Shareholders are Increasingly Growth- and GARP-oriented Investors

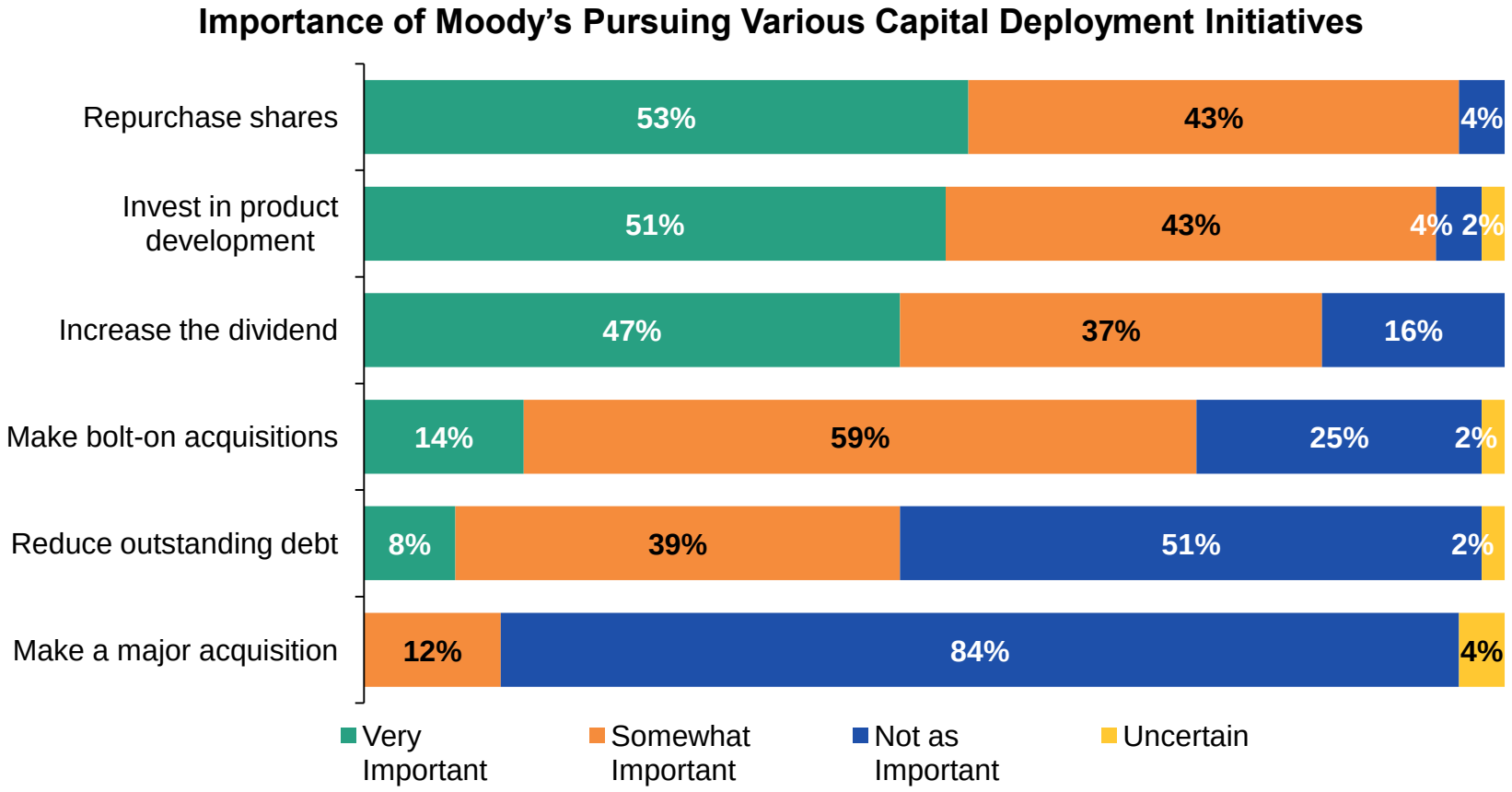
- Continuing shift toward Growth- and GARP-oriented investors with improvement in business fundamentals, regulatory trends and litigation environment
- 2008 marked recent peak of value investor interest



Source: SEC filings. 2000-2011 as of 12/31; 2012 as of 6/30

Capital Strategies Aligned with Investors' Varied Preferences

» We survey top shareholders and analysts semi-annually

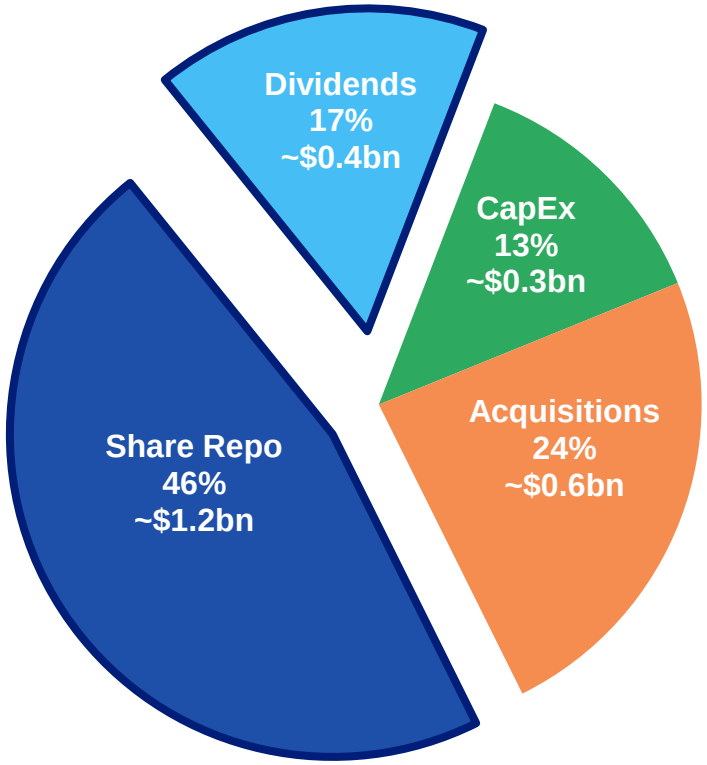


Source: Rivel Investor Perception Study for May-June 2012 (51 interviews)

Capital Allocation Strategy

- **Financial Flexibility / Leverage**
  - Target leverage that maximizes shareholder value and maintains operating flexibility.
  - Maintain an investment grade credit rating.
- **Capital Return**
  - Maintain a balanced approach to returning excess cash to diverse shareholder base.

