Moody's



Goldman Sachs Financial Services Conference

Investor Presentation

DECEMBER 7, 2011

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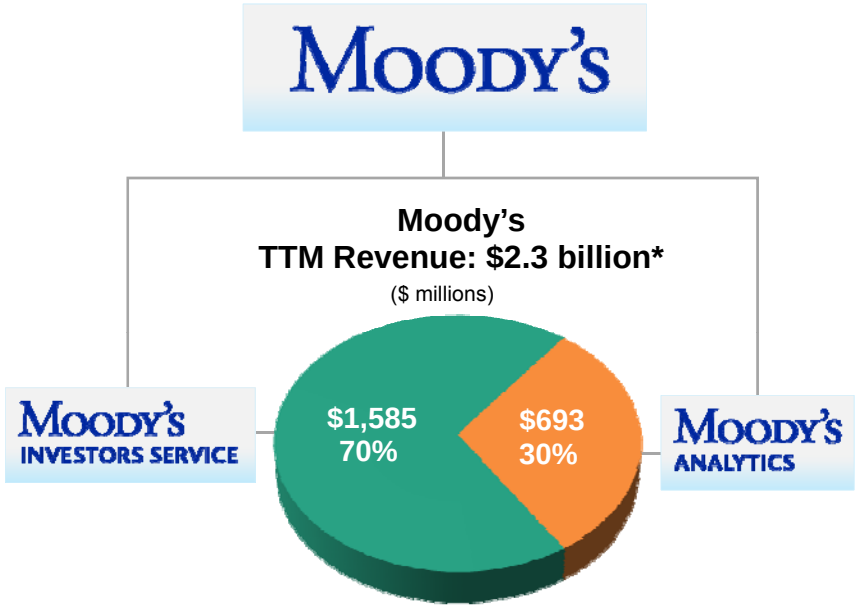
1 Corporate Overview

Overview of Moody's Corporation

Investment Fundamentals

- Leading market franchise in attractive fixed income industry
- Risk measurement and management products provide long-term growth opportunities
- Moody's Investors Service is well-positioned to take advantage of fixed income issuance
- Moody's Analytics has an increasing addressable market and can drive growth
- Powerful financial model
- Strong balance sheet, plus commitment and track record of returning cash to shareholders



BUSINESS TARGETS

Long-term revenue growth: Double-digit percent

Long-term operating margin: Above 40 percent

* Represents consolidated financials excluding intersegment royalty and eliminations. TTM is trailing twelve months as of September 30, 2011

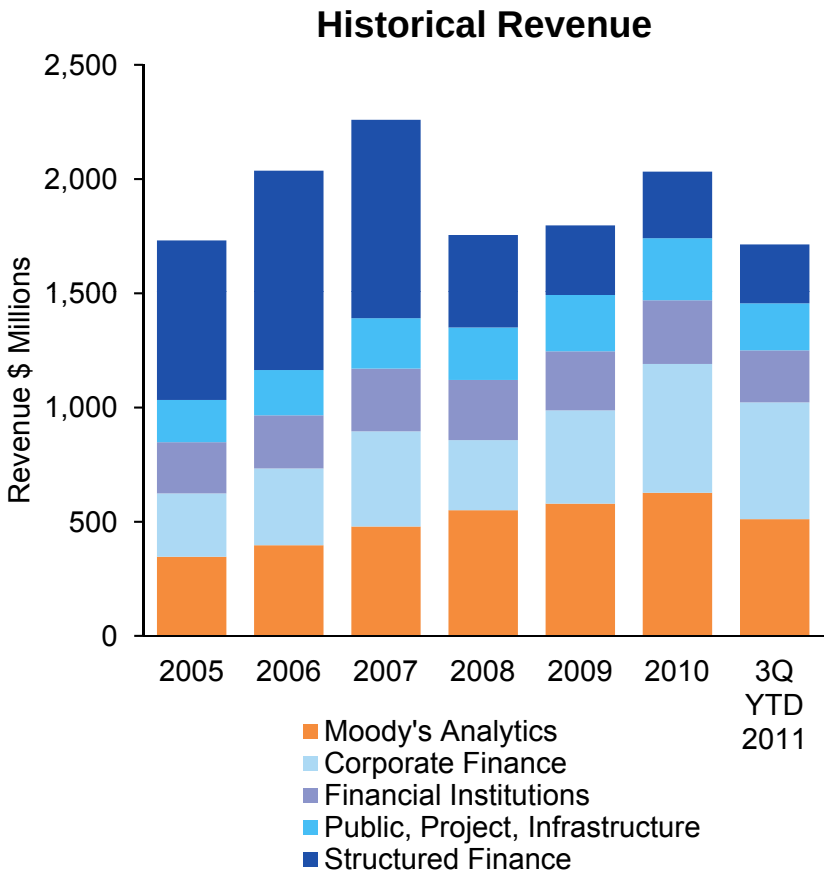
Moody's Long-Term Growth Strategy

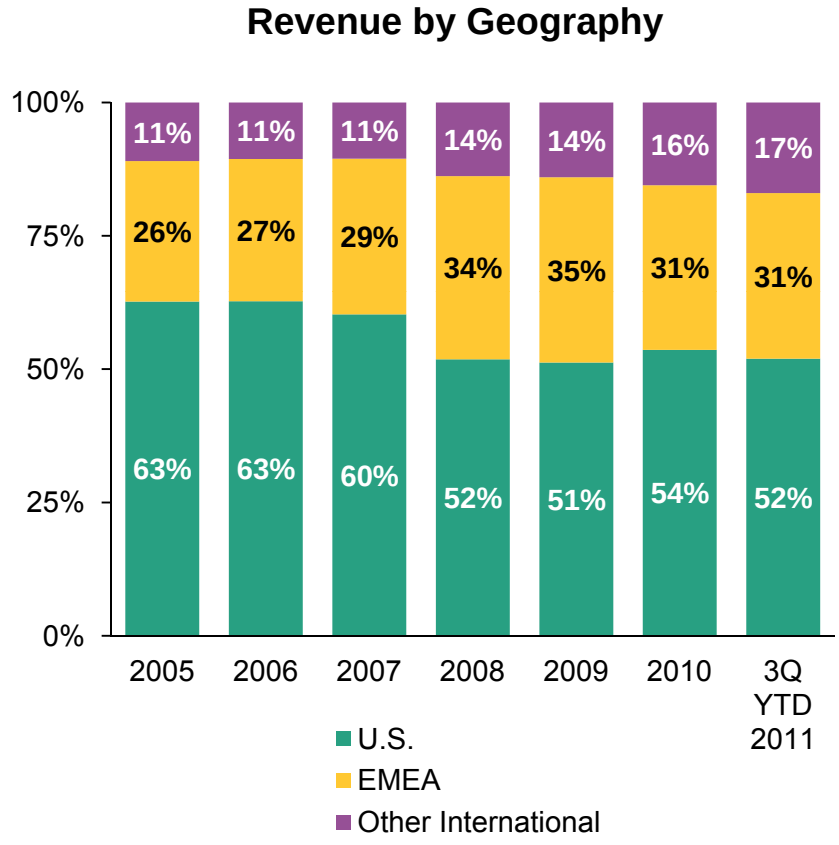
We strive to be the world's most respected authority serving credit sensitive markets



- Global bond market expansion driven by global GDP growth and disintermediation
- Organic and inorganic growth opportunities:
  - Achieve scale in attractive markets where we have presence but not sufficient scale today
  - Move into attractive adjacencies where we can leverage our core competencies
  - Invest in high growth emerging markets
- Pricing and business development initiatives across Moody's Corporation

Diversified Revenue Mix Allows Moody's To Prosper in a Challenging Environment





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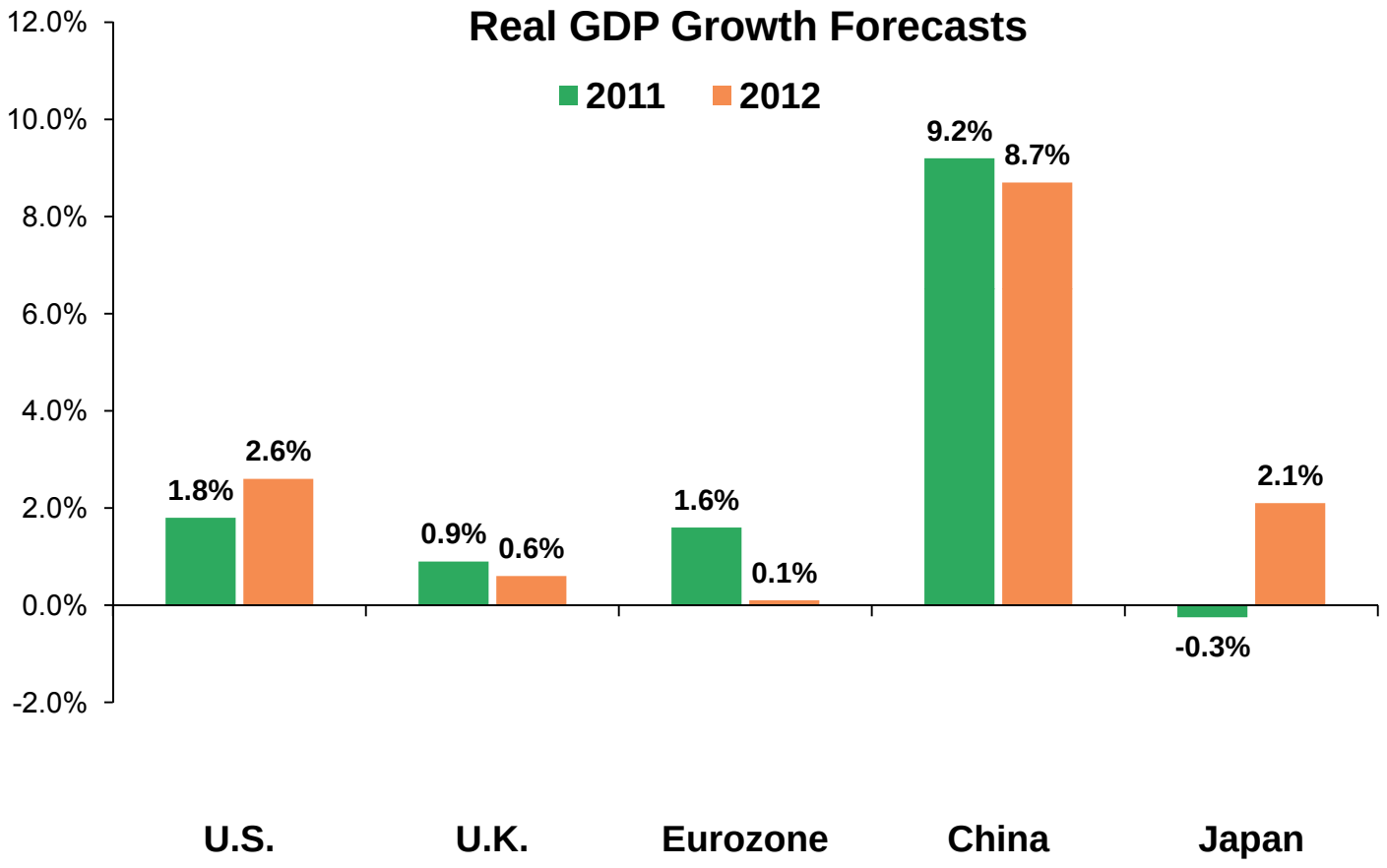
Macroeconomic and Capital Markets Summary

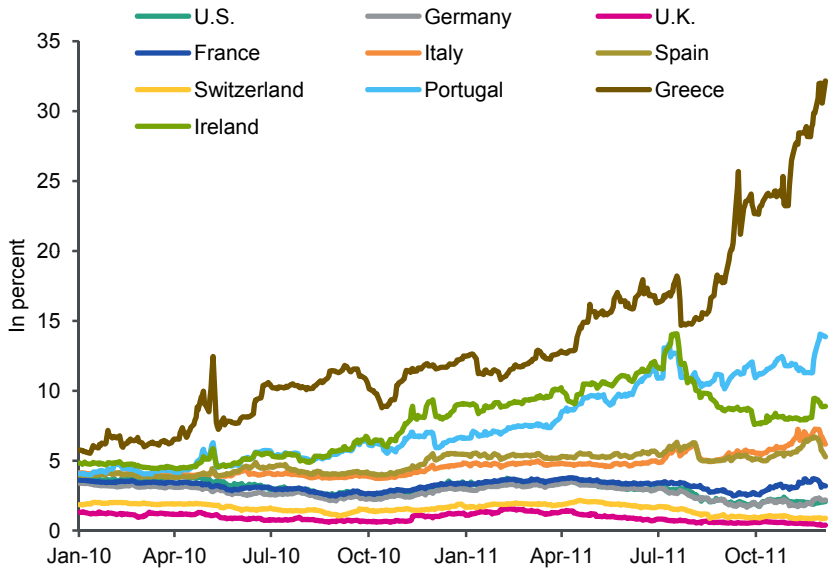
GDP Growth For Most Regions Is Forecast To Be Relatively Modest in the Near-Term



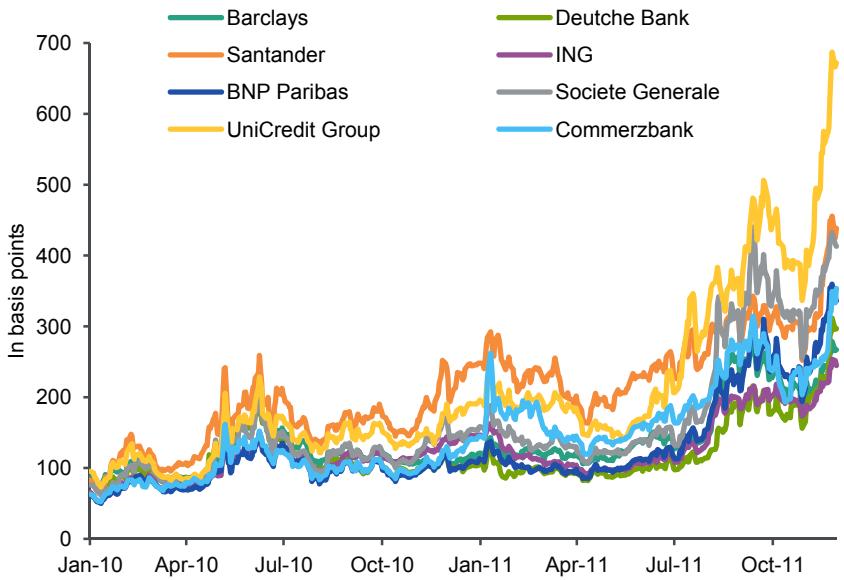
Source: Moody's Economy.com; as of November 2011

Challenging Funding Environment for European Sovereigns and Banks

10-Year Government Bond Yields



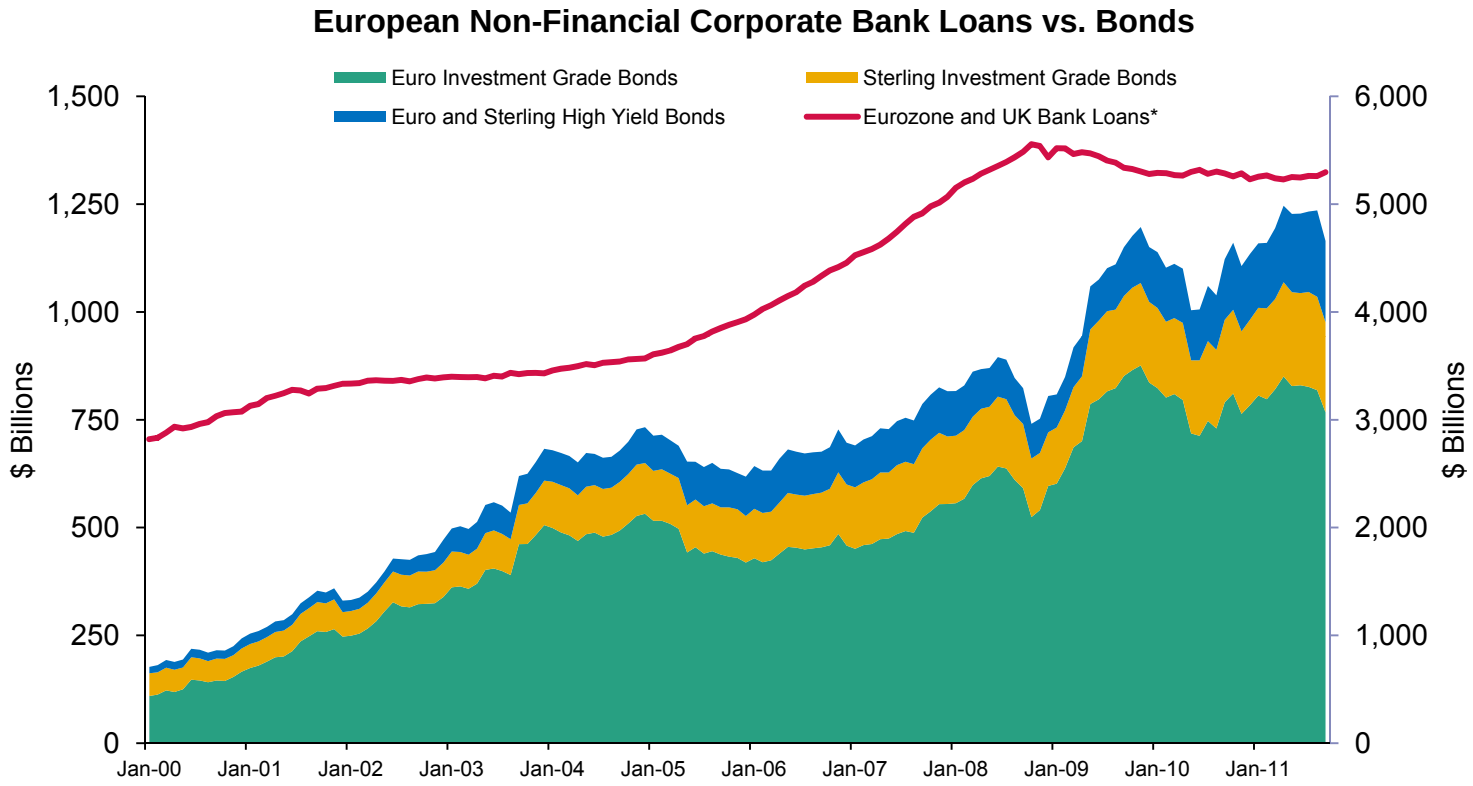
European Bank CDS Spreads



- On November 30th, the Federal Reserve and other major central banks moved to help foreign banks more easily borrow and lend money
- The latest round of interventions by central banks reflects growing concerns around Europe
  - Early signs of a credit crunch in Europe, with concerns it could get worse