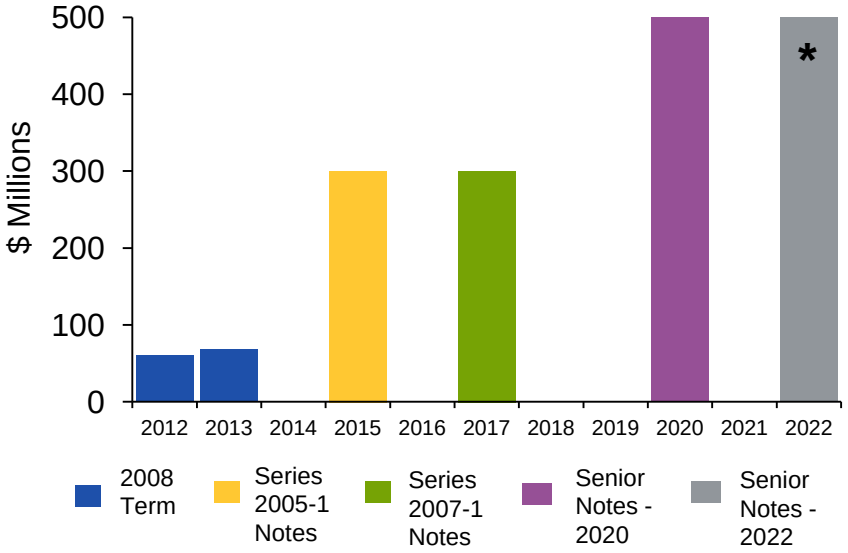
2008 – 2011 Capital Allocation



Balance Sheet Highlights

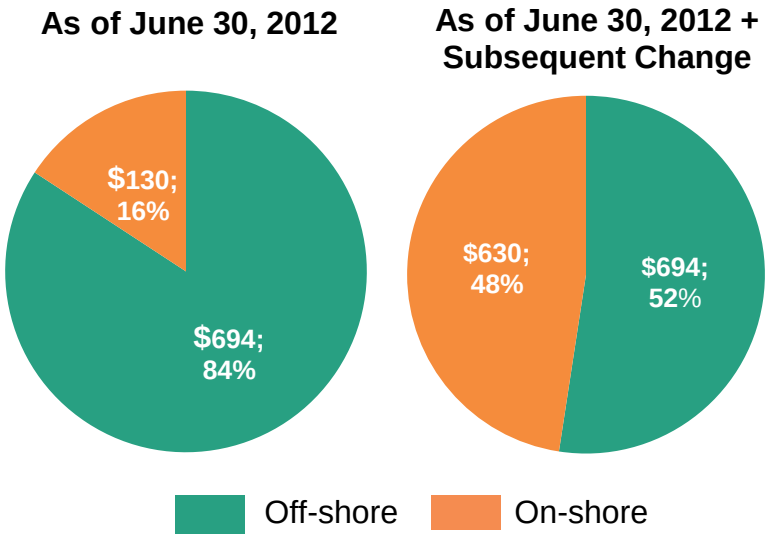
- Strong balance sheet facilitates investments and return of capital.
- $500 million 10-year bond at 4.5% fixed annual interest executed in August 2012*
- $1 billion undrawn credit facility
- No significant debt maturities until 2015
- Current debt/EBITDA of ~1.2x* - well within investment grade credit rating and debt covenant requirements

Debt Maturities



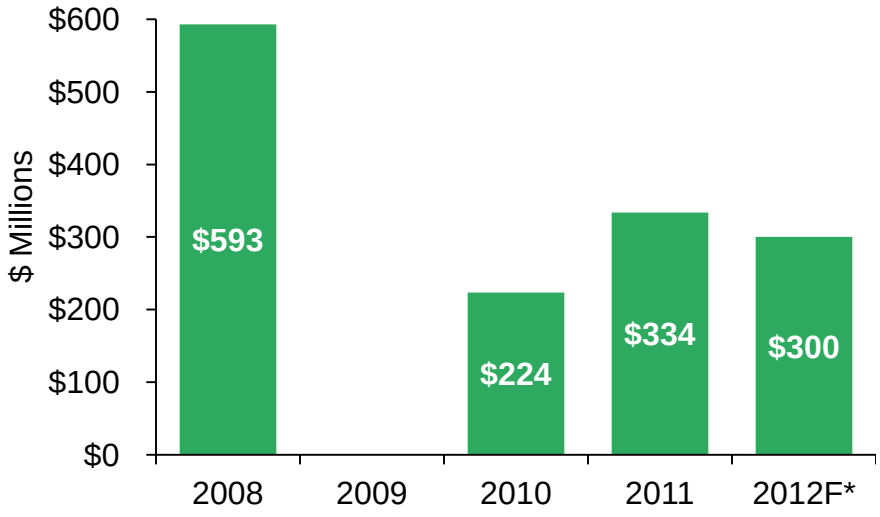
* Reflects August 2012 $500 million bond issuance ("subsequent change")

Cash Balances



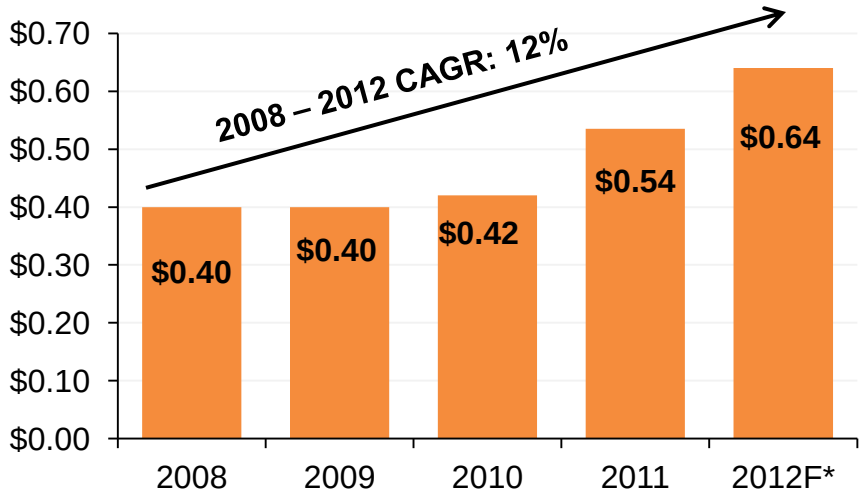
Balanced Approach to Return of Capital through Share Repurchases and Dividends

Share Repurchases



- Increasing expected share repurchases in 2012 to $300 million
- Targeting more consistent share repurchases in coming years: $200 to $300 million per year

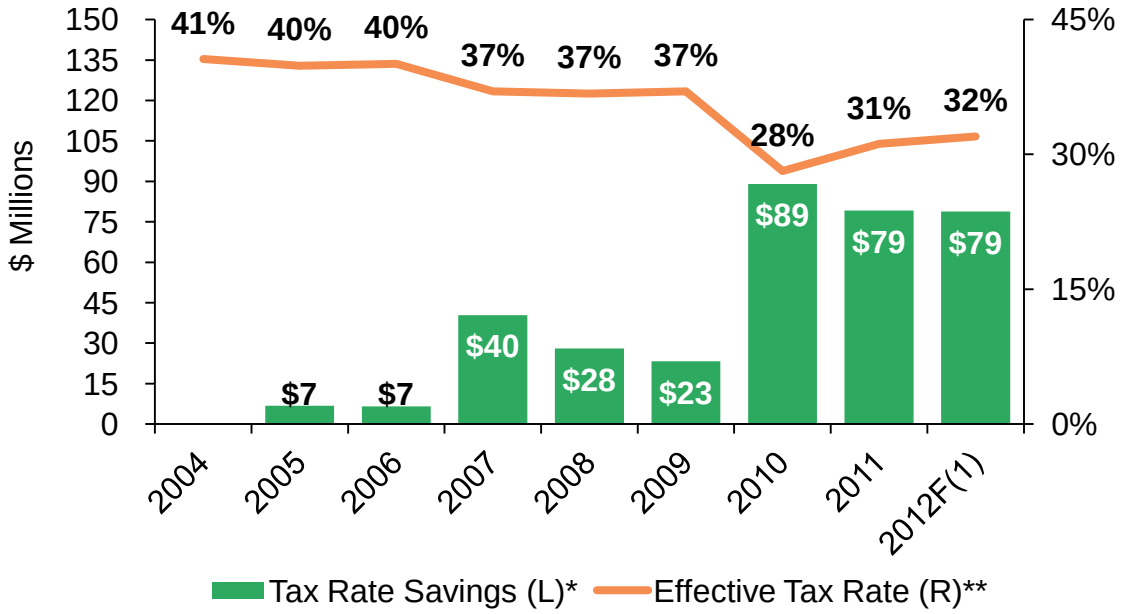
Dividends



- Increased annualized dividend in 2012 by almost 20% to $0.64 ($140 million total cash expected to be paid in 2012)
- Expect to continue to increase dividend in line with earnings**
- Plan to announce 2013 dividend in December

*Guidance as of September 12, 2012.
**Subject to market conditions and other ongoing capital allocation decisions.