Source: Bloomberg, Moody's Economy.com, data as of December 5, 2011

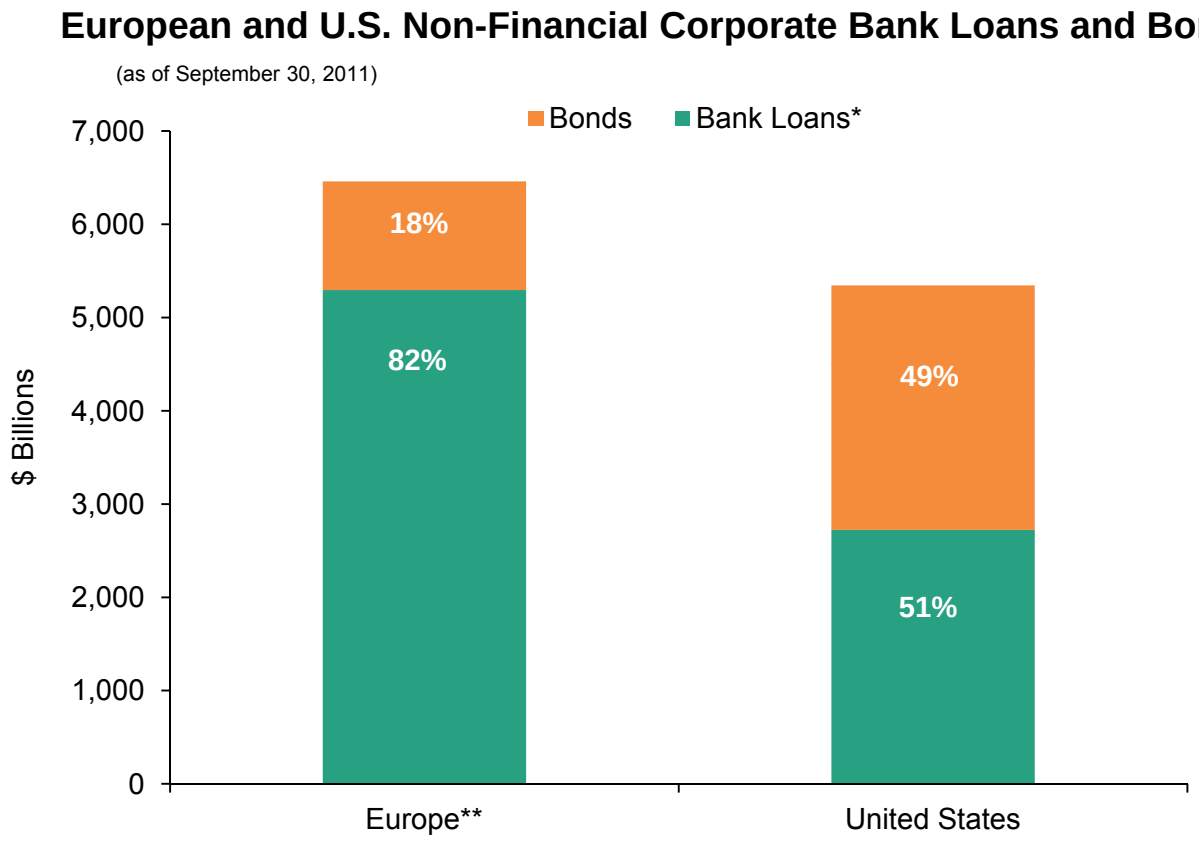
Banking Conditions in Europe Driving More European Corporates to the Bond Markets



Source: Federal Reserve, ECB, Barcap Indices, Moody's Capital Markets Research Group; Data as of September 30, 2011.
*Includes construction sector loans.

» January 2000-Sept 2011 compound annual growth rate: Bonds: 18%, Loans: 6%

European Capital Markets Have Room For Growth

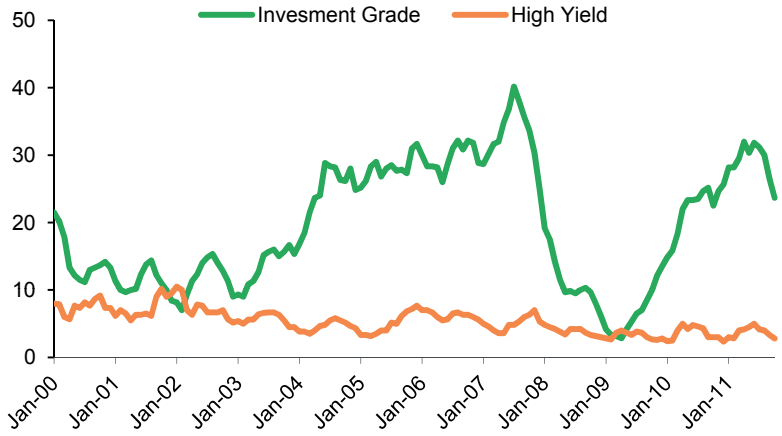


Sources: Federal Reserve, ECB, Barcap Indices, Moody's Capital Markets Research Group; * Includes construction sector loans; ** European bond data represents euro and sterling denominated debt. European loan data represents Eurozone and UK bank loans.

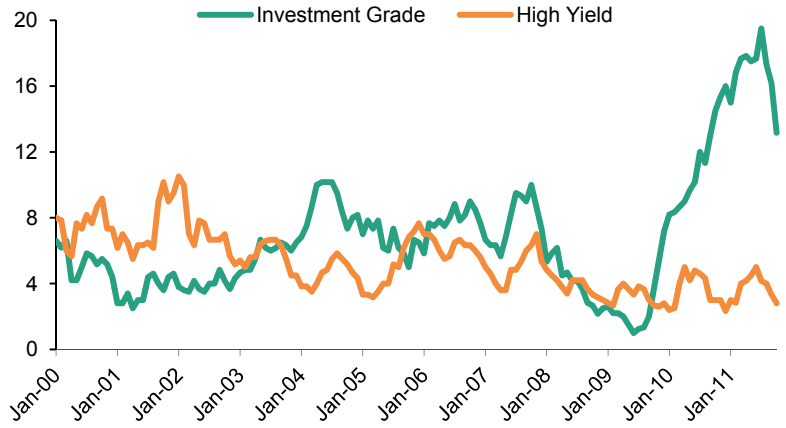
» Europe's economy depends much more on banks for credit than does the U.S. economy

High Numbers of Newly Rated Corporate Issuers* Across Global Markets

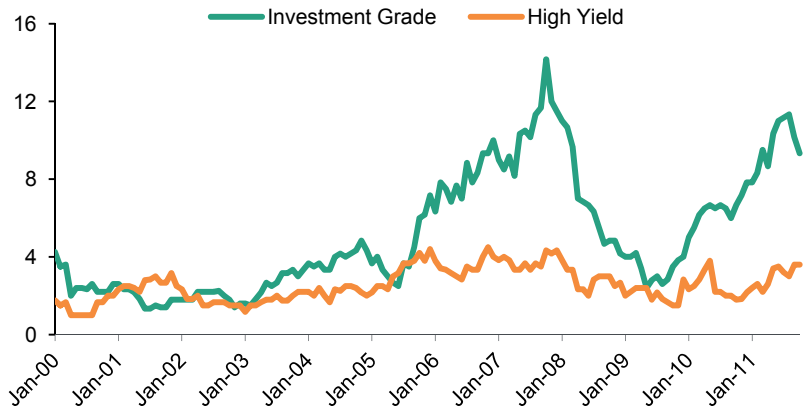
United States



Europe



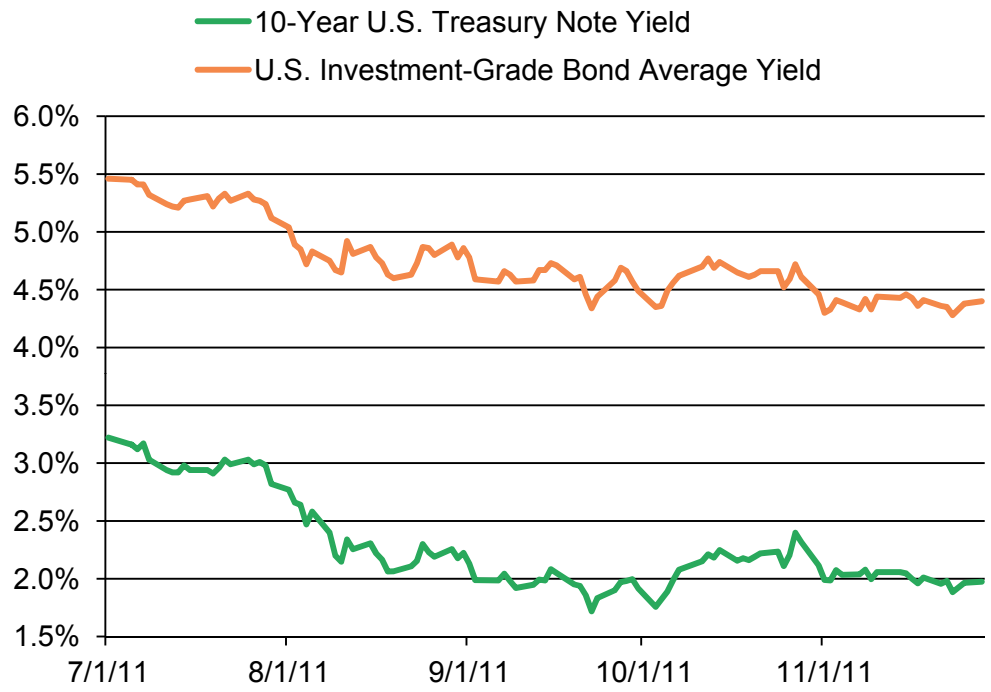
Emerging Markets



Source: Moody's Investors Service; Data as of October 24, 2011

* Rated by Moody's Investors Service. Monthly count of newly rated non-financial corporate issuers (6 month moving average).

Rates Expected to Remain Near Historic Lows

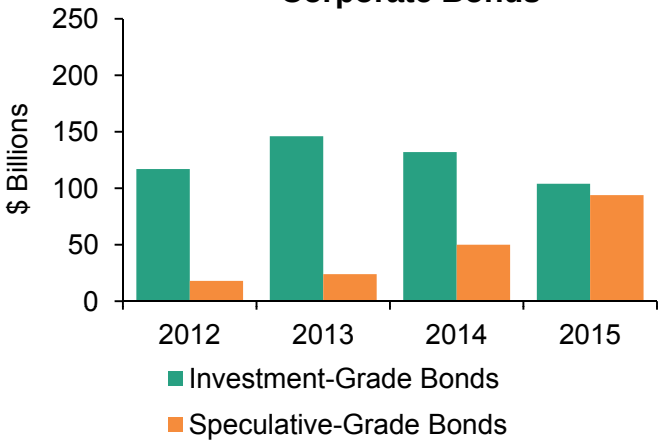


Source: Moody's Capital Markets Research Group; data as of November 28, 2011

- 10-Year U.S. treasury note yield and U.S. investment grade bond average yields are near historic lows
- On August 9th, the Federal Reserve stated, "economic conditions are likely to warrant exceptionally low levels for the federal funds rate at least through mid-2013," and indicated it will consider all policy tools

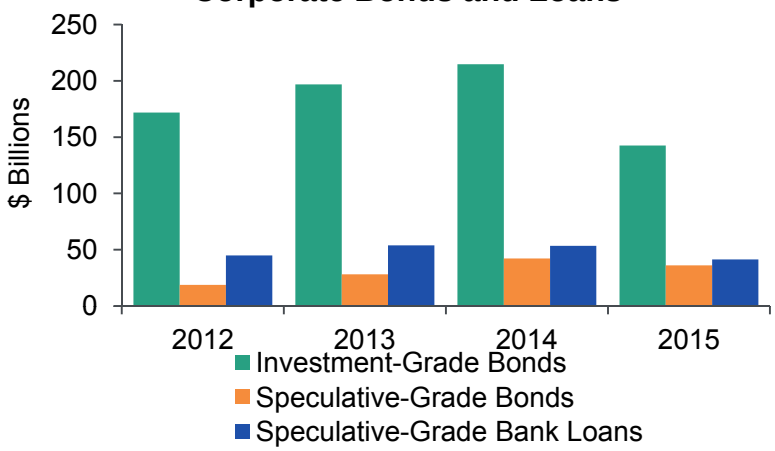
Significant Refunding Needs Remain

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



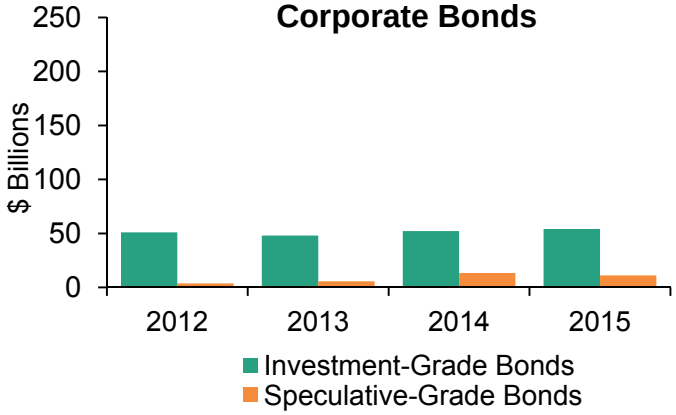
Source: Moody's Investors Service, September 2011

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



Source: Moody's Investors Service, October 2011

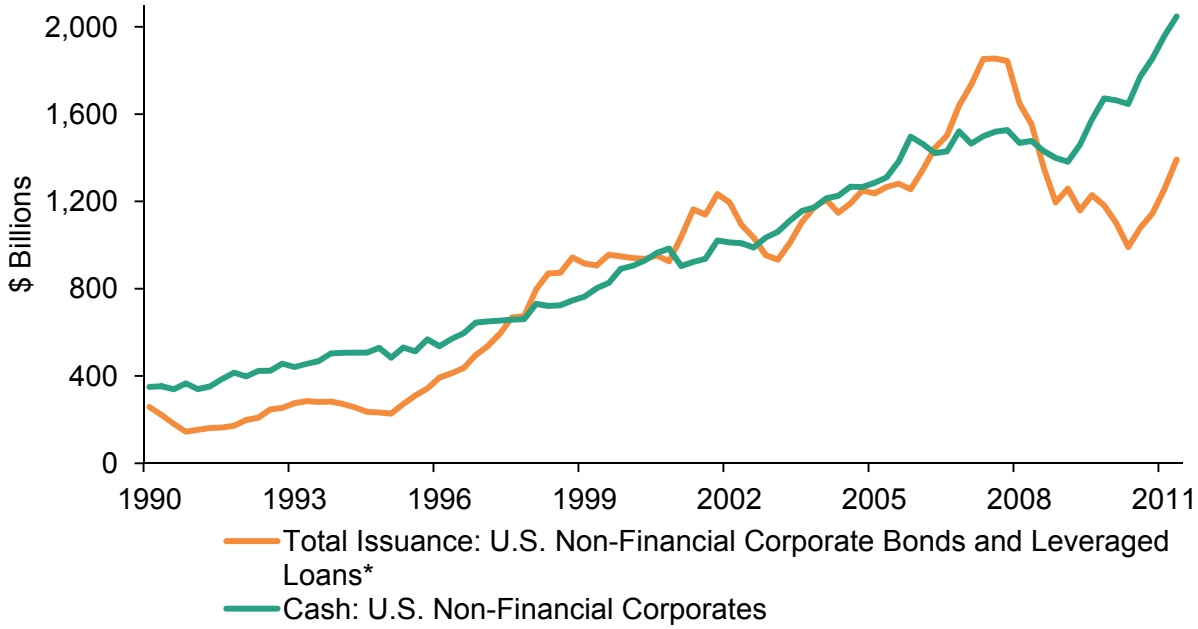
Debt Maturities: Asia Moody's-Rated Corporate Bonds



Source: Bloomberg, October 2011

Corporates Continue to Issue Debt Despite Record Cash Holdings

Non-Financial Corporate Debt and Cash Are Positively Correlated

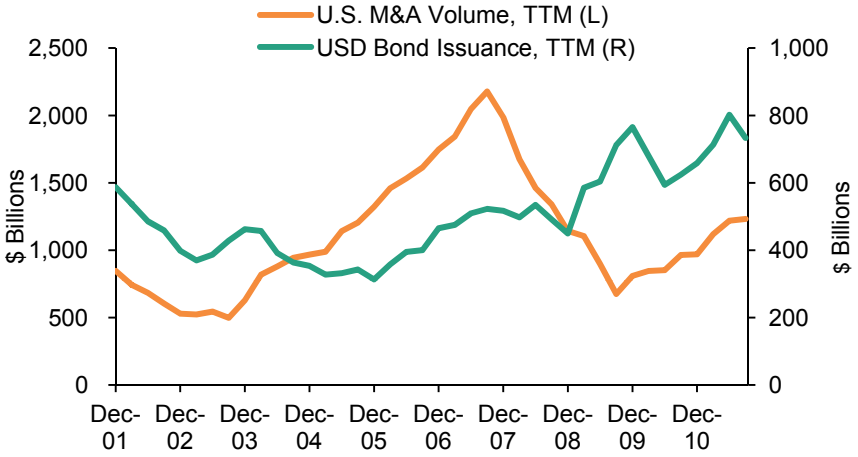


» U.S. companies hold close to $600 billion in cash overseas, or about half of their $1.24 trillion cash stockpile, requiring many of them to continue to tap the domestic debt capital markets