Recent Tax Planning Strategies have also Contributed to Available Capital



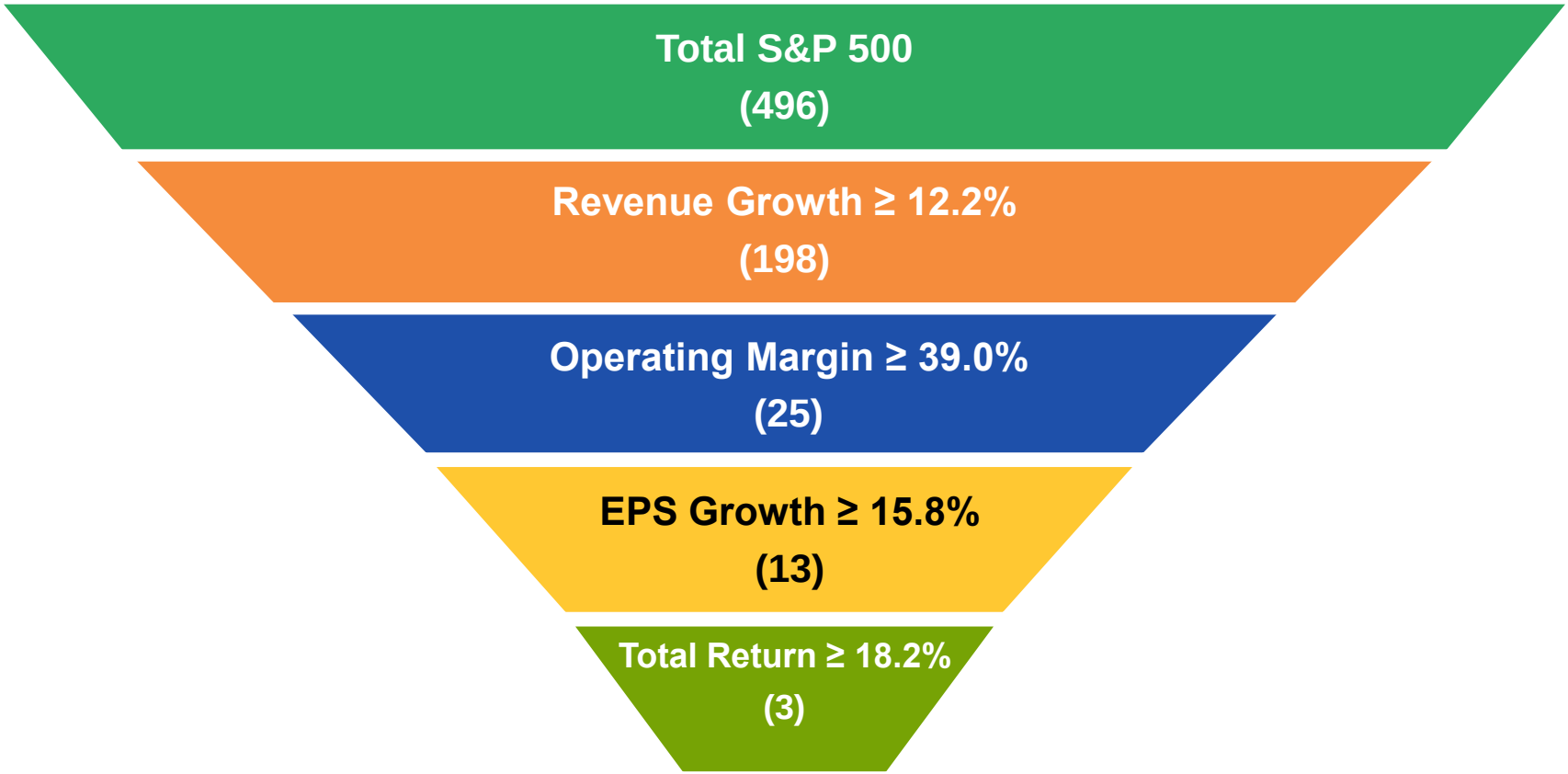
Effective Tax Rate

	2010	2011
MCO	**28%**	**31%**
Verisk	40%	39%
MSCI	40%	34%
MHP	36%	36%

- Tax planning strategies reduced Moody's effective tax rate from 41% in 2004 to current year guidance of "approximately 32%"**
- Cumulative savings of approximately $350 million since 2004*
- Continue to evaluate opportunities and constraints to additional reductions in the future

*Tax Rate Savings relative to 41% Effective Tax Rate in 2004. **2004 ETR of 41% excludes 430 bps related to a legacy tax item.
(1) Guidance as of September 12, 2012.

S&P 500 Company Screen by Revenue, Operating Margin, EPS and Total Return



Source: Capital IQ, IBES, Bloomberg. Market Data is as of August 24, 2012
Note: Includes companies with a market cap > $2 billion. Total return reflects total cash dividends and share repurchases between 2008 and June 30, 2012 as a percentage of current Market Capitalization.

S&P 500 Company Screen by Revenue, Operating Margin, EPS and Total Return

Company Name	2011 Revenue Growth	2011 Operating Margin	2011 EPS Growth	Total Return	Forward 12M P/E
Moody's	12.2%	39.0%	15.8%	18.2%	15.2x
PM	14.3%	43.2%	23.7%	25.8%	16.3x
VISA	13.9%	59.5%	27.3%	24.0%	19.3x

Source: Capital IQ, IBES, Bloomberg. Market Data is as of August 24, 2012
Note: Includes companies with a Market Cap > $2 billion, Revenue Growth ≥12.2%, Operating Margin ≥39.0%, EPS Growth ≥15.8% and Total Return ≥18.2%. Total return reflects total cash dividends and share repurchases between 2008 and June 30, 2012 as a percentage of current Market Capitalization

Full-Year 2012 Guidance as of September 12, 2012

» **Revenue:**	↑ Approximately 12% to 13%
» **Operating Expenses:**	↑ Approximately 12% to 13%
» **Operating Margin:**	Approximately 39%
» **Adjusted Operating Margin[(1)]:**	Approximately 43%
» **Effective Tax Rate:**	Approximately 32%
» **Earnings Per Share[(2)]:**	$2.76 - $2.86 (GAAP); $2.70 - $2.80 (Pro-forma)
» **Share Repurchase:**	Approximately $300 million (subject to available cash, market conditions, and other, ongoing capital allocation decisions)
» **Capital Expenditures:**	Approximately $60-70 million
» **Depreciation & Amortization:**	Approximately $100 million
» **Incremental Compliance & Regulatory Expenses:**	$10-15 million

MCO BUSINESS TARGETS

Long-term revenue growth: Double-digit percent

Long-term adjusted operating margin: Low 40s percent

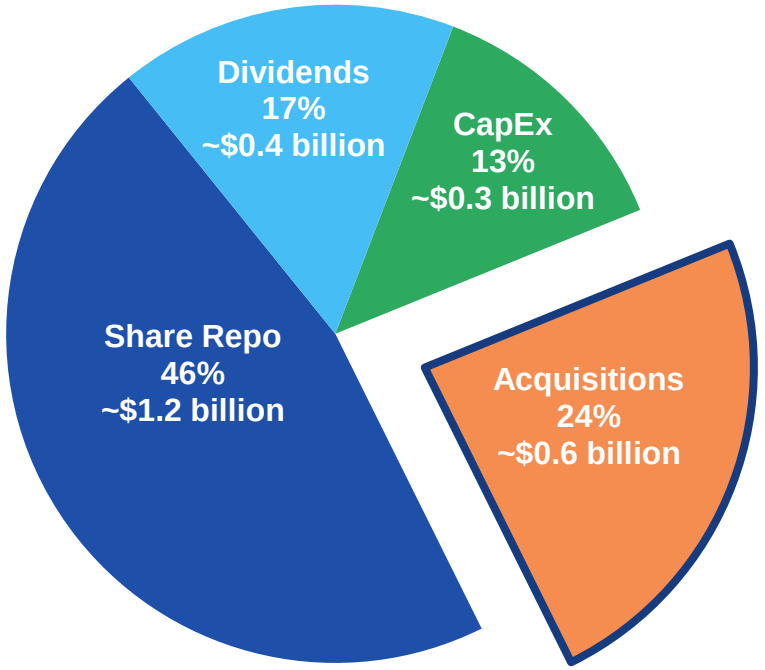
(1) See Appendix for reconciliation of operating margin to adjusted operating margin.
(2) Pro-forma EPS excludes an approximate $0.06 per share benefit related to the favorable resolution of a legacy tax matter in the third quarter of 2012. See Appendix for reconciliation of GAAP EPS to pro-forma EPS.

Corporate Development

Rob Fauber
Senior Vice President, Corporate Development

Moody's Approach to Corporate Development

- **Facilitate corporate portfolio decisions**
  - Annual market attractiveness analysis
  - Assessment of competitive landscape and Moody's positioning
  - Prioritization of investments in markets and businesses
- **Lead geographic expansion in high growth markets**
  - Particular focus on emerging and recently "emerged" markets
- **Assist lines of business in executing strategies**
  - Business plan development
  - Buy vs. build analysis
  - Target screening
  - Proactive outreach
  - Deal execution



Moody's Acquisition Activity

Since January 2005

Has analyzed > 475 companies

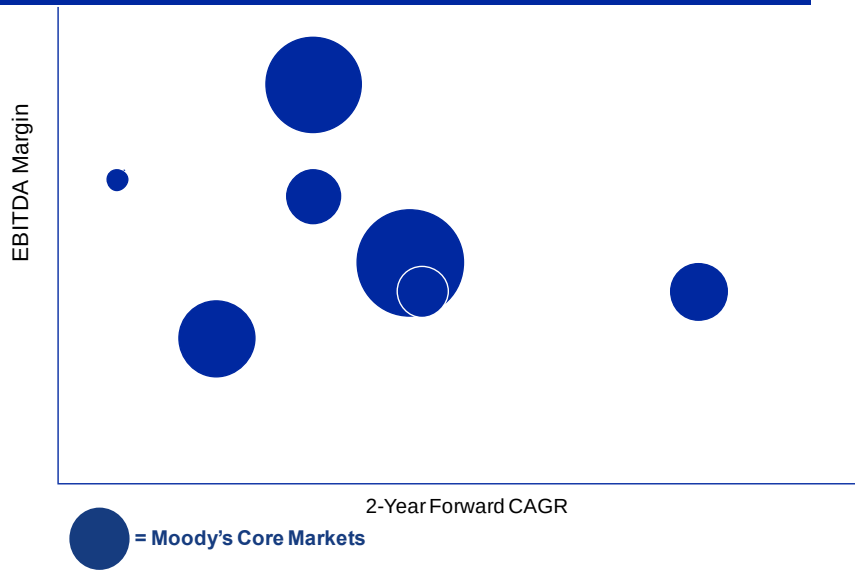
	Minority Investment / Stake Increase	Majority Acquisition	Price Range
Ratings	**4**	**3**	**$1 – 15 mm**
Analytics	**2**	**11**	**$2 – 200 mm**

- Approximately $680 million cumulative purchase price
  - No annual target for acquisition spend
  - Multiple deals in some years, no deals in others
  - 24% of cumulative free cash flow from 2008 -11
- Acquired >$225 million in first year revenues
  - Average revenue multiple of 3.0x
  - Average of all transactions in our database across all sectors in which we operate: 3.4x LTM revenues and 17.1x EBITDA

Moody's Acquisition Criteria

» **Financial parameters**

- IRR in excess of target cost of capital
- Cash-on-cash return of >10% within 3-5 years
- Payback of 7-9 years
- GAAP EPS accretive by year 3



» **Target profile**

- Ratings or "standards" businesses highest priority
- High growth market (sector or geography)
- Financial services client base that can leverage Moody's brand, and distribution and core credit expertise and analytic capabilities
- Demonstrable synergies
- Recurring or "repeat" revenue
- Typically low capital intensity
- Bolt-ons: $25 – 200mm purchase price

Moody's Post-Acquisition Monitoring

- Typically fully integrated (within acquiring business unit)
  - Corporate functions, sales force, IT, etc.
- Acquisition tracking for 3 years after acquisition for transactions >$10 million

Quarterly dashboard

- Track key performance indicators
  - Measurable, relevant, allow us to track vs. acquisition model
  - Financial metrics: revenues and EBITDA (when possible) vs. acquisition model and budget
  - Operational metrics: client retention, employee retention, new sales, etc.

Annual review

- Post-acquisition annual reviews
  - Review of financial performance vs. acquisition model
  - What went as planned vs. what didn't
  - Incorporate learnings into acquisition process
  - Overall strategic assessment of acquisition (performance, fit, other benefits and issues)
- Annual impairment testing

Performance / Profile of Larger Recent Transactions

Metric	CSI	Copal	B&H
Overall key performance indicators	Behind	On track	On track
Ratings or standards	✓		
High growth market		✓	✓
Leverages Moody's competencies	✓	✓	✓
Demonstrable synergies	✓	✓	✓
Recurring or "repeat need" revenue	✓	✓	✓

- CSI exceeded first year KPIs but experiencing some softness due to slowdown in financial services hiring
  - As a result, accelerated integration with legacy training business to drive greater revenue and cost synergies

Moody's Acquisition Contribution

- Meaningfully **expanded addressable market** size for Moody's
  - From approximately $4 billion to approximately $16 billion
  - Beyond credit ratings and research into higher growth areas with recurring and "repeat need" revenue models
- Supporting double digit top-line **growth** for Moody's Corp. via bolt-on acquisitions
  - Leveraging Moody's brand and global distribution
- Building scale in **high-multiple**, high-growth analytics and risk businesses
  - Created top 5 global player in enterprise risk software and solutions
- Adding capabilities to MA to **further penetrate** core financial institutions client base
  - Software and services – including back office platform – in addition to research and data
- Developed local presence in key **emerging markets**
  - Leadership position in domestic Chinese ratings market through successful joint venture (CCXI)