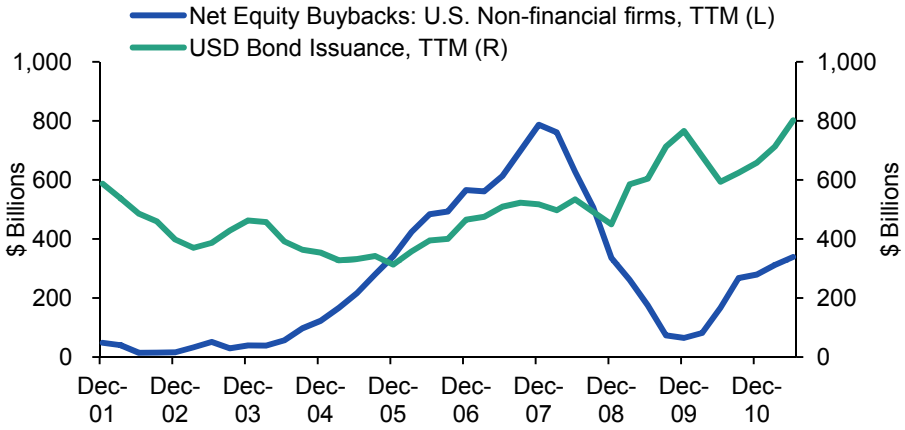
Source: Federal Reserve, Dealogic, Credit Suisse, Moody's Capital Market Research Group; *Moving year-long sum

Financing for M&A, Equity Buybacks and Capital Expenditures Contributes to Issuance

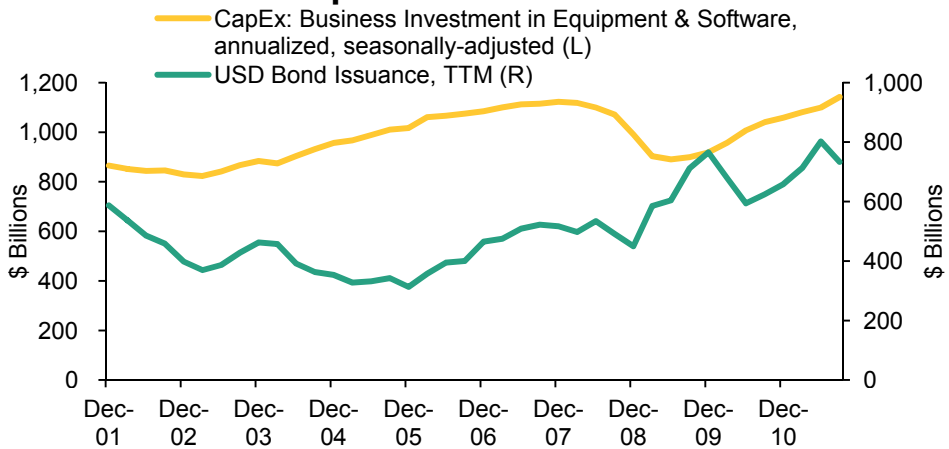
U.S. M&A Volume and Bond Issuance



U.S. Stock Buybacks and Bond Issuance

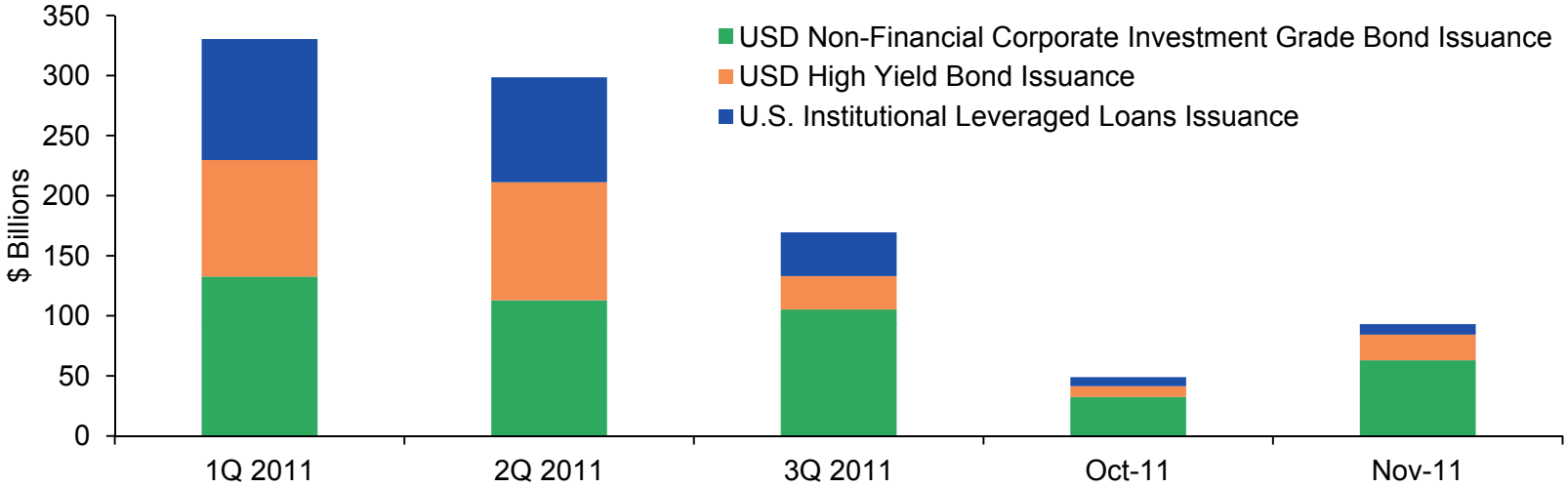


U.S. CapEx and Bond Issuance



Source: Moody's Capital Markets Research Group; Data as of 9/30/11 for "U.S. M&A Volume and Bond Issuance" and "U.S. CapEx and Bond Issuance" and as of 6/30/11 for "U.S. Stock Buybacks and Bond Issuance"

Issuance Overview: 2011 / 2012



Source: Dealogic, ThomsonReuters, Moody's Capital Markets Research Group

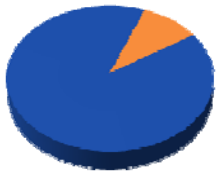
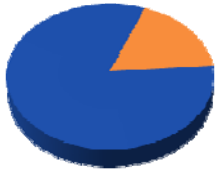
2012 U.S. Issuance Forecast*

Investment Grade (Non-Financial Corporate)	$440bn	**flat** vs. FY 2011 projection of $443bn
High Yield	$225bn	**slightly slower** pace of issuance versus the past two years
Leveraged Loans	$175bn	total leveraged credit issuance of $400bn in 2012 would be **down roughly 15%** versus 2010 and 2011

*Source: 2012 U.S. Issuance Forecast from J.P. Morgan U.S. Fixed Income Markets 2012 Outlook, 11/25/2011. Debt issuance categories do not directly correspond to Moody's revenue categorizations

Moody's Serves Rapidly Growing Markets

Moody's Investors Service: The Maturity of the Ratings Market is Different for Each Country

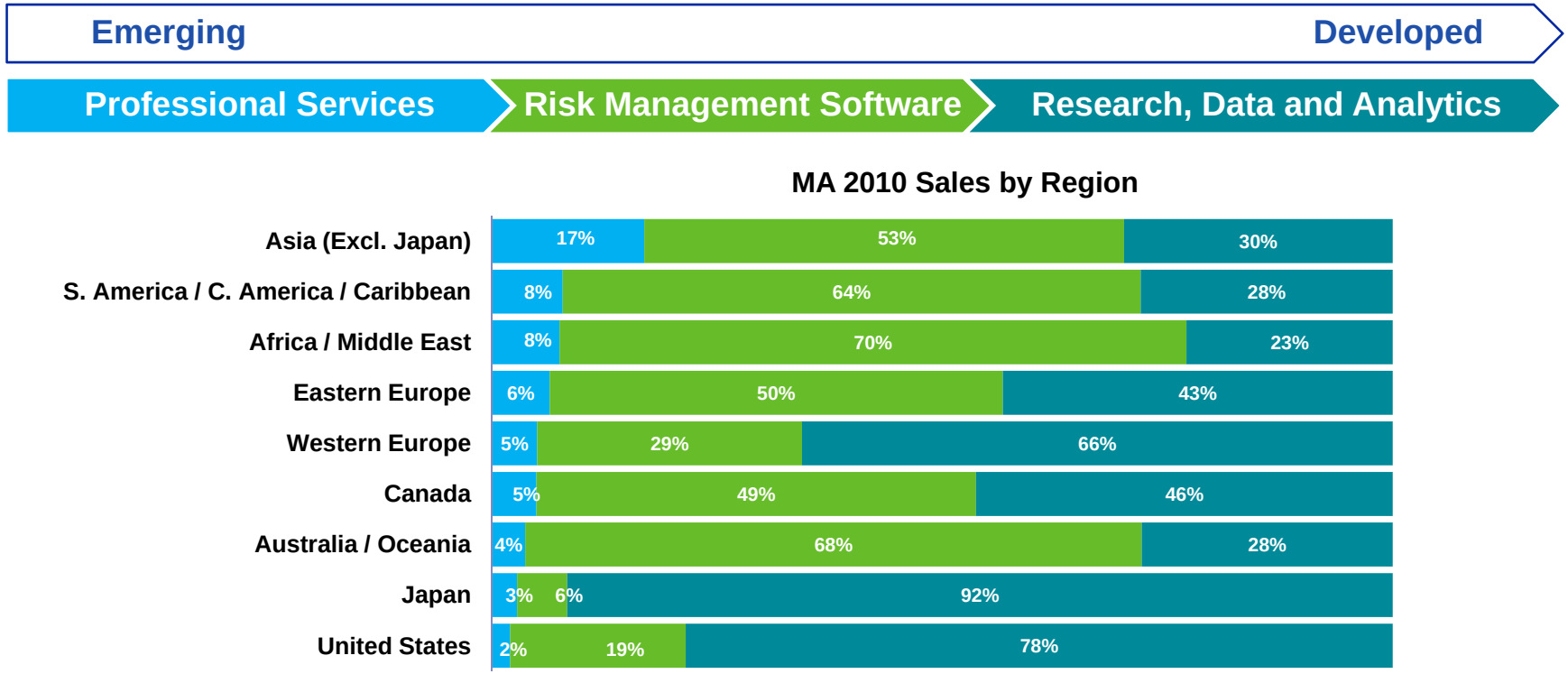
Country:	Rated / Unrated		Ratings Market Size*:
Brazil		» Moody's focuses primarily on cross border market while maintaining active presence in domestic ratings	**~$55 million**
China		» Moody's focuses on regional cross border market but also has alliance with CCXI (49%+ ownership), the leading domestic rating agency in China - Shanghai City Government, Guangdong and Zhejiang provinces and Shenzhen recently allowed to issue debt directly	**~$65 million**
India		» Alliance with ICRA (28.5% ownership), a domestic ratings agency	**~$130 million**

*2010 total market revenue estimate, includes both domestic and cross-border ratings market; Source: Moody's Corporate Development

Moody's Serves Rapidly Growing Markets (continued)

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

» Moody's Analytics enables us to gain a foothold in emerging markets, selling products and services before debt capital markets are fully mature



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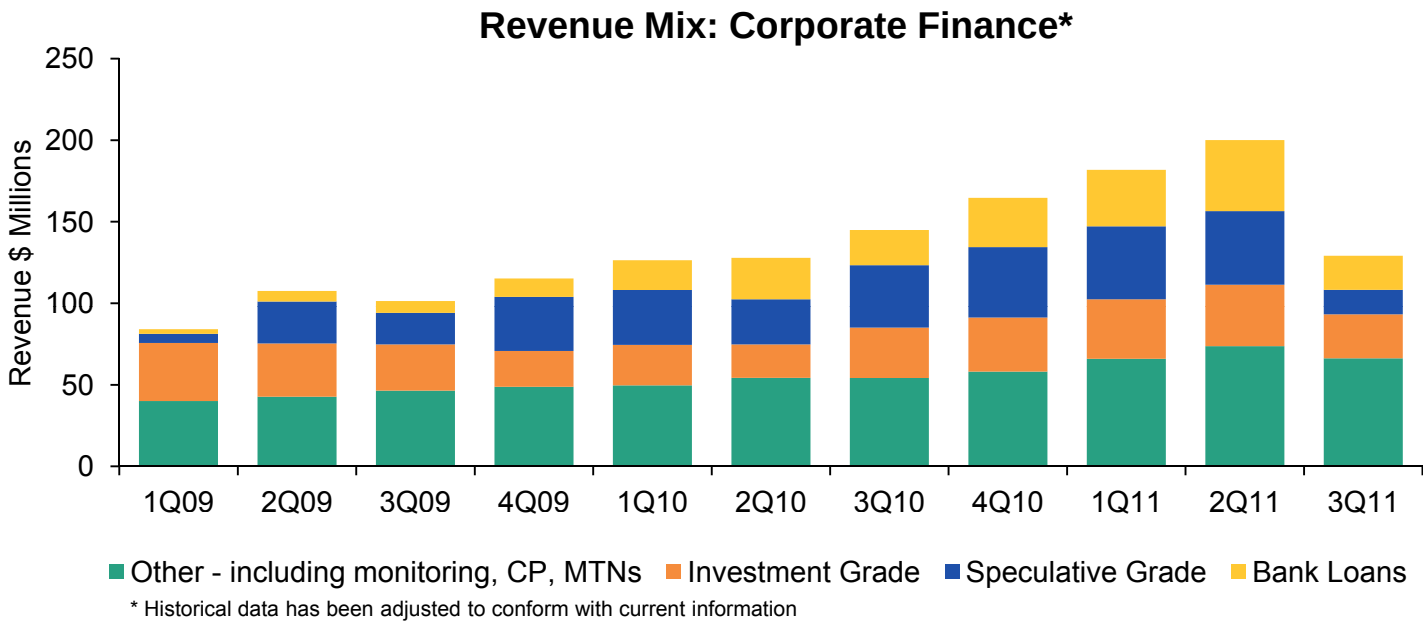
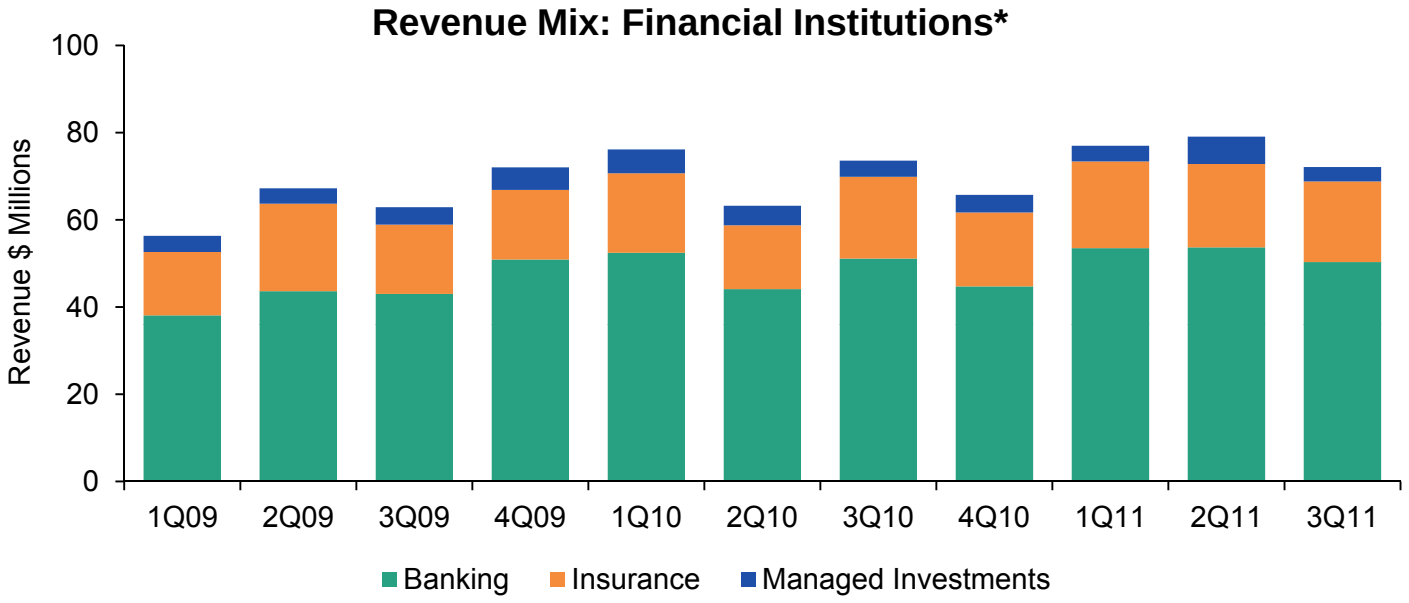
Moody's Investors Service

Strong 1H 2011 Conditions for Corporate Issuance Followed by Slower 3Q 2011



- Issuance across all CFG asset classes and regions was very active in 1H 2011 but slowed in 3Q 2011
- Activity in Europe and U.S. high-yield sector decreased significantly year-over-year in 3Q 2011 as spreads widened due to macroeconomic uncertainty
- U.S. investment-grade activity eased slightly, but continued amid low underlying interest rates

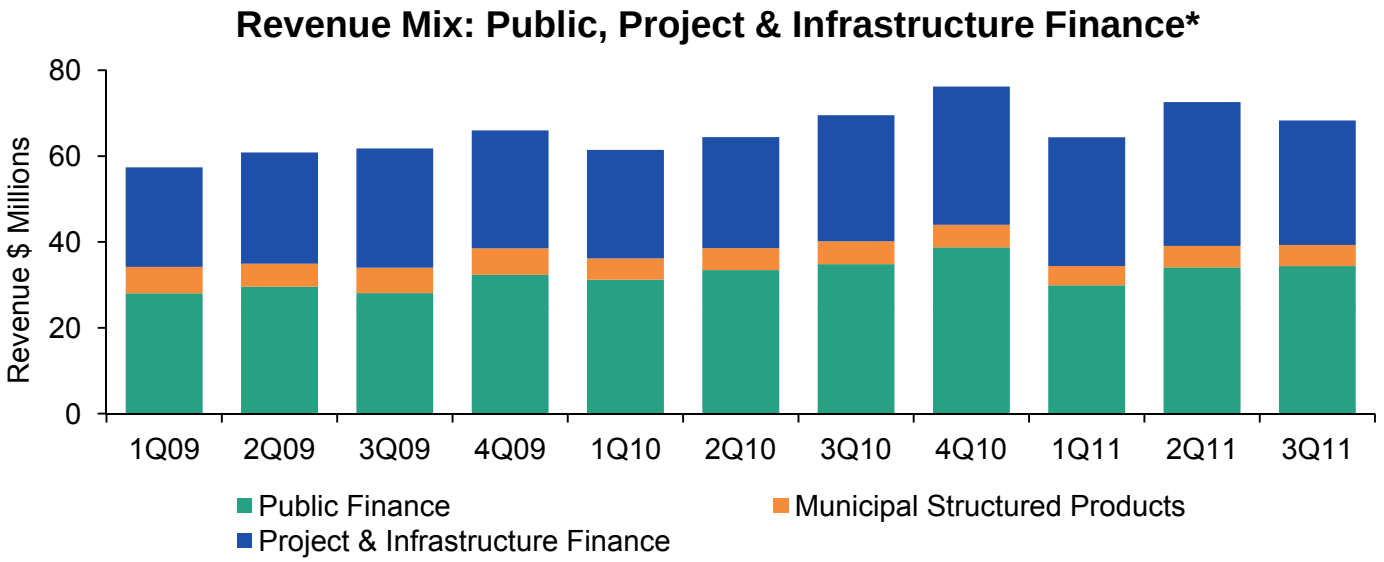
Revenue From Financial Institutions Withstands Volatile Conditions in Europe