Executive Compensation

Lisa Westlake
Senior Vice President and Chief Human Resources Officer

Compensation Philosophy

- **Link** realized compensation to the achievement of Moody's financial and operating objectives and to the individual's performance
- **Align** executives' rewards with shareholders' interests
- Provide a **competitive** total compensation package that will motivate executives to perform at a superior level and will assist in incentivizing and retaining them

Compensation Governance

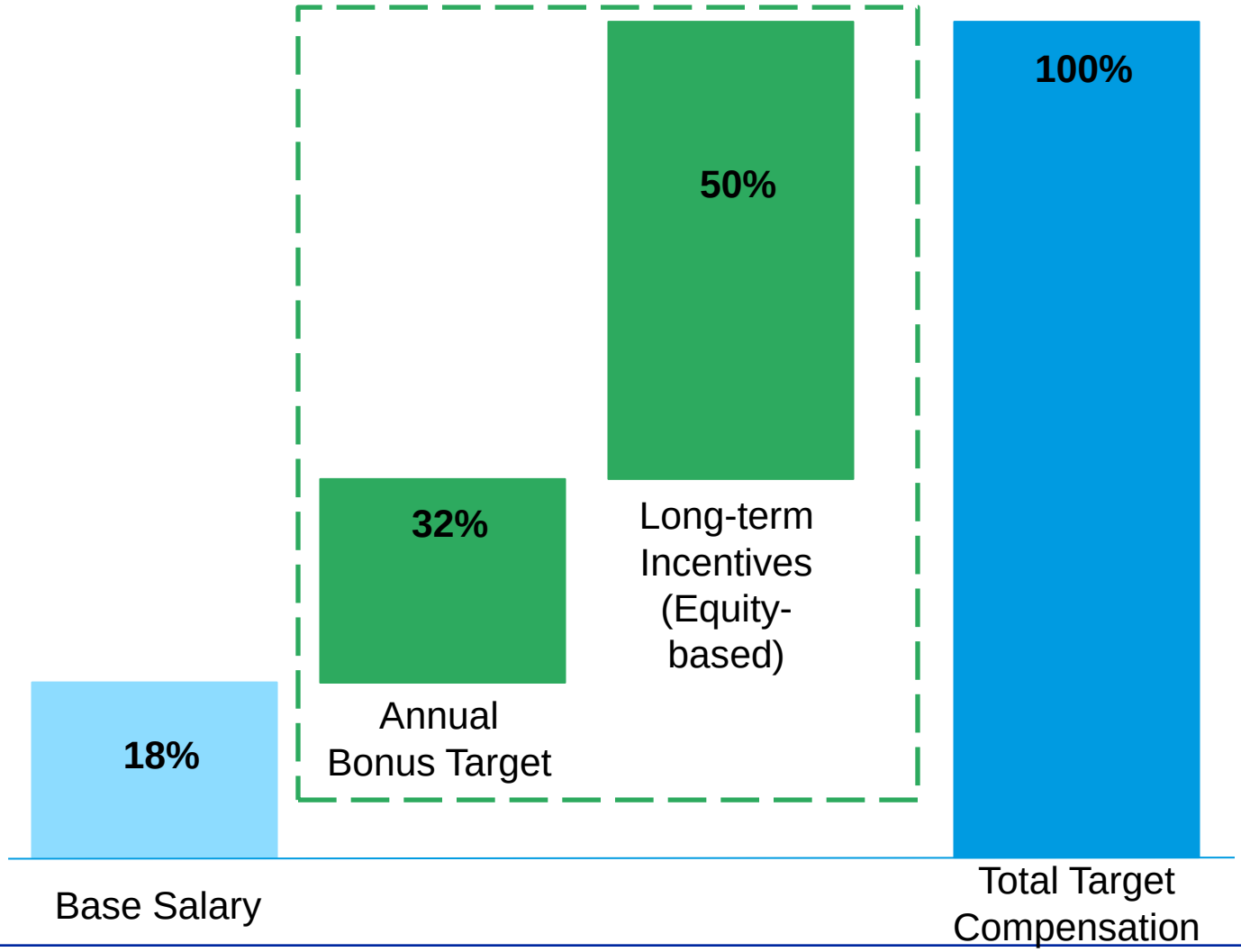
- **Governance and Compensation Committee (GCC) of Moody's Board**
  - Comprised entirely of independent directors with responsibility for oversight of Moody's compensation programs
  - Final authority for evaluating and setting compensation for named executive officers
- **Meridian Compensation Partners LLC**
  - Independent executive compensation consultant serving the GCC

Elements of Moody's Executive Compensation

Base Salary	Annual Cash Incentives	Long-term Incentive Compensation
Generally set at approximate median of salaries of executives in similar positions within Moody's peer group and/or the broader financial services market	Target amounts set at the approximate median against Moody's peer group and/or the broader financial services market	Two components: 40% Stock options 60% 3-year performance shares that are earned only if pre-established performance goals are met or exceeded

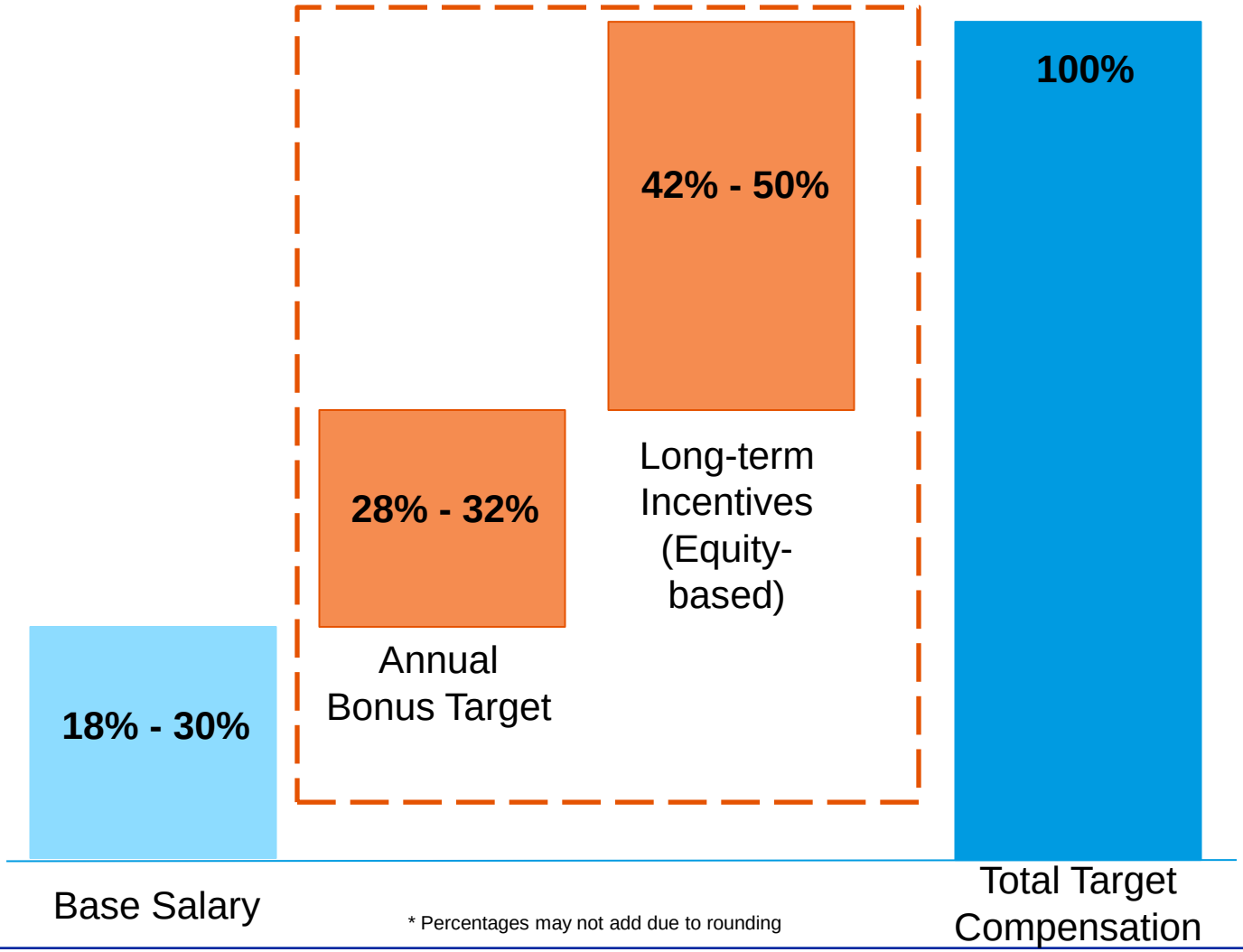
Significant Portion of Executive Compensation is At Risk

CEO At-Risk Compensation = 82% of Total



Significant Portion of Executive Compensation is At Risk

Other NEOs At-Risk Compensation = 70% - 82% of Total*



* Percentages may not add due to rounding

Annual Cash Incentives – Funding Metrics

Name	MCO Operating Income Performance	MCO EPS Performance	Division Operating Income Performance[1]
CEO	50%	50%	0%
CFO	50%	50%	0%
General Counsel	50%	50%	0%
MA President	25%	25%	50%
MIS Pres & COO	25%	25%	50%

- Institutional Investor satisfaction survey[2] modifier adjusts the total funding of the annual cash incentive program by up to +/- 10% based on achievements versus Moody's customer value goals

(1) MIS Operating Income for MIS President and MA Operating Income for MA President
(2) Survey targets debt investors

Long-Term Equity Incentive Compensation

- GCC considers competitive grant values and share utilization practices of Moody's peer group, and works to align the interests of executives with shareholders while also motivating them to improve Moody's current market position

- **Stock options** vest on continued service over 4 years in annual 25% increments; expire 10 years following grant date

- **3-year performance shares** earned if certain cumulative performance goals are achieved or exceeded
  - Weights of performance goals vary depending on each executive's role and responsibilities
  - Performance thresholds based on (1) MCO profitability; (2) MIS's ratings accuracy performance; and (3) MA's sales

Long-Term Incentive Compensation – Funding Metrics

Name	3-Year MCO Profitability	3-Year MIS Ratings Accuracy	3-Year MA Sales
CEO	60%	20%	20%
CFO	60%	20%	20%
General Counsel	60%	20%	20%
MA President	50%	0%	50%
MIS President & COO	50%	50%	0%

Stock Ownership Guidelines

- Executive officers are expected, within 5 years, to acquire and hold shares of MCO equal in value to a specified multiple of their base salary
  - **6x** base salary for CEO (increased from 5x as of July 2012)
  - **3x** base salary for remaining named executive officers
  - **5x** annual cash retainer for non-management Board directors
- There is a 75% of net shares “hold until met” requirement for all individuals subject to the stock ownership guidelines
- Stock options and unearned performance shares do not count toward satisfying the guidelines
- NEO share ownership is expected to increase significantly in 2013, when the first tranche of 3-year performance shares is paid

Summary Notes

- Moody's executive compensation plans are directly aligned with shareholders' interests
- Moody's has robust, independent governance around executive compensation
- Moody's executive compensation is routinely benchmarked and in line with that of its peers, and with the broader financial services industry
- Shareholders approved Moody's executive compensation in 2011 with a 98% favorable vote

Moody's

Q&A

Financial Strategy

Appendix

Moody's Corporation Free Cash Flow Reconciliation

(in millions)	2008	2009	2010	2011
Cash Flow from Operations	**539.7**	**643.8**	**653.3**	**803.3**
Less Adjustment:				
Capital Expenditures	*84.4*	*90.7*	*79.0*	*67.7*
Free Cash Flow	**455.3**	**553.1**	**574.3**	**735.6**

Moody's Corporation EPS Guidance Reconciliation

	2012
EPS Guidance - GAAP	$2.76 - $2.86
Legacy Tax*	($0.06)
EPS Guidance - Pro forma	$2.70 - $2.80

* Reflects favorable resolution of a Legacy Tax Matter in Q3 2012.

Moody's Corporation Adjusted Operating Income Reconciliation

(in millions, except %)	2008	2009	2010	2011
As Reported Operating Income	748.2	687.5	772.8	888.4
Operating Margin	***42.6%***	***38.3%***	***38.0%***	***39.0%***
Add Adjustment:				
Depreciation & Amortization	*75.1*	*64.1*	*66.3*	*79.2*
Restructuring	*(2.5)*	*17.5*	*0.1*	*-*
Adjusted Operating Income	820.8	769.1	839.2	967.6
Adjusted Operating Margin	***46.8%***	***42.8%***	***41.3%***	***42.4%***

Moody's Analytics Adjusted Operating Income Reconciliation

	1Q 2010	2Q 2010	3Q 2010	4Q 2010	1Q 2011	2Q 2011	3Q 2011	4Q 2011	1Q 2012	2Q 2012
As Reported Operating Income	29.6	33.5	34.5	28.0	30.8	33.2	38.3	26.2	31.3	41.2
As Reported Operating Margin	20.9%	22.4%	21.4%	15.2%	18.4%	19.6%	21.0%	12.9%	15.9%	20.4%
Add Adjustment:										
Depreciation & Amortization	7.6	7.3	7.7	8.4	9.0	9.4	9.2	10.4	12.4	11.4
Restructuring	(0.2)	0.1	0.1	-	-	-	0.1	(0.1)	-	-
Adjusted Operating Income	**37.0**	**40.9**	**42.4**	**36.4**	**39.8**	**42.6**	**47.6**	**36.5**	**43.7**	**52.6**
Adjusted Operating Margin	26.5%	27.8%	26.6%	20.0%	24.1%	25.4%	26.4%	18.2%	22.4%	26.3%

Moody's

Closing and Thanks

Ray McDaniel

President and Chief Executive Officer

Moody's Investor Day 2012 Presenters

Salli Schwartz



Global Head of Investor Relations

Salli Schwartz is Global Head of Investor Relations at Moody's. In this role, Ms. Schwartz is responsible for outreach to Moody's current and prospective shareholders and for managing Moody's Investor Relations team.

Ms. Schwartz, who joined Moody's in 2007, served previously as Vice President — Corporate Development, where she was responsible for various corporate development and strategic planning initiatives, including acquisitions, joint ventures and strategic alliances.