*Historical data has been adjusted to conform with current information

- FIG revenue has a large recurring component and is relatively inelastic to issuance due to predominance of frequent-issuer contracts with larger financial institutions
- 3Q 2011 declined slightly reflecting continued concerns over sovereign debt crisis and banking sector problems in Europe

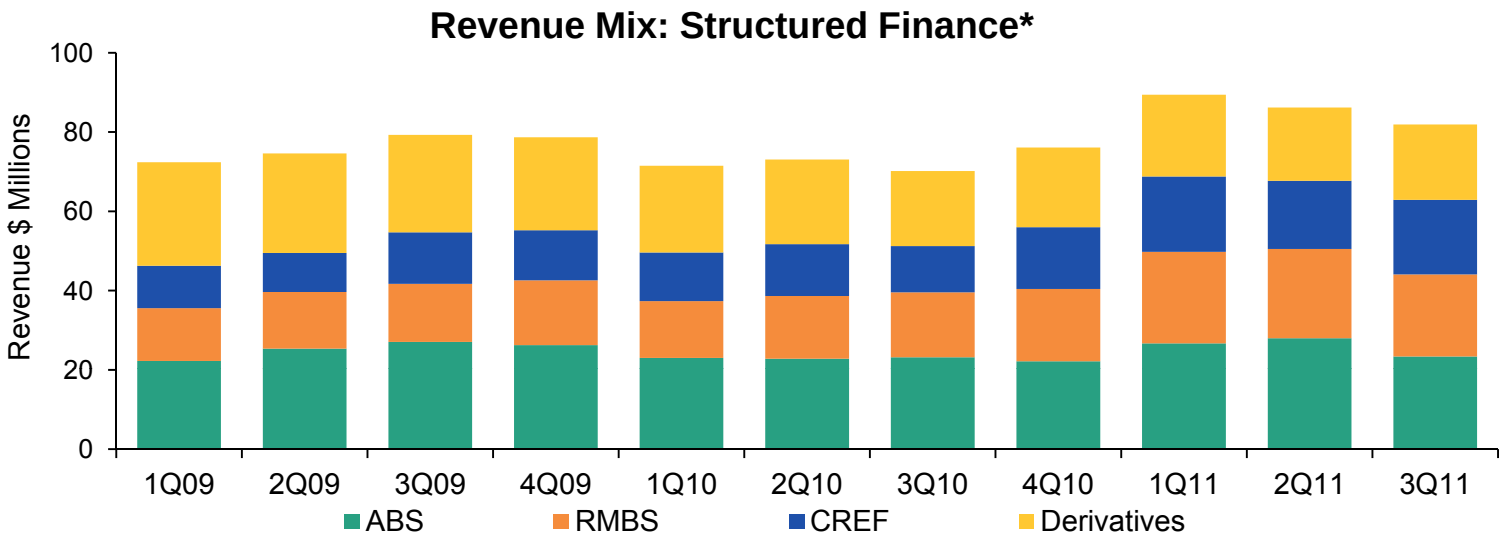
Public, Project & Infrastructure Finance is a Stable Business



*Historical data has been adjusted to conform with current information

- Q3 2011 activity showed improvement as interest rates declined and some states and local governments sought financing after finalizing budgets
- 2011 U.S. public finance activity expected to continue but will remain below 2H 2010 issuance levels elevated by Build America Bond program
- Higher infrastructure spending outside the U.S. expected to generate growth in 2011

Structured Finance Conditions Have Stabilized



* Historical data has been adjusted to conform with current information. ABS includes asset-backed commercial paper and long-term asset-backed securities. CREF includes commercial mortgage-backed securities, real estate finance, and commercial real estate CDOs

- Though regulatory and economic uncertainty continue to weigh on overall structured finance activity, modest growth in SFG partly driven by more favorable conditions in 1H 2011
  - Strong U.S. CMBS activity continued in Q3 2011
  - European covered bonds and RMBS in Europe and Asia contributed to growth in Q3 2011
- U.S. RMBS rating recovery unlikely while government role in housing finance continues

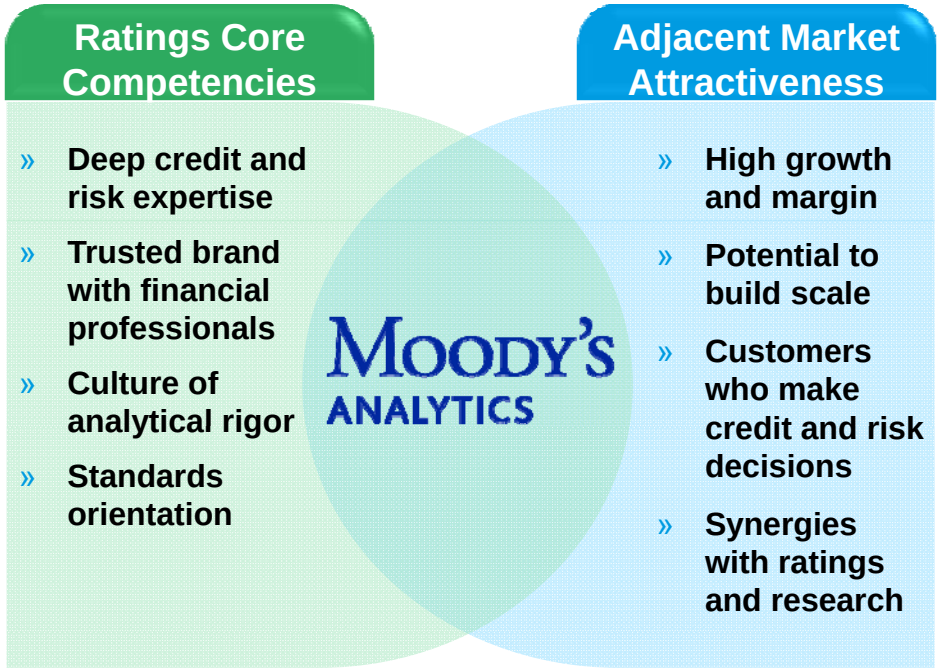
4

Moody's Analytics

Moody's Analytics Strategy

» Leverage the core competencies of our ratings business in other attractive adjacent markets. This adds considerable value:

- Significant base of recurring revenue to offset potential volatility in issuance impacting MIS
- Foothold in emerging markets, selling products and services (such as training) before debt capital markets are fully mature
- Holistic solutions that our core customers want



Acquisitions Play a Key Role in Moody's Analytics

- Expand our potential by adding scale to our existing businesses and increase our exposure to high-growth markets
- Implemented through a disciplined approach only when our core ratings competencies intersect with attractive adjacent markets
- Informed by a successful track record: 15 deals since 2005 executed at an aggregate multiple lower than the financial information industry's mean

Two Recent Examples:

CSI

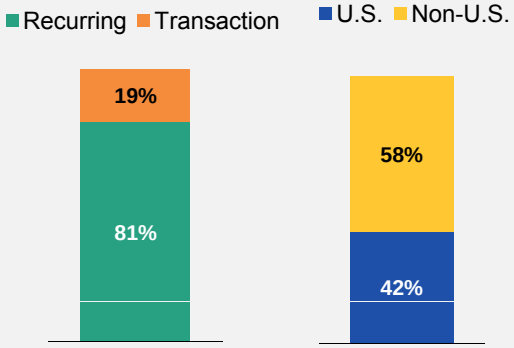
- Adds scale to our training and certifications businesses
- Improves our ability to enter developing fixed income markets by training professionals, a prerequisite to liquid, mature and rated debt capital markets

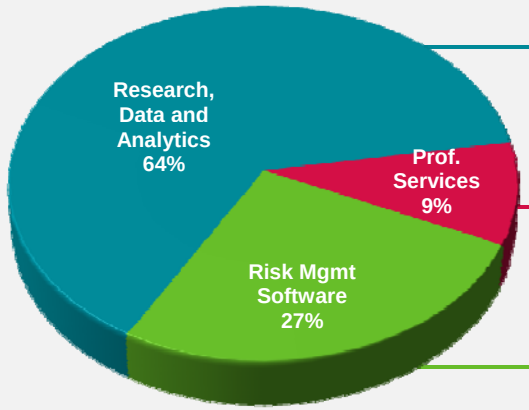
Copal Partners

- Adds scale to our Professional Services business segment
- Expands Moody's operations in the rapidly growing debt capital markets in India and China
- Provides us with additional touch points with our core financial services clientele

Moody's Analytics Financial Profile

3Q11 Revenue: $180 million(1)



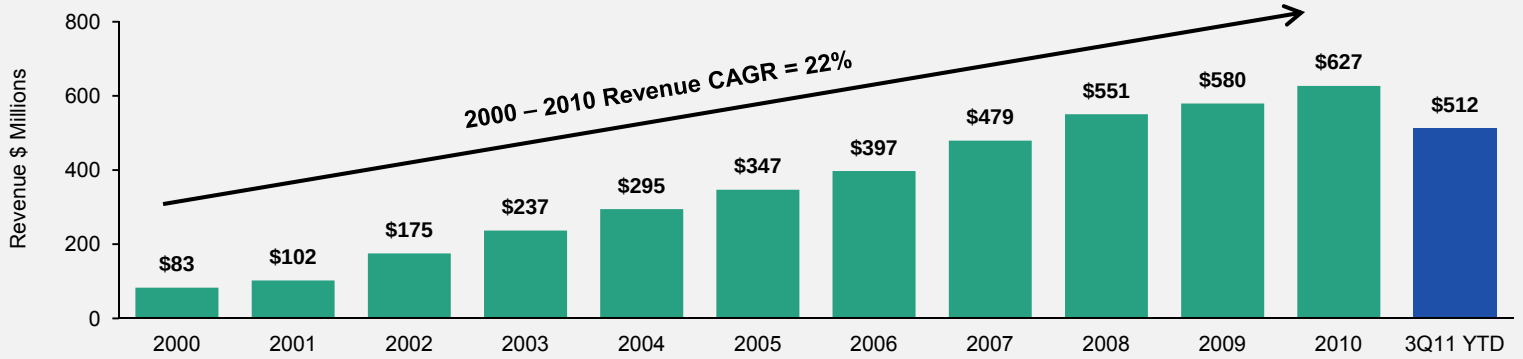


- 100% recurring revenue
- 90%+ renewal rates
- Highly profitable

- Combination of one-off contracts and semi-recurring revenue
- Good prospects in new markets

- ~70% recurring revenue
- Double-digit long term revenue growth
- Margin expansion with growth in scale

Revenue History (1)(2)



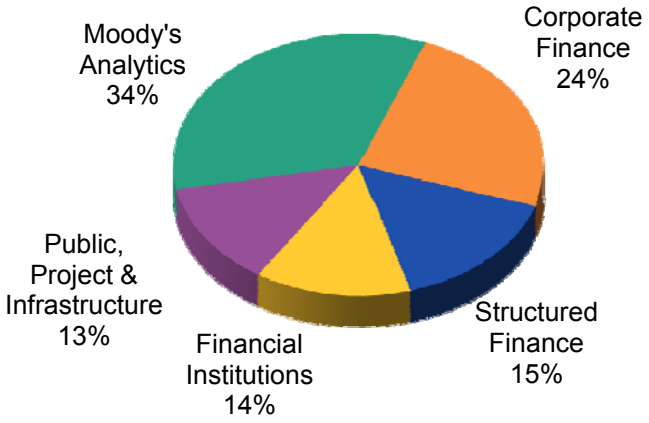
(1) Excludes intersegment license revenues. (2) Prior to 2008, data reflects MIS research revenue and Moody's KMV revenue. 2004 - 2010 data also includes revenue from acquisitions.

5 Financial Review and Outlook

Global Footprint and Breadth of Moody's Businesses Provide Diversification

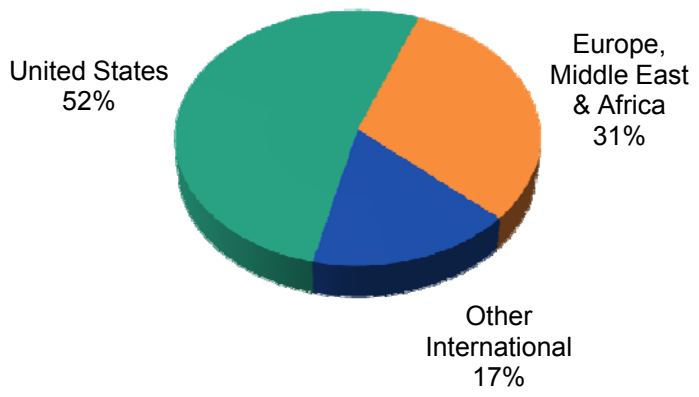
3Q11 REVENUE BY BUSINESS

TOTAL $531 MILLION



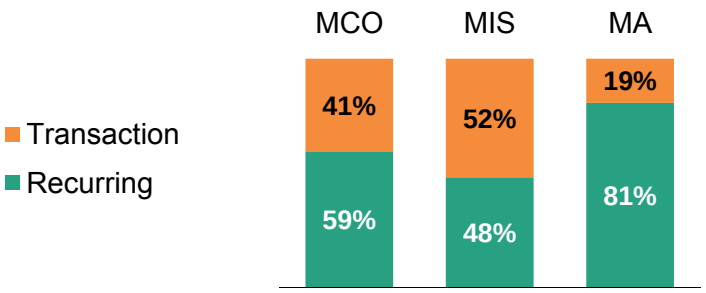
3Q11 REVENUE BY REGION

TOTAL $531 MILLION



3Q11 REVENUE BY TYPE

TOTAL $531 MILLION



TRANSACTION AND RECURRING REVENUE

Moody's Investors Service

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

Moody's Analytics

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

Strong Performance in MA Offset a Modest Revenue Decline at MIS in 3Q 2011

3Q 2011 Revenue Year-Over-Year % Change

Moody's Total Revenue

3Q 2011: $531 million

U.S. ↓ 1%

Non U.S. ↑ 9%

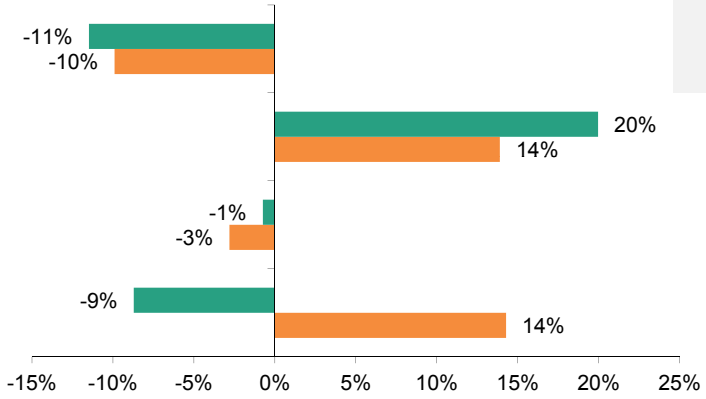
Moody's Investors Service

$129m Corporate Finance

$82m Structured Finance

$72m Financial Institutions

$68m Public, Project and Infrastructure Finance

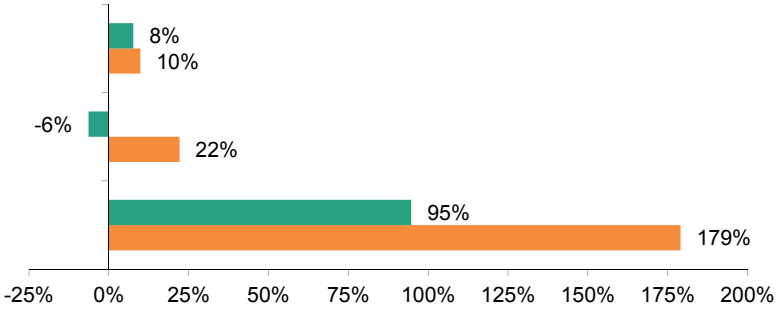


Moody's Analytics

$115m Research, Data and Analytics

$48m Risk Management Software

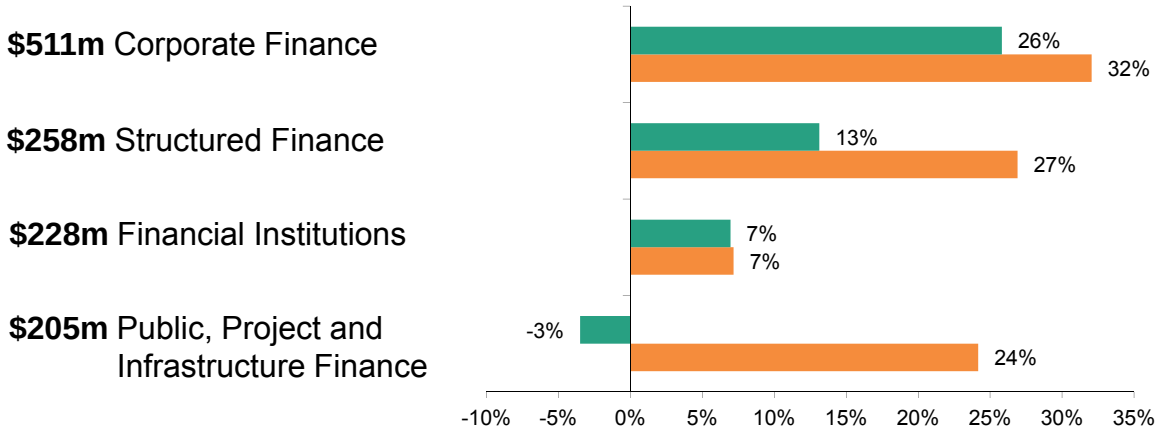
$17m Professional Services



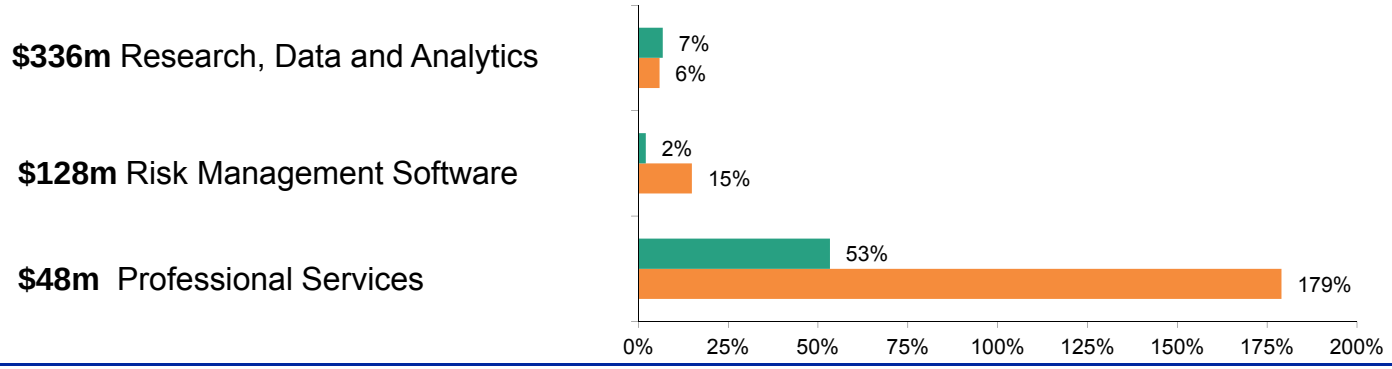
Solid Growth Across the Company 3Q YTD 2011

3Q YTD 2011 Revenue Year-Over-Year Percent Change

Moody's Investors Service



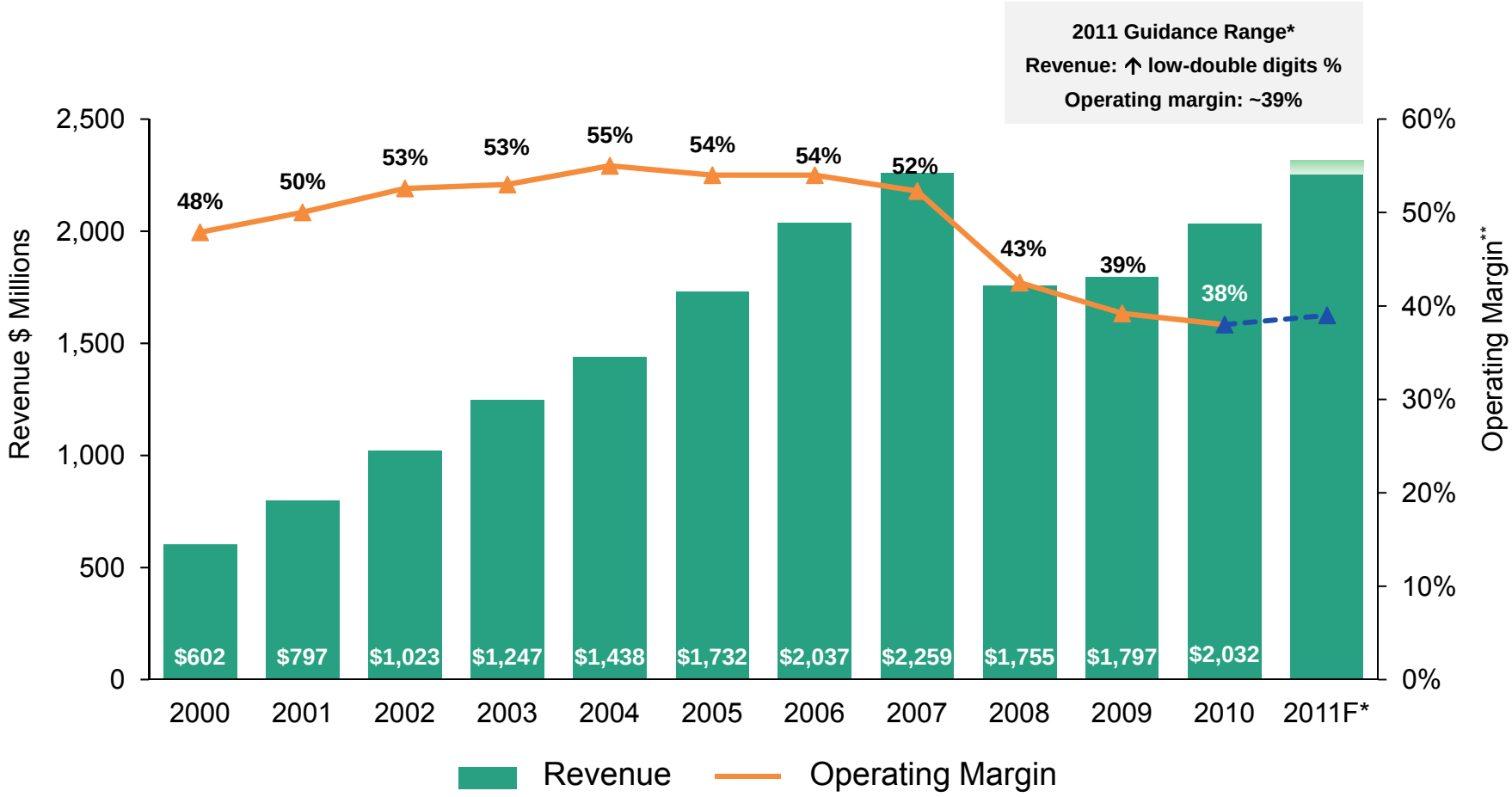
Moody's Analytics



Moody's Total Revenue

3Q YTD 2011:	**$1,714 M**
U.S.	↑ 12%
Non U.S.	↑ 22%

Expect Potential Margin Expansion in 2011 as Expense Growth Moderates



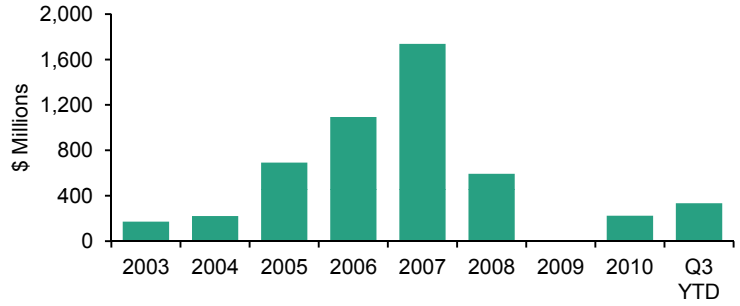
* Represents GAAP guidance provided on October 27, 2011

** Operating margin excludes the gain on the sale of Moody's former NY headquarters building (2006); restructuring charges and related adjustments (2007-2009)

Balancing Return of Capital with Other Capital Allocation Decisions and Liquidity Needs

SHARE REPURCHASES

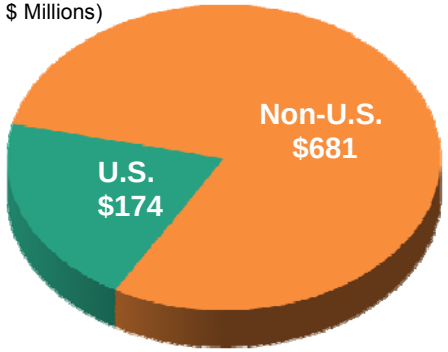
» *$0.9 billion of share repurchase authority remaining as of September 30, 2011*



CASH

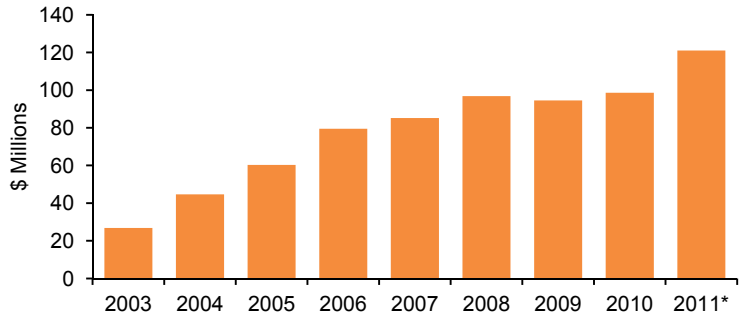
» *~80% of cash is located outside the U.S.*

(As of 9/30/2011, $ Millions)



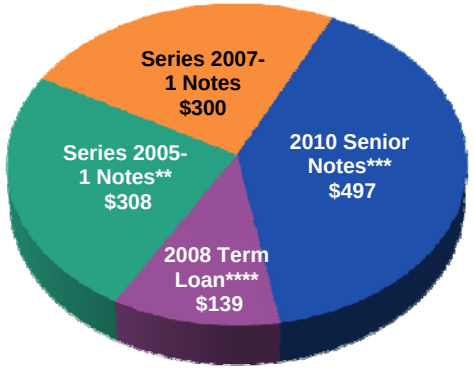
DIVIDENDS

» *Annualized dividend of $0.56 per share, up 33% from $0.42 per share in 2010*



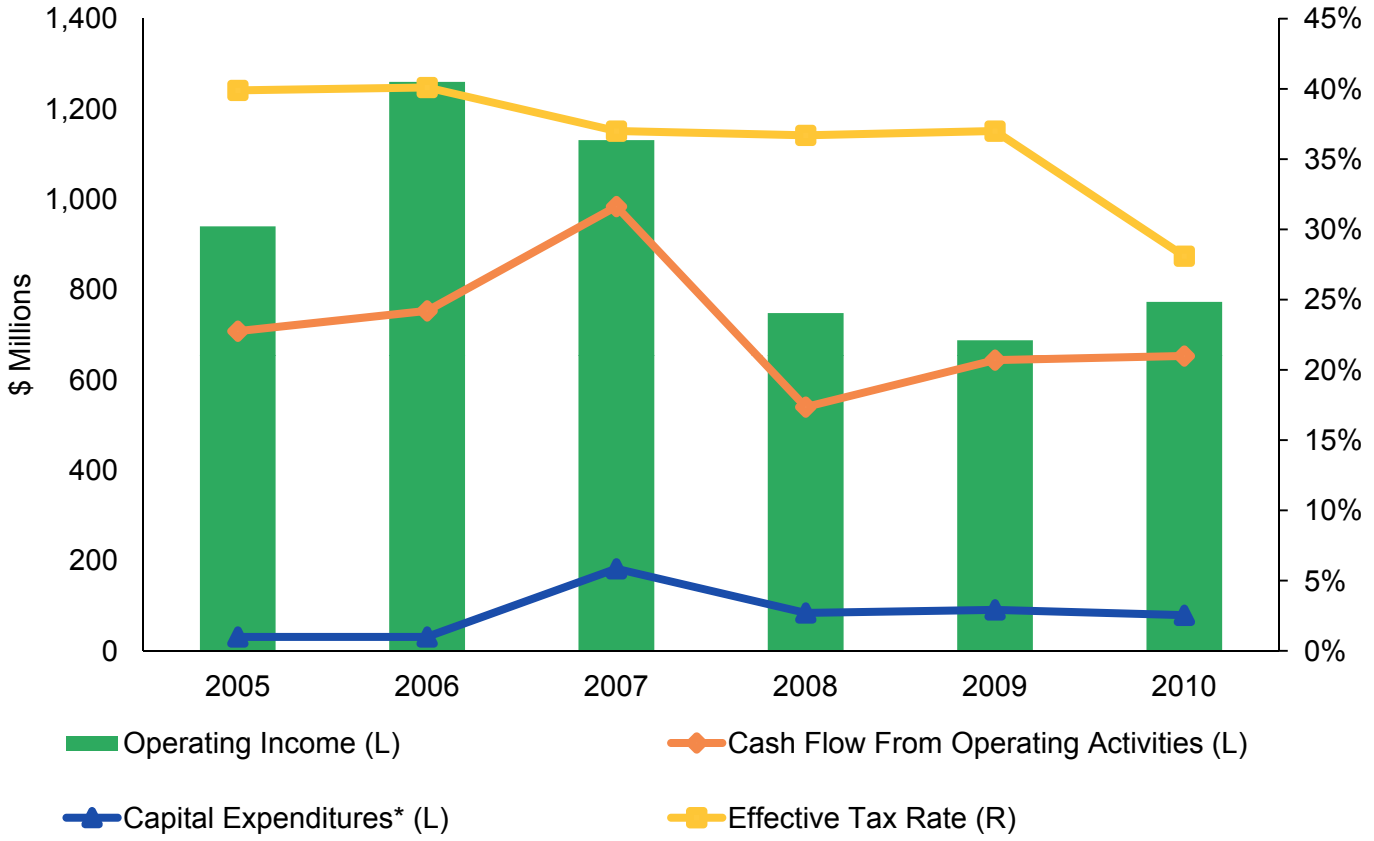
DEBT

(As of 9/30/2011, $ Millions)



*For Q4 2011, reflects declared dividend; **Includes an $8.0 million and ($3.7) million fair value adjustment on an interest rate hedge at September 30, 2011 and December 31, 2010, respectively; ***Represents $500 million of 5.5% publicly traded Senior Notes which mature on September 1, 2020; the notes were offered to the public at 99.374% of the face amount ; ****Various payments through 2013

Solid Operating Metrics and Cash Flow Generation



» 2008-2010 compound annual growth rate: Cash Flow From Operating Activities: 10%

* 2007-2010 figures include costs associated with build-out of New York and London offices

Regulatory Developments

United States: *(the following developments are related to the Dodd-Frank Act)*

- SEC is expected to adopt final rules relevant to NRSROs by June 2012
- Regulatory authorities have begun reviewing their use of ratings in regulation and considering alternative measures as replacements
- SEC study about, among other matters, the feasibility of establishing an alternative system for allocating credit rating assignments for structured finance products, is expected to be completed by December 2012
- SEC released its first annual report summarizing its examinations of NRSROs in September and did not determine that any finding discussed in the report constituted a material regulatory deficiency

European Union:

- Transfer of oversight of registered credit rating agencies to ESMA became effective in July
- Moody's received its EU registration by ESMA in October
- European Commission formally proposed new rules for the rating agency industry (CRA3) in November; these rules are subject to review, modification and approval by the European Parliament and the Council of Ministers

CRA3

Nov 2010	Oct 2011	Nov 2011	*Estimated* Fall 2011
European Commission publishes consultation paper regarding credit rating agencies	Draft European Commission proposal reported in media	European Commission publishes formal proposal	CRA3 legislation?

Proposal under review by:

European Union Parliament

- 736 members
- Public calendar
- Initial indicative timetable suggests presentation of draft report (amendments to Commission's proposal) in late February and vote in Parliament's Economic and Monetary Affairs Committee in late May

Council of Ministers

- Working group of at least 54 individuals including 2 representatives from each EU member state
- Private timeline

Moody's Views on the European Commission's Proposal

- Although the issues raised by the European Commission are not novel, the solutions included in the Commission's proposal are in some cases unique
- Moody's agrees with some of the proposal's components, particularly regarding increased transparency and reduced reliance on ratings in regulation
- In any case, the process for vetting the European Commission's proposal will likely be complex and protracted
- Moody's is in discussions with various decision makers and market constituents regarding the current proposal

Full-Year 2011 Guidance as of October 27, 2011

Moody's Corporation	
Revenue:	Increase in the low-double-digit percent range
Operating expenses:	Increase in the high-single-digit percent range
Operating margin:	Approximately 39 percent
Effective tax rate:	Approximately 31 percent
Earnings per share:	In the range of $2.38 to $2.48; expect to be at the upper end of the range
Capital expenditures:	$70 - $80 million

6 Appendix

Moody's Is a Global Organization



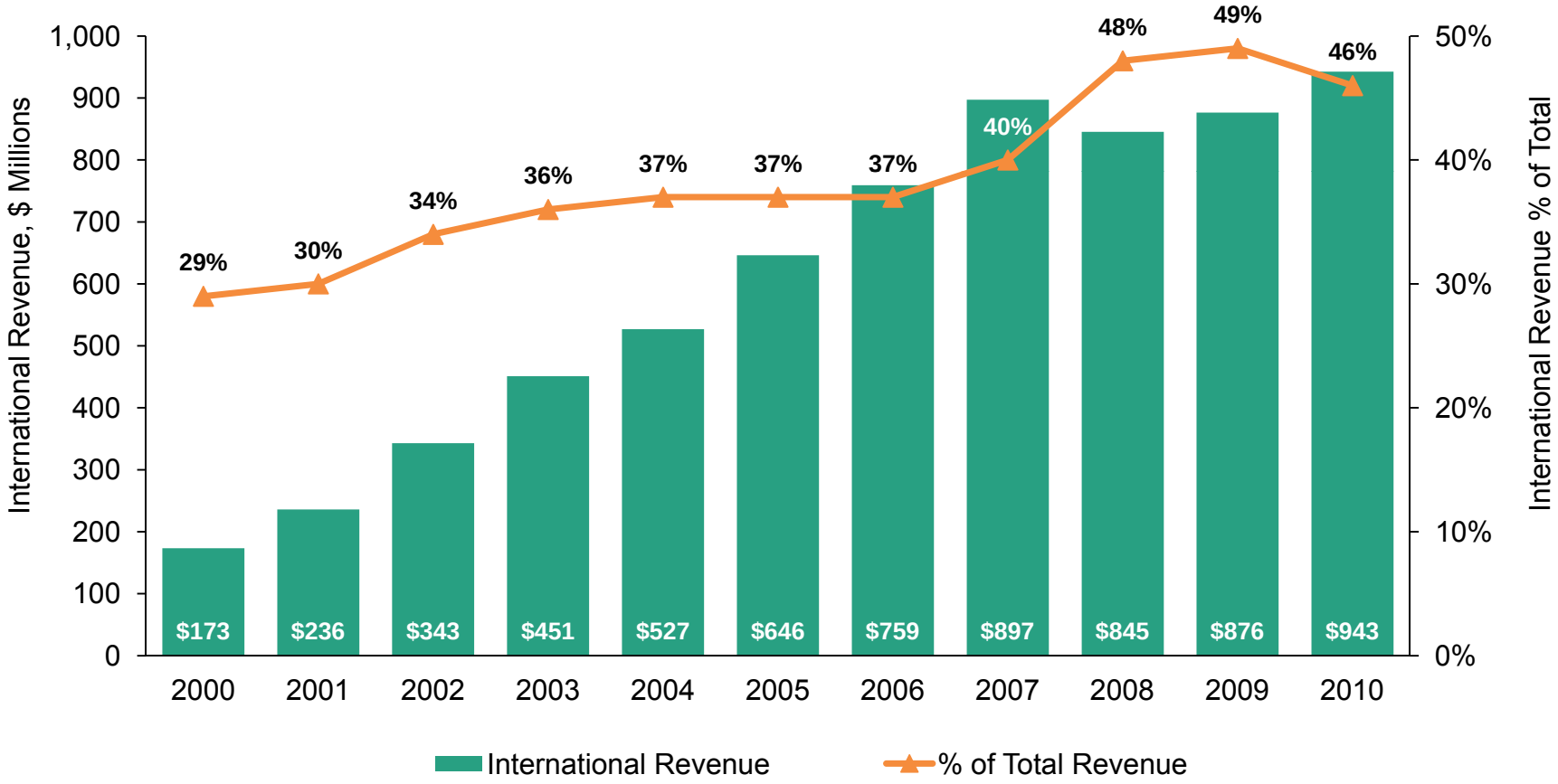
Moody's Global Staffing

- More than 1,300 analysts
- Approximately 4,700 employees
- Presence in 27 countries