Prior to joining Moody's, Ms. Schwartz held positions in corporate strategy, corporate treasury and planning and analysis for investment research with Citigroup. She has also held investment banking and merchant banking positions with Legg Mason, Inc. Ms. Schwartz has a Master of Business Administration from Cornell University and a Bachelor of Arts from the University of Pennsylvania, both with distinction.

Raymond W. McDaniel Jr.



President and Chief Executive Officer

Raymond W. McDaniel, Jr. is President and Chief Executive Officer of Moody's Corporation. In this role, Mr. McDaniel is responsible for all activities of the Company and its two operating divisions: Moody's Investors Service, the credit rating agency; and Moody's Analytics.

Mr. McDaniel has held a variety of positions since joining the Company in 1987. He was named President of Moody's Investors Service in November 2001. He was promoted to Executive Vice President of the Company and was elected to its board of directors in April 2003. Mr. McDaniel served as the Company's President from October 2004 until April 2005 and the Company's Chief Operating Officer from January 2004 until April 2005. He has served as CEO since April 2005, was named President in April 2012, and served as the Chairman of the Board from April 2005 until April 2012.

Mr. McDaniel holds a J.D. from Emory University School of Law and a B.A. in political science from Colgate University. He was admitted to the Bar of the State of New York in 1984, and is a member of the board of directors of John Wiley & Sons, Inc.

Moody's Investor Day 2012 Presenters

Mark Zandi



Chief Economist, Moody's Economy.com

Mark Zandi is Chief Economist and cofounder of Moody's Economy.com, where he directs the company's research and consulting activities. Moody's Economy.com, a division of Moody's Analytics, provides economic research and consulting services to businesses, governments and other institutions.

A trusted adviser to policymakers and an influential source of economic analysis for businesses, journalists and the public, Dr. Zandi has frequently testified before Congress and has advised the Obama administration as well as Senator John McCain's presidential campaign. Dr. Zandi is often quoted in national and global publications and interviewed by major news media outlets and is the author of Financial Shock, an exposé of the financial crisis. His forthcoming book, Paying the Price, provides a roadmap for meeting the nation's daunting fiscal challenges.

Dr. Zandi received his Ph.D. at the University of Pennsylvania, where he did his research with Gerard Adams and Nobel laureate Lawrence Klein, and received his B.S. from the Wharton School at the University of Pennsylvania.

Michel Madelain



Chief Operating Officer, Moody's Investors Service

Michel Madelain is President and Chief Operating Officer of Moody's Investors Service, and is responsible for setting the strategic direction and managing the day-to-day operations of Moody's ratings business. He was named Chief Operating Officer of Moody's Investors Service in May 2008 and was named President in November 2010. Prior to this role, he held the position of Executive Vice President, Fundamental Ratings, with responsibility for all global fundamental ratings, including corporate finance, financial institutions, public finance and infrastructure finance. Previously, he was Senior Managing Director with responsibility for global banking. Prior to this position, Mr. Madelain managed Moody's corporate ratings in Europe, Middle East and Africa and held several Managing Director positions in the U.S. and the U.K. fundamental rating groups.

Prior to joining Moody's in 1994, Mr. Madelain was a Partner of Ernst & Young, Auditing Practice. Mr. Madelain is a graduate of the Ecole Superieure de Commerce de Rouen, Rouen, France, and holds an MBA in management from Northwestern University, Evanston, Illinois. He is qualified as a Chartered Accountant in France.

Moody's Investor Day 2012 Presenters

Mike Rowan



Managing Director, Global Commercial Group, Moody's Investors Service

Mike Rowan was appointed to lead the Global Commercial Group of Moody's Investors Service in February 2010 and oversees management of the firm's relationships with existing issuers, as well as business development and strategic planning for the rating agency. From 2008 to 2009 Mr. Rowan served as Senior Managing Director of the Global Corporate Finance Group with responsibility of all of Moody's non-financial corporate ratings activities. This followed five years as Group Managing Director and co-head of the Americas Corporate Finance Group.

From 1999 to 2002, Mr. Rowan was a Managing Director and co-head of the Leveraged Finance ratings team, responsible for syndicated loan and high-yield bond analysis. He joined Moody's in 1996 as a senior analyst for Leveraged Finance, coming from Bank of America, where he was Vice President in the corporate banking division.

Mr. Rowan received an M.B.A. in finance from Iona College and a B.S. in finance from Siena College. He is a Chartered Financial Analyst and member of the CFA Institute and the New York Society of Security Analysts.

John Goggins



Executive Vice President and General Counsel

John Goggins is Executive Vice President & General Counsel of Moody's Corporation. In this role, Mr. Goggins is responsible for managing all legal and regulatory matters for the company, including litigation, corporate governance and transactions, securities regulation and intellectual property, as well as the company's regulatory affairs and compliance activities. Mr. Goggins joined the firm in 1999 as Vice President and Associate General Counsel.

Prior to joining Moody's, he served as Counsel for Dow Jones & Company from 1995 to 1999, responsible for SEC compliance, corporate finance, executive compensation, investor relations and negotiating acquisitions, dispositions and joint ventures. Mr. Goggins was an Associate with Cadwalader, Wickersham & Taft from 1985 to 1995 where he worked on mergers and acquisitions.

Mr. Goggins holds a J.D. from the University of Chicago and a B.A in economics and history from Amherst College. He is a member of the New York State Bar.

Moody's Investor Day 2012 Presenters

Mark Almeida



President, Moody's Analytics

Mark Almeida has been President of Moody's Analytics since January 2008. Prior to this position, Mr. Almeida was Senior Managing Director of the Investor Services Group (ISG) at Moody's Investors Service, where he was responsible for sales and development of Moody's portfolio of research products and services.

Mr. Almeida joined the Corporate Finance division of Moody's Investors Service in 1988. Based in London in the early 1990s, he organized a marketing team to position Moody's for the business opportunities anticipated from the development of the European debt capital markets. Mr. Almedia was named Group Managing Director, Investor Services in 2000, and was promoted to Senior Managing Director in 2004.

Prior to joining Moody's, Mr. Almeida worked in marketing and regional economics for Chase Econometrics, a consulting subsidiary of The Chase Manhattan Bank. He holds a B.A. from St. Joseph's University in Philadelphia and an M.B.A. from the Leonard N. Stern School of Business at New York University.

Dan Russell



Executive Director, Research

Dan Russell has been Executive Director of Moody's Analytics since November 2007. In this role, he is responsible for marketing the research produced by Moody's Investor Services and managing Moody's Analytics proprietary market based credit metrics. In addition, Mr. Russell oversees all facets of Moodys.com.

Prior to his current position, Mr. Russell was a Managing Director of the Investor Services Group at Moody's Investor Services where he was responsible for a portfolio of new business initiatives. Mr. Russell joined Moody's in October 1992.

Before joining Moody's, Mr. Russell worked at Bankers Trust (now Deutsche Bank) in a number of business development roles for three years. He began his career at Fireman's Fund Insurance as an actuary.

Mr. Russell holds a B.A. from the University of California, Berkeley and an M.B.A. from Cornell's Johnson Graduate School of Management.

Moody's Investor Day 2012 Presenters

Geoff Fite



Executive Director-Chief Operating Officer, Moody's Analytics

Geoff Fite joined Moody's KMV in July 2005. Previously, Mr. Fite was Head of Technology and VP of Institutional Investment Consulting at Morningstar Associates (a business unit of Morningstar Inc). Prior to Morningstar Associates, Mr. Fite was COO and CTO of mPower Advisors, a Principal at PricewaterhouseCoopers and CTO of Cogent.