	US	Non-US	Total
9/30/2011	2,414	2,318	4,732
9/30/2010	2,275	2,014	4,289

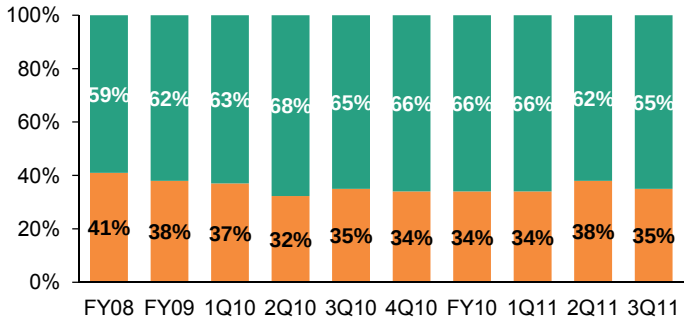
Moody's International Growth

2000-2010 INTERNATIONAL REVENUE CAGR = 18%

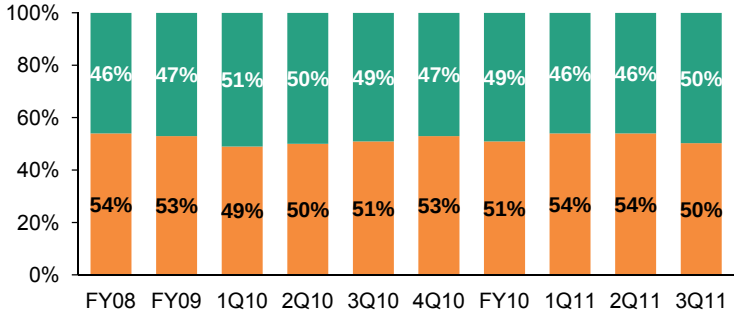


Revenue Distribution: By Geography

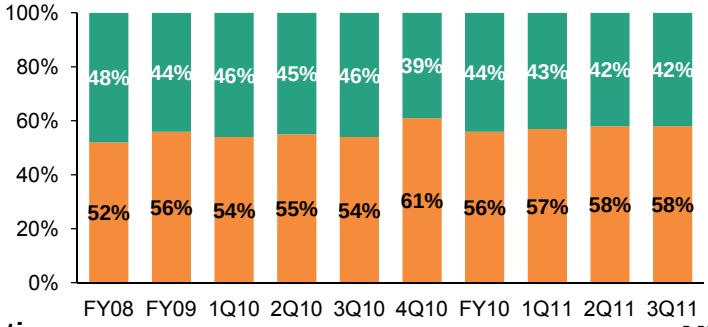
MIS: Corporate Finance



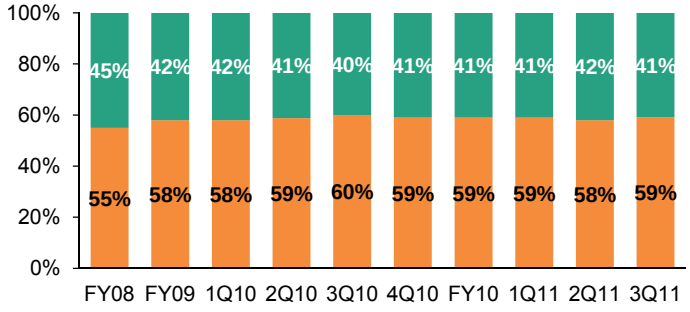
MIS: Structured Finance



Moody's Analytics



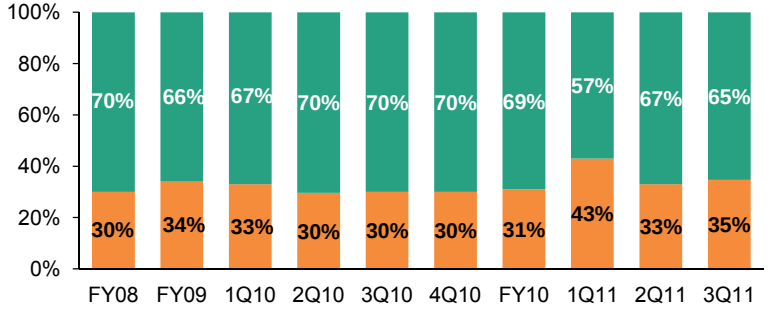
MIS: Financial Institutions





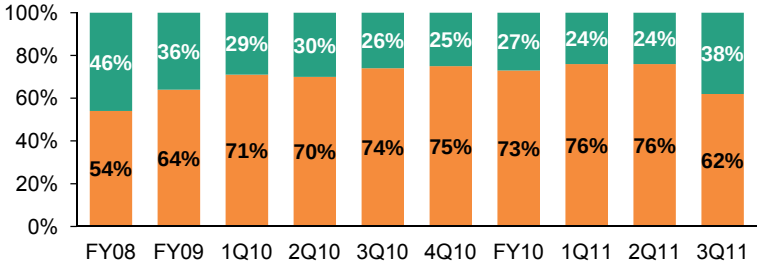
Historical data has been adjusted to conform with current information

MIS: Public, Project & Infrastructure Finance

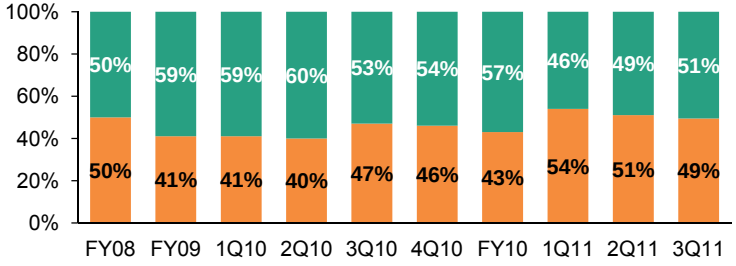


Revenue Distribution: Recurring vs. Transaction

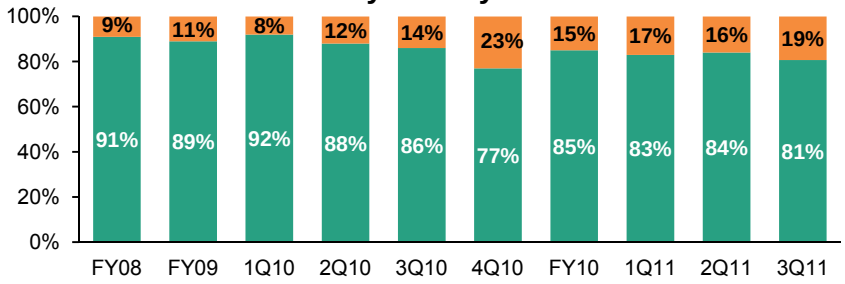
Corporate Finance



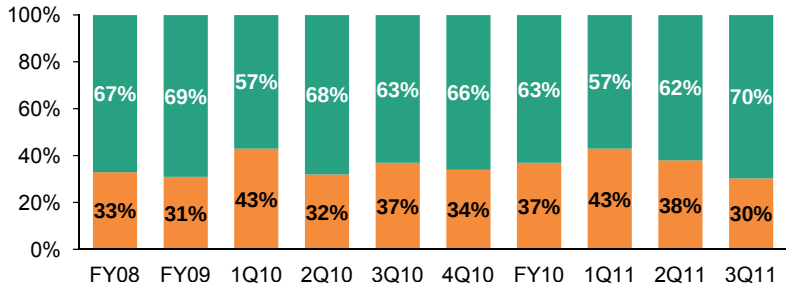
Structured Finance



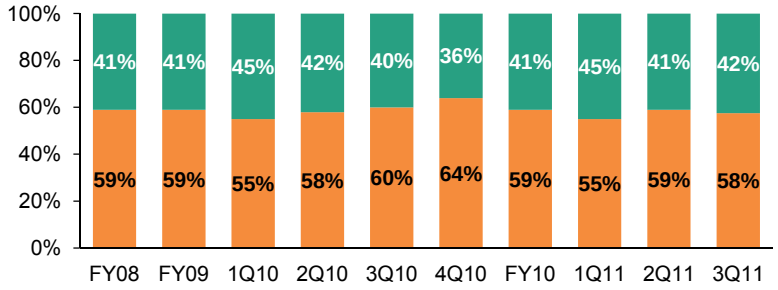
Moody's Analytics



Financial Institutions



Public, Project & Infrastructure Finance

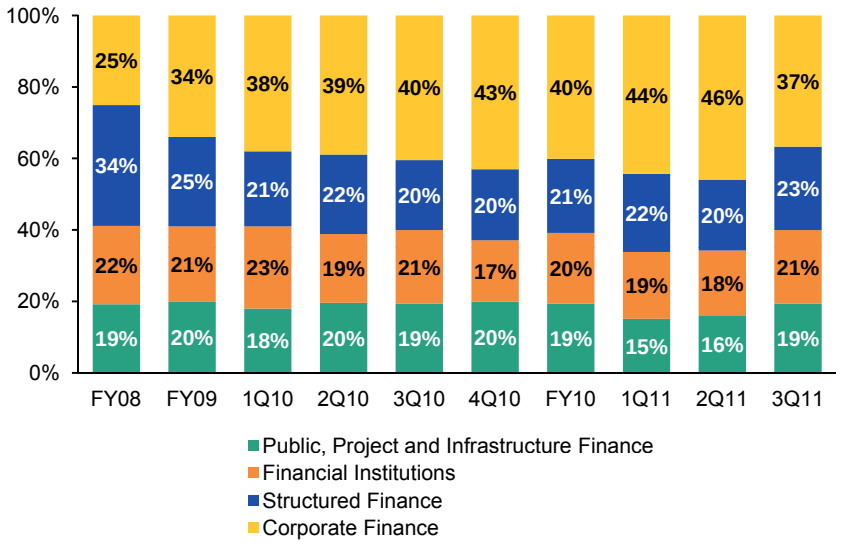


Recurring **Transaction**

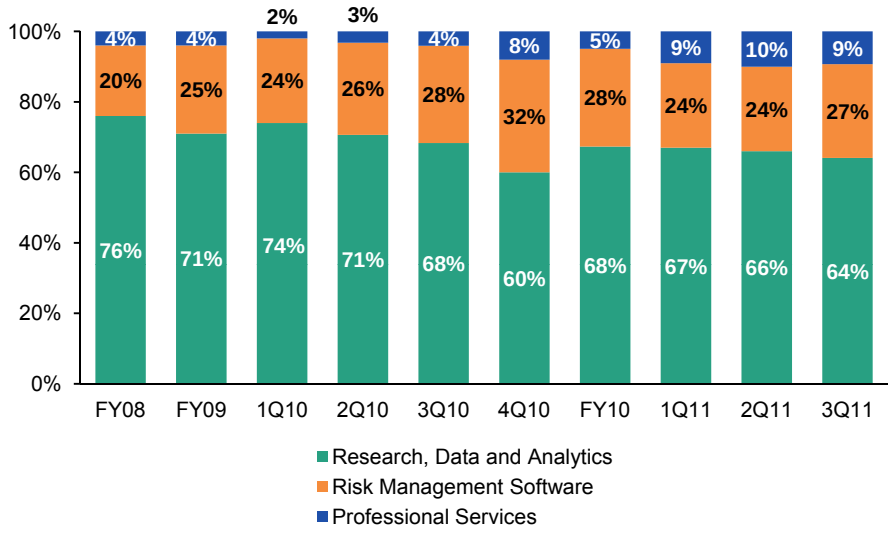
Historical data has been adjusted to conform with current information

Revenue Distribution: By MIS Line of Business and MA Segment

Moody's Investors Service



Moody's Analytics

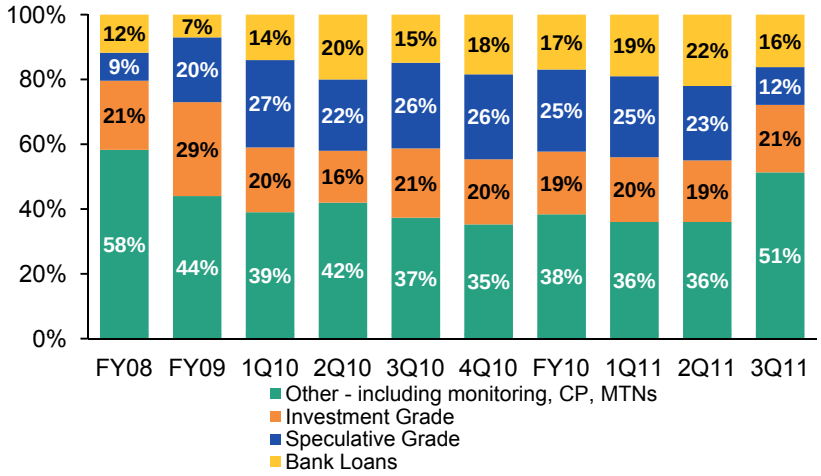


Historical data has been adjusted to conform with current information

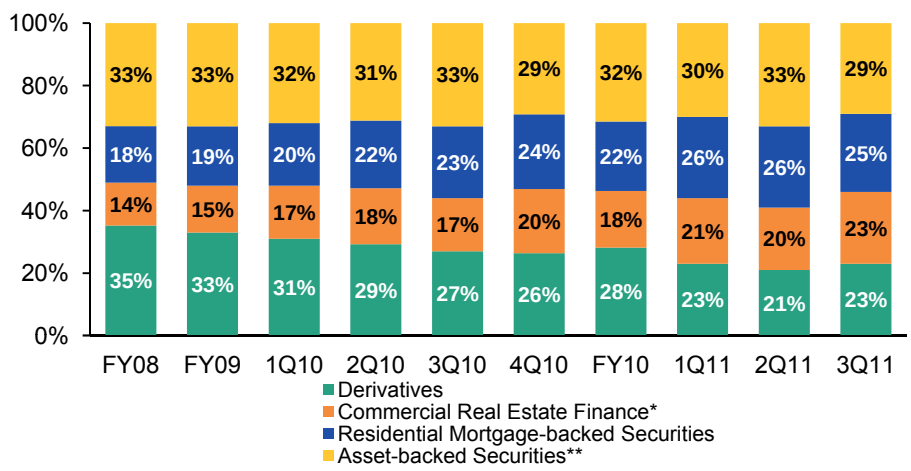
Represents revenue for MIS excluding intersegment royalty

Revenue Distribution: By MIS Product / Asset Class

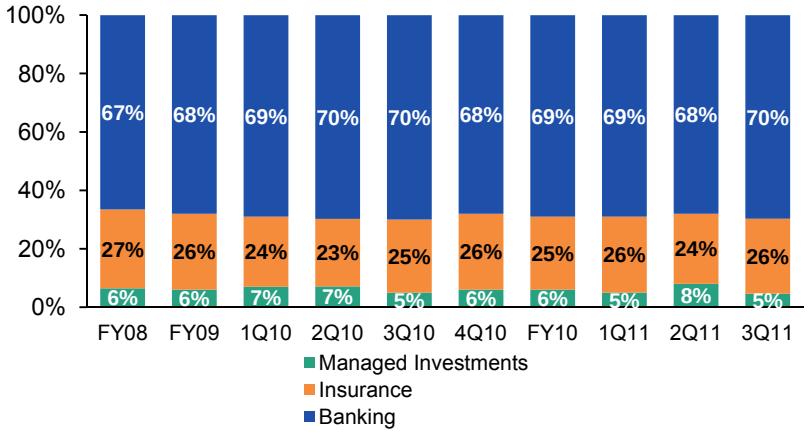
Corporate Finance Revenue by Product



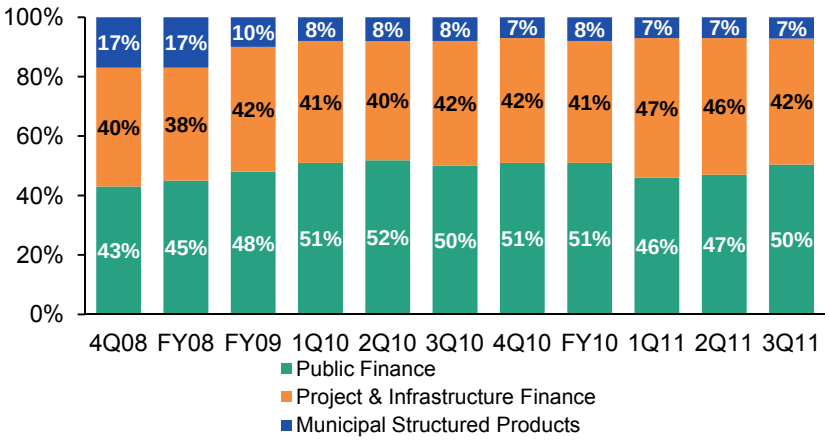
Structured Finance Revenue by Asset Class



Financial Institutions Revenue by Product



Public, Project & Infrastructure Revenue by Product



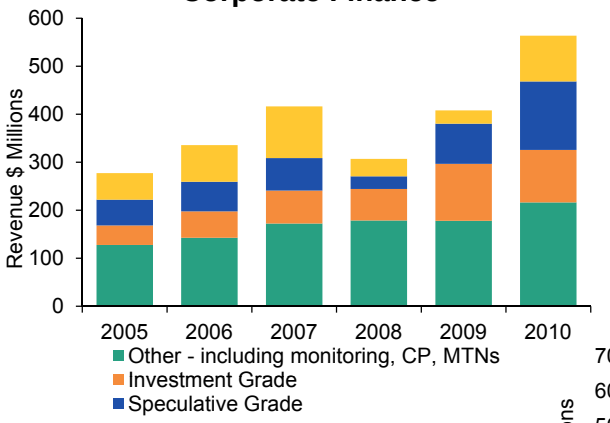
Historical data has been adjusted to conform with current information

* CREF includes commercial mortgage-backed securities, real estate finance, and commercial real estate CDOs

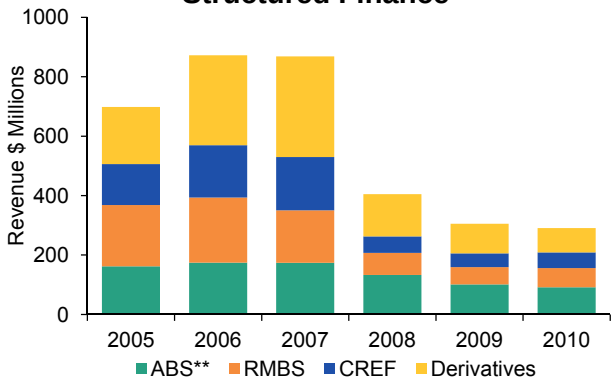
** ABS includes asset-backed commercial paper and long-term asset-backed securities

Historical Revenue Mix*

Corporate Finance

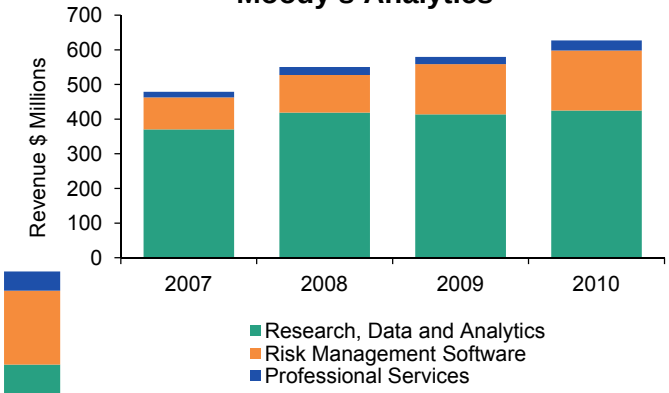


Structured Finance

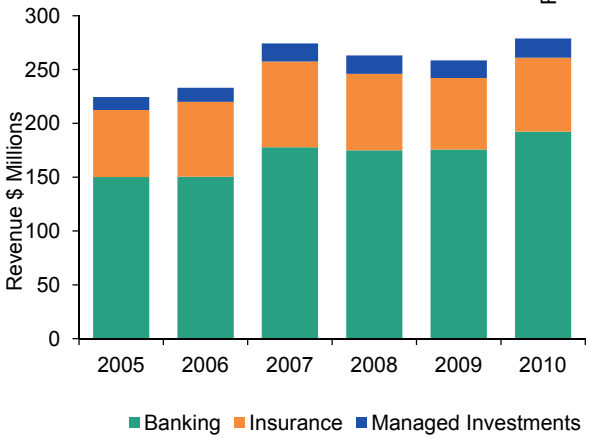


**ABS includes asset-backed commercial paper and long-term asset-backed securities. CREF includes commercial mortgage-backed securities, real estate finance, and commerical real estate CDOs.

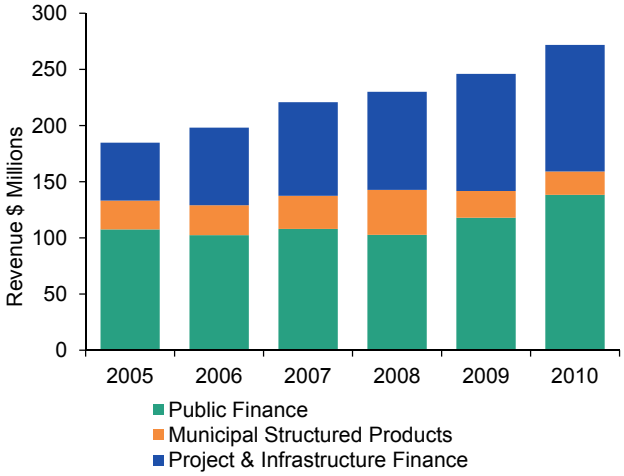
Moody's Analytics



Financial Institutions



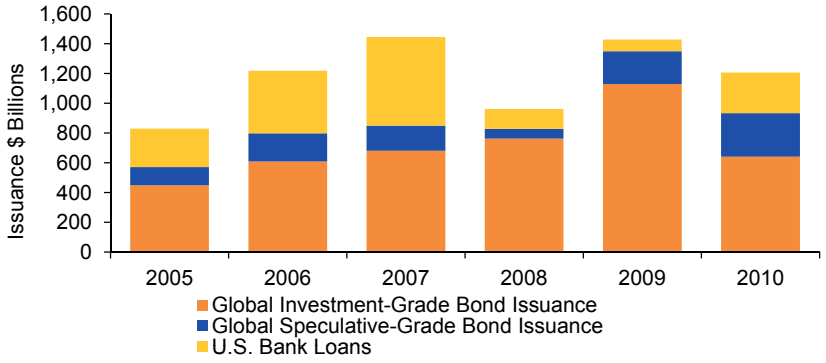
Public, Project and Infrastructure



*Historical data has been adjusted to conform with current information.

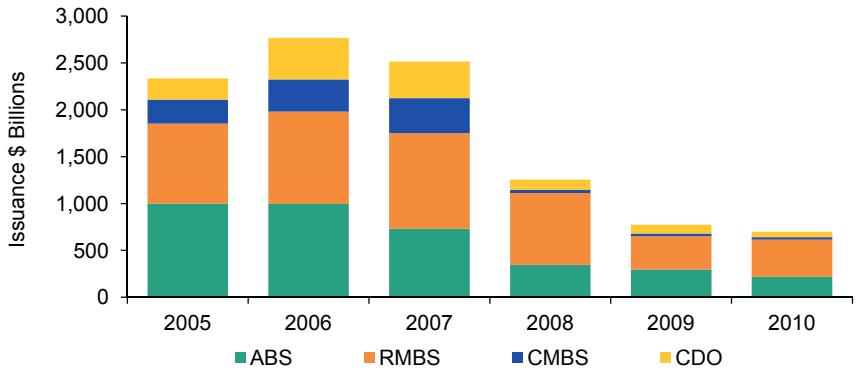
Issuance*: By Year

Global Investment Grade and High Yield Bonds and U.S. Bank Loans



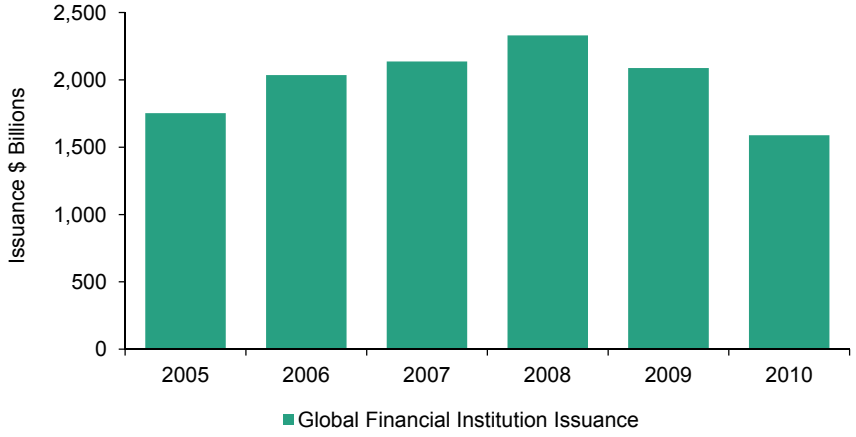
Source: Moody's Capital Markets Research Group, Dealogic; U.S. Bank Loan issuance represents rated new U.S. bank loan programs

Global Rated Structured Finance



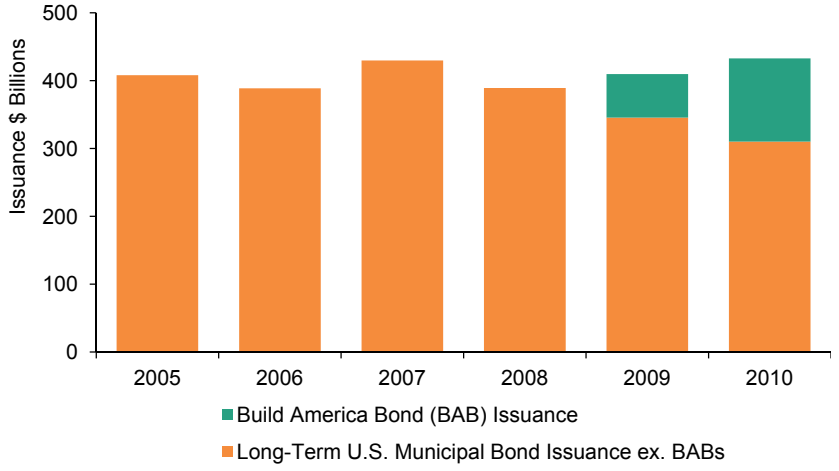
Source: AB Alert, CM Alert, Moody's Corporation

Global Financial Institutions



Source: Moody's Capital Markets Research Group, Dealogic
*Debt issuance categories do not directly correspond to Moody's revenue categorization

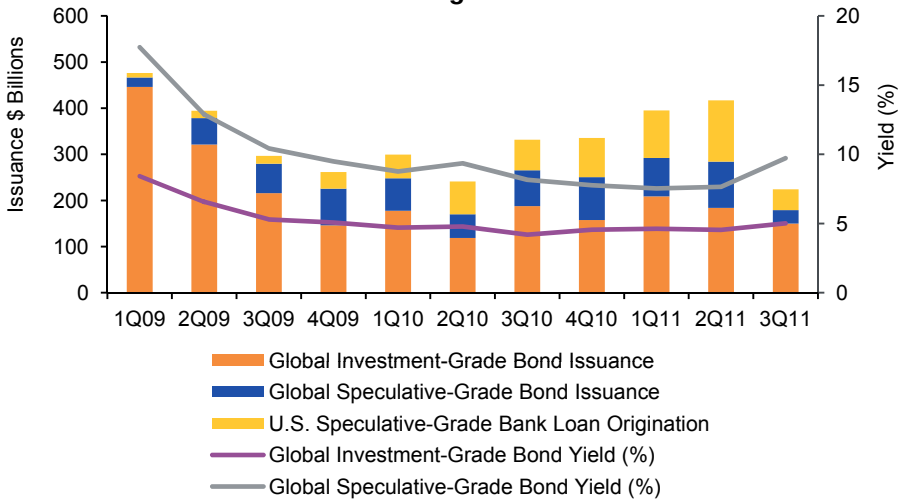
U.S. Municipal Bonds



Source: Bond Buyer

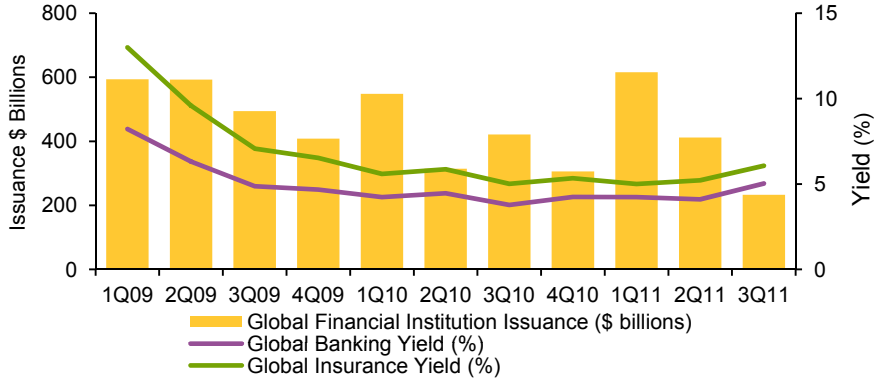
Issuance* and Yields: By Quarter

Rated Global Investment Grade and High Yield Bonds and Rated U.S. High Yield Bank Loans



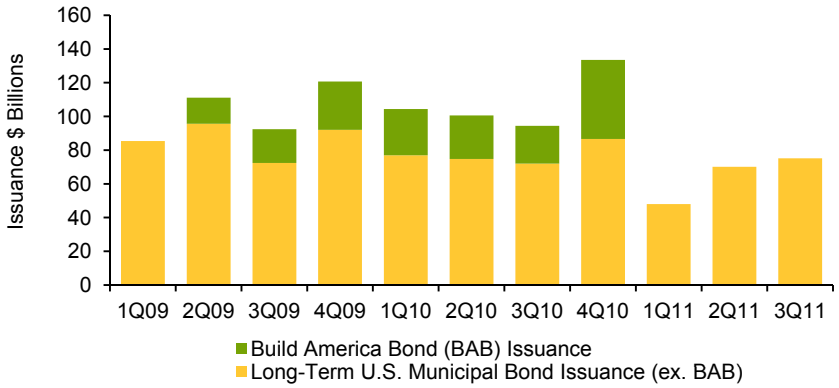
Source: Moody's Capital Markets Research Group, Dealogic, Barclay's Capital; U.S. Bank Loan issuance represents rated new U.S. bank loan programs

Global Financial Institutions



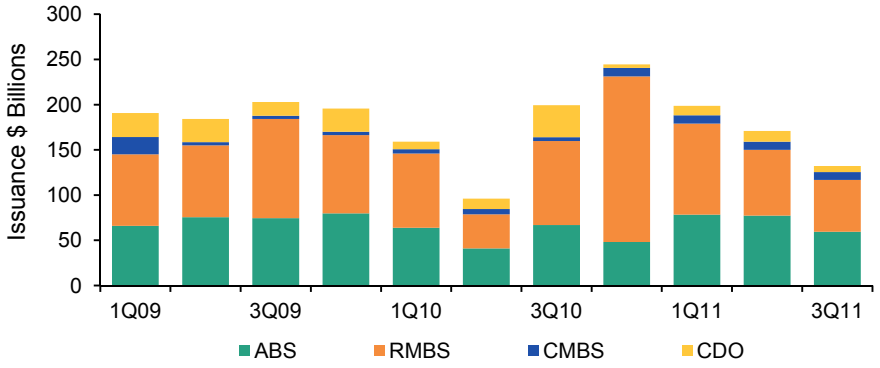
Source: Moody's Capital Markets Research Group, Dealogic, Barclay's Capital

U.S. Municipal Bonds



Source: Bond Buyer

Global Rated Structured Finance



Source: AB Alert, CM Alert, Moody's Corporation

*Debt issuance categories do not directly correspond to Moody's revenue categorization

Moody's Analytics Helps Financial Institutions Manage Risk

Information

RESEARCH, DATA & ANALYTICS (RDA)

- MIS research & data
- MIS ratings feeds
- Quantitative credit metrics (EDFs)
- Economic research, data & models
- Structured finance analytics & data

27,000 Subscribers

Demand Drivers

- Expansion of credit market activity among financial institutions customers
  - Headcount growth
  - Asset class exposures
  - Geographic expansion

Covers 12,000 corporate issuers, 25,000 public finance issuers and16,000 structured finance deals

Systems

RISK MANAGEMENT SOFTWARE (RMS)

- Credit assessment and origination
- Portfolio management
- Balance sheet management
- Regulatory compliance

1,400+ Clients

Demand Drivers

- New regulatory requirements (e.g., Basel III, Solvency II)
- Adoption of global best practices in developing markets
- Systems upgrades in developed markets

Unique capabilities to monitor and implement country-specific regulatory developments as they emerge

Advice & Training

PROFESSIONAL SERVICES

- Financial services in-house training, seminars, e-learning, and professional certifications
- Custom regulatory compliance consulting projects; risk scoring models

55,000 Trainees/Year

Demand Drivers

- Regulatory requirements for validating and strengthening banks' risk management infrastructure
- Securities markets evolution, especially in emerging economies

170+ courses ; we help world's leading financial institutions train their workforce

Moody's Analytics' offerings strengthen and build upon Moody's brand

Moody's Analytics Market Position and Strategy By Segment

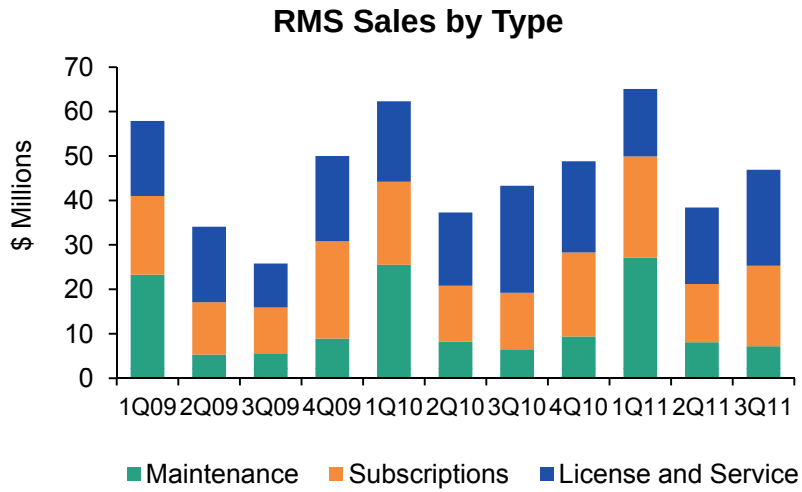
	COMPETITIVE ADVANTAGE	PEER GROUP*	STRATEGIC GOAL
RESEARCH, DATA & ANALYTICS (RD&A)	» Exclusive distributor of rating agency content » Multiple perspectives on credit analysis	» Equifax » Factset Research Systems » McGraw-Hill Financial	» Capture larger "share of wallet" via product extensions to grow faster than typical mid-single digit growth
RISK MANAGEMENT SOFTWARE (RMS)	» Expertise in models, process and compliance combined with industrial-strength software platform	» Fitch Algorithmics** » SunGard » Oracle	» Reach several hundred million dollars in revenue within next few years
PROFESSIONAL SERVICES	» Training programs provide unrivalled content, expertise and breadth of delivery channels » CSI is the exclusive provider of mandatory securities licensing education	» Blackrock Solutions » Fair Isaac Corp » McGraw-Hill Financial	» Education and advisory services provide "entry-level" offering for new customers in emerging markets » Over time, cross-sell big ticket software solutions and high margin research subscriptions