Mr. Fite holds a bachelors degree from the University of California at San Diego and masters degrees from Columbia University.

Rishi Khosla



Chairman and Chief Executive Officer of Copal Partners

Rishi is the Chairman & CEO of Copal Partners, which he co-founded. Rishi is viewed as one of the pioneers of the research and analytics outsourcing industry. In a landmark transaction, Rishi has sold a majority stake of the business to Moody's Corporation.

Rishi is an active venture investor and has been investing in various early stage businesses / start ups since 1998 and has seed funded two billion dollar enterprises – PayPal and Indiabulls. The Indiabulls investment is recognised as the most successful venture/private equity investment made in India with over 150x capital return. He also advises Lakshmi N. Mittal on his private equity and venture investments.

Previously he was in the business development team at GE Capital, reporting to the President of GE Capital Europe. During his tenure he attained approval from Jack Welch to establish an early stage venture fund for GE Capital, which he co-managed. Rishi started his career in banking where he wrote one of the first equity research notes on the third generation of mobile telephony, and participated in a number of advisory transactions, including an asset swap between GRE and ING and a divestment program for the Polish government.

Rishi is a Trustee of New Philanthropy Capital, an organization providing independent research and tailored advice on the most effective ways to support charities.

He holds a Bachelors degree in Economics from the University College London, and a Masters in Accounting & Finance from London School of Economics where he was awarded a scholarship by the Economic and Social Research Council.

Moody's Investor Day 2012 Presenters

Linda Huber



Executive Vice President and Chief Financial Officer

Linda Huber is Executive Vice President and Chief Financial Officer of Moody's Corporation. Ms. Huber has executive responsibility for the corporation's global finance activities, including accounting and financial reporting, tax, treasury, business planning, investor relations and internal audit. She is also responsible for Moody's information technology, communications and middle office functions.

Prior to joining Moody's, Ms. Huber was Executive Vice President and Chief Financial Officer at U.S. Trust Company, a subsidiary of Charles Schwab & Company, Inc., from 2003 to 2005. Previously, she was Managing Director at Freeman & Co. from 1998 through 2002. Ms. Huber served PepsiCo as Vice President of Corporate Strategy and Development from 1997 until 1998, and as Vice President and Assistant Treasurer from 1994 until 1997. From 1991 until 1994, Ms. Huber was a Vice President in the Energy Investment Banking Group at Bankers Trust Company, and was an Associate in the Energy Group at The First Boston Corporation from 1986 through 1990. Ms. Huber held the rank of Captain in the U.S. Army, where she served from 1980 to 1984. During her years of military service, she received two Meritorious Service Medals and is airborne qualified.

Ms. Huber holds an MBA from Stanford Graduate School of Business and a B.S. (with high honors) in business and economics from Lehigh University.

Robert Fauber



Senior Vice President, Corporate Development

Rob Fauber became Senior Vice President of Corporate Development for Moody's Corporation in April 2009. He runs the Company's corporate development group, which includes the origination, evaluation, and execution of investment, merger, and acquisition opportunities, as well as corporate strategy.

Prior to joining Moody's, Mr. Fauber served in several roles at Citigroup from 1999 - 2005, including most recently, Director of Planning and Business Development for Citigroup's Alternative Investments division. Prior to that, he worked as a Director in Corporate Strategy & Business Development for Citigroup parent, and a Vice President and Associate in the Financial Sponsor and Telecom investment banking groups at the firm's Salomon Smith Barney subsidiary. Mr. Fauber started his career at NationsBank (now Bank of America).

Mr. Fauber holds an M.B.A. (with distinction) from The Johnson School of Management at Cornell University and a B.A. in economics from the University of Virginia.

Moody's Investor Day 2012 Presenters

Lisa Westlake



Senior Vice President and Chief Human Resources Officer

Lisa Westlake is Chief Human Resources Officer for Moody's Corporation, a role she took on in November 2008 after serving two years as Vice President of Investor Relations. Ms. Westlake joined Moody's in 2004 as Managing Director – Finance, responsible for leading Treasury, Tax, and Business Planning for the firm and was appointed as a corporate officer in 2007.

Prior to joining Moody's, Ms. Westlake was a Senior Consultant with the Schiff Consulting Group from 2003 to 2004 specializing in leadership strategies for finance executives.

She was previously at American Express as Vice President and Chief Financial Officer for the OPEN Small Business Network where she oversaw more than $50 billion of small business spending and $6 billion of small business lending. Prior positions at American Express included Vice President and Chief Financial Officer for Establishment Services and before that for Relationship Services. She was at American Express from 1996 through 2003.

From 1989 until 1995 Ms. Westlake held a range of financial management positions at the Dun & Bradstreet Corporation and its subsidiary at the time, IMS International.

Ms. Westlake holds an MBA from Columbia University Graduate School of Business and an AB in Biochemistry from Dartmouth College.

Moody's Investor Day 2012 Additional Management Attendees

Name	Title
Michael Adler	Vice President, Corporate Communications
Richard Cantor	Chief Risk Officer
Michael Crimmins	Managing Director, Assistant Controller
Jeff Hare	Senior Vice President, Planning & Treasury
Fran Laserson	President, Moody's Foundation
Ari Lehavi	Executive Director, Professional Services
Ben Lewis	Vice President, Corporate Development
Elizabeth McCarroll	Assistant General Counsel
Christine Merkle	Senior Vice President, Treasury
Tony Mirenda	Managing Director, Global Communications
Margaret Rienecker	Executive Director - CAO, Moody's Analytics
Glenn Robinson	Managing Director, Financial Planning & Analysis
Detlef Scholz	Managing Director, Global Structured Finance
Amita Sethi	Senior Vice President, Moody's Investors Service
Michael Solomon	Managing Director, Moody's Investors Service
Tony Stoupas	Chief Information Officer
Steve Tulenko	Executive Director, Moody's Analytics
Blair Worrall	Senior Vice President, Internal Audit

Website: http://ir.moodys.com

Email: ir@moodys.com



© 2012 Moody's Corporation and/or its licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. ("MIS") AND ITS AFFILIATES ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND CREDIT RATINGS AND RESEARCH PUBLICATIONS PUBLISHED BY MOODY'S ("MOODY'S PUBLICATIONS") MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED,

DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTENCONSENT.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The ratings, financial reporting analysis, projections, and other observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. Each user of the information contained herein must make its own study and evaluation of each security it may consider purchasing, holding or selling.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

MIS, a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MIS have, prior to assignment of any rating, agreed to pay to MIS for appraisal and rating services rendered by it fees ranging from $1,500 to approximately $2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading "Shareholder Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Any publication into Australia of this document is by MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657, which holds Australian Financial Services License no. 336969. This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001.

Notwithstanding the foregoing, credit ratings assigned on and after October 1, 2010 by Moody's Japan K.K. ("MJKK") are MJKK's current opinions of the relative future credit risk of entities, credit commitments, or debt or debt-like securities. In such a case, "MIS" in the foregoing statements shall be deemed to be replaced with "MJKK". MJKK is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO.

This credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors. It would be dangerous for retail investors to make any investment decision based on this credit rating. If in doubt you should contact your financial or other professional adviser.