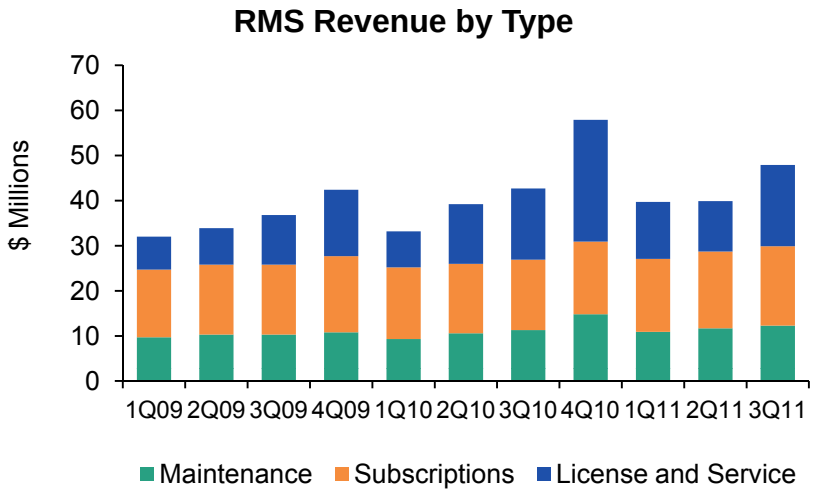
Moody's Analytics provides a unique product portfolio

» MA peers include companies with similar business models that sell to similar segments but none with an identical product portfolio

* Peer group list is not comprehensive.
**Acquisition by IBM due to close in October, 2011

Risk Management Software Metrics





- Maintenance and Subscription revenues are recurring and represent approximately two-thirds of total
  - Renewed annually and recognized over annual contract periods
- License and Service revenues are one-time
  - Recognized as implementation projects are completed
  - Sales provide 12-24 months visibility into revenue
- Seasonal pattern
  - Sales strongest in Q1 and Q4 due to corporate budget cycle
  - Revenue strongest in Q4, driven by prior year's 4Q sales and customer requirements for year-end project completion
- Quarter-to-quarter revenue results can be uneven, reflecting "lumpiness" in revenue recognition as large projects are completed
  - Expect smoother revenue as increased scale leads to higher proportion of recurring revenue from maintenance on installed base

Risk Management Software Helps Lending Institutions Answer Key Risk-Related Questions

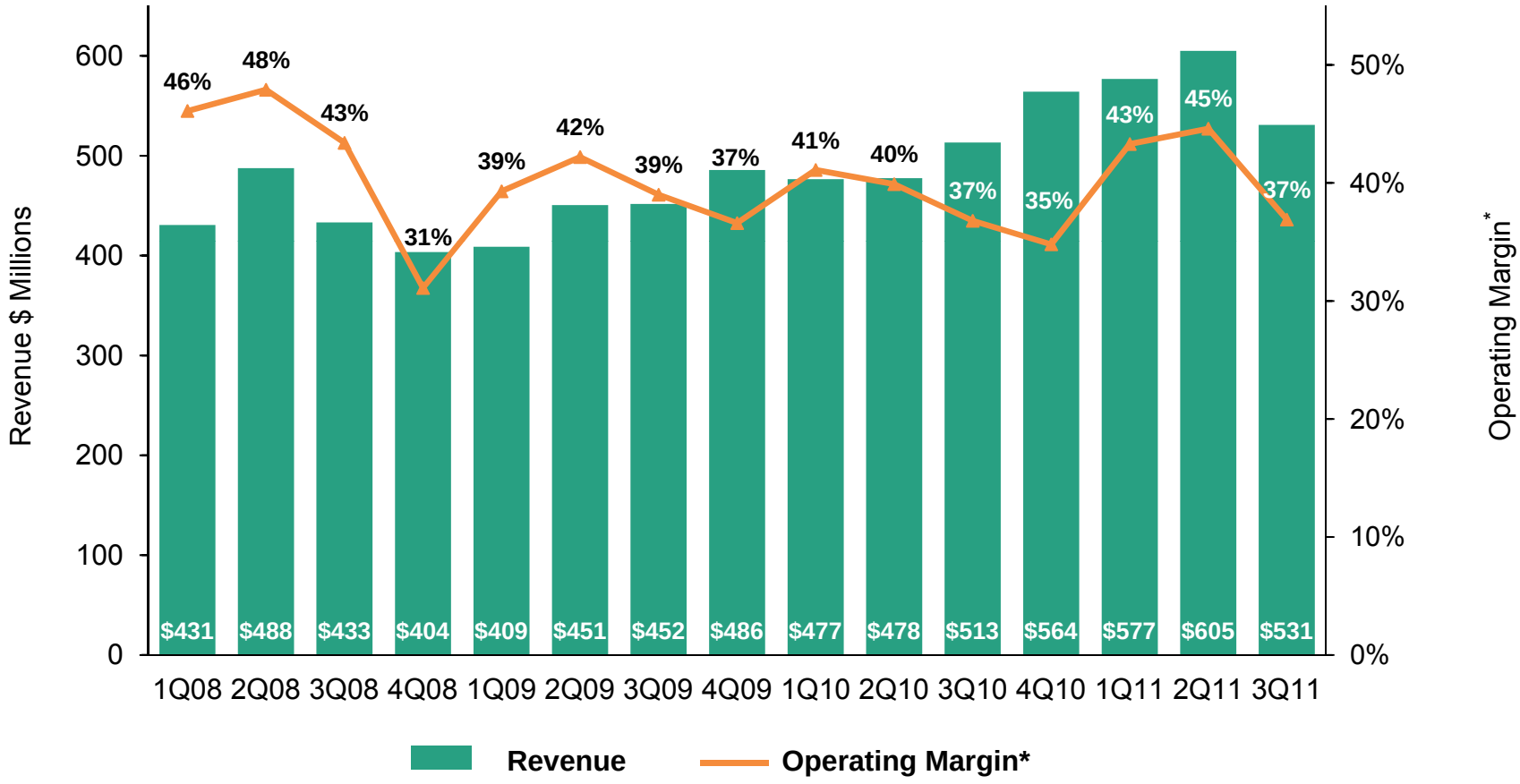


Question	RMS Solution
Should we make this loan?	Spread counterparty financial data Run default probability and loss-given-default to assign or validate risk score Track progress of loan origination through workflow tool
What impact does this exposure have on our portfolio?	Manage industry & regional exposures; implement limit-setting Identify risk contribution of exposures within the portfolio Calculate capital consumption and economic capital
How can we comply with regulatory guidelines?	Meet country-by-country reporting requirements for credit and liquidity risk, under Basel and Solvency regulations
How should we manage our balance sheet?	Provide essential monitoring of balance-sheet risk across a wide range of assets and liabilities in the banking book Conduct stress testing for idiosyncratic or systemic crises

Regulatory Uncertainty Continues to Weigh on New Securitization Conditions

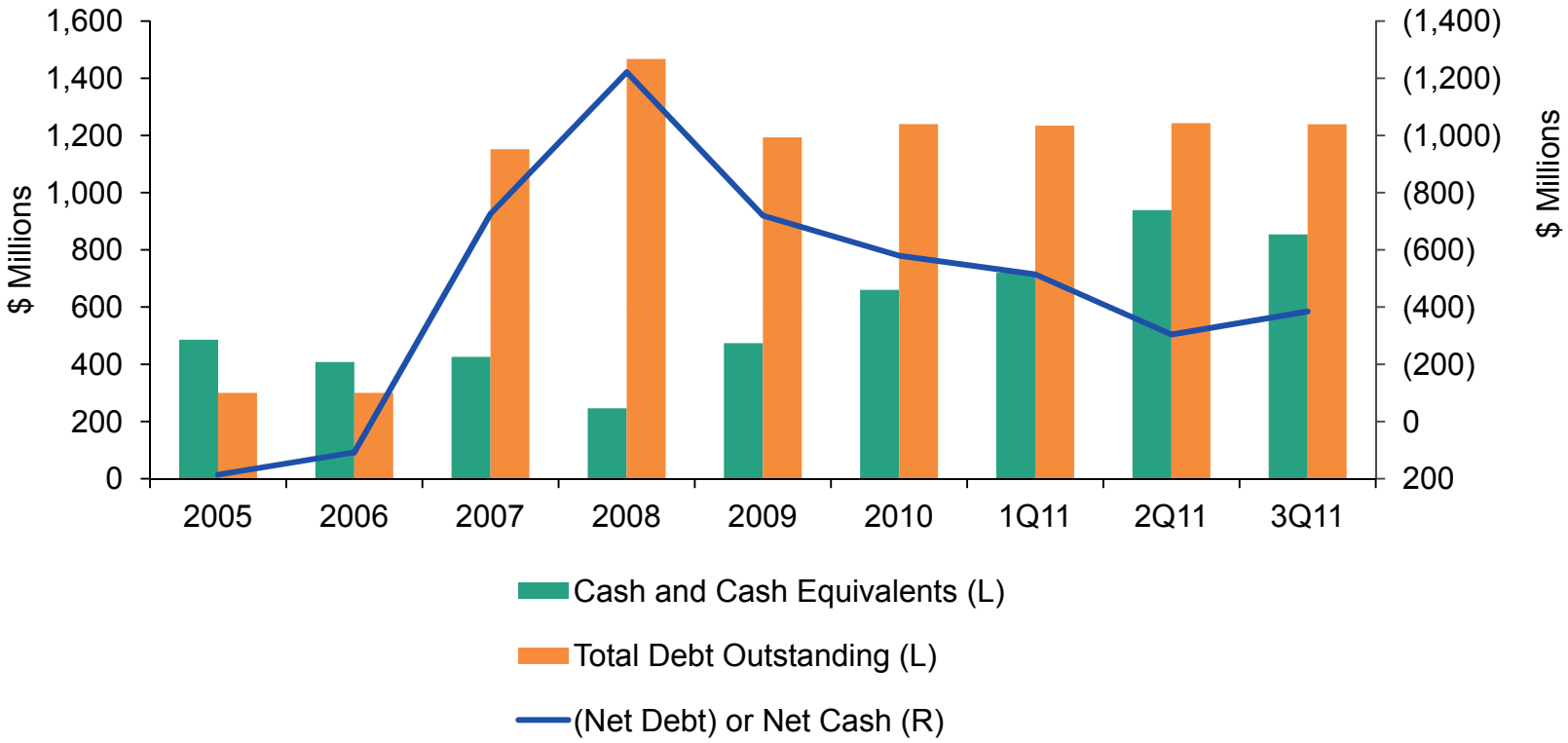
ADOPTED	**FAS 166/167**	Requirement to consolidate ABCP on sponsor banks' balance sheet may lead to lower ABCP outstanding levels, when combined with potentially higher regulatory capital costs. Also affects credit card safe harbor provisions. May make sale treatment harder to achieve for CMBS.
	Dodd-Frank Act	Requires retention of an unhedged (and untransferable) 5% credit risk of SF securities potentially dampening U.S. SF issuance. This may cause the SPV to stay on securitizer's balance sheet under FAS 167 if the securitizer manages the SPV in a way that substantially affects its performance
	FDIC "safe harbor" treatment	Limited issuance impact, depends on how economical bank-sponsors of securitizations will consider safe harbor compliance, as compared to alternative financing sources
PROPOSED	**Basel II / III**	Increases bank capital requirements and strengthens bank capital adequacy and liquidity: – Basel II triples capital requirements for resecuritizations in banking book – Basel III introduces a minimum leverage ratio and liquidity ratios, requiring banks to hold sufficient high-quality assets
	Revised SEC Regulation AB	Increases disclosure and may reduce issuance volume – Requires originators to file loan-level information with the SEC – New requirements for shelf registrations, including 5% risk retention – Requirement to disclose credit rating in registration statements was waived indefinitely
	FASB/IASB joint financial instruments accounting projects	Requires nearly all financial instruments, including loans, to be carried at fair value. May create disincentive to hold securitized assets but conversely also may incentivize banks to securitize more of their loan portfolios

Operating Margin Tends to Follow a Pattern Throughout the Year Due to Typical Quarterly Drivers



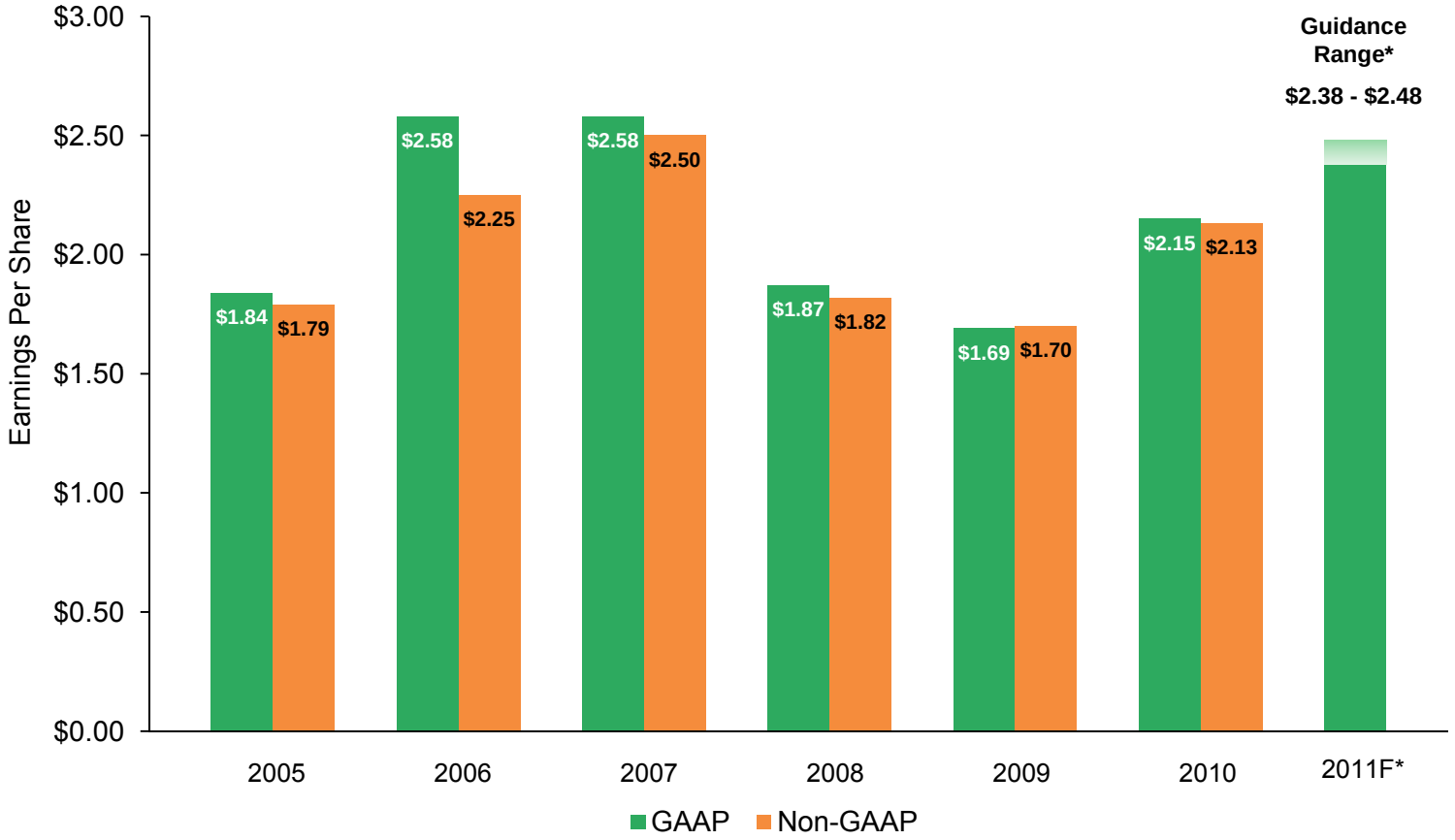
* Operating margin excludes restructuring charges and related adjustments

Balance Sheet Remains Strong



- Cash flow generation continues to be strong
- $1 billion of additional capacity available under revolving credit facility
- No major debt repayment due until 2015

Earnings Per Share



* 2011 EPS range represents GAAP guidance provided on October 27, 2011; expect to be at the upper end of the range

Non-GAAP EPS excludes: certain legacy tax matters and adjustments (2005-2010); restructuring charges and related adjustments (2007-2009); the gain on sale of Moody's former NY headquarters building (2006). 2005 reflects impact of stock compensation expense determined as if FAS123 was adopted on its effective date.

Both GAAP and non-GAAP EPS include $0.15 of tax benefits associated with foreign earnings and state taxes in 2010. 2011 EPS guidance includes a $0.06 tax benefit from 1H 2011.

All figures adjusted to reflect 2-for-1 stock split effective May 2005

Reconciliation of Non-GAAP Financial Measures to GAAP

Earnings Per Share[a]	2010	2009	2008	2007	2006	2005
GAAP diluted EPS as reported	**$2.15**	**$1.69**	**$1.87**	**$2.58**	**$2.58**	**$1.84**
Non-GAAP adjustments[b]:						
Impact of expensing stock-based compensation[c]	-	-	-	-	-	(0.02)
Impact of restructuring	-	0.05	(0.01)	0.11	-	
Impact of legacy tax items	(0.02)	(0.04)	(0.04)	(0.19)	(0.01)	(0.03)
Impact of gain on sale of building	-	-	-	-	(0.32)	-
Non-GAAP diluted EPS	**$2.13**	**$1.70**	**$1.82**	**$2.50**	**$2.25**	**$1.79**
Shares used in diluted EPS calculation (millions)	**236.6**	**237.8**	**245.3**	**272.2**	**291.9**	**305.6**

(a) Adjusted for May 2005 2-for-1 stock split
(b) Non-GAAP EPS adjustments may differ from figures disclosed in earnings releases due to rounding
(c) Represents the EPS impact of expensing stock-based compensation determined as if FAS123 w as adopted on its effective date

Operating Margin	3Q11	2Q11	1Q11	4Q10	3Q10	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09	4Q08	3Q08	2Q08	1Q08
GAAP Operating Margin (As Reported)	**37%**	**45%**	**43%**	**35%**	**37%**	**40%**	**41%**	**37%**	**38%**	**42%**	**36%**	**31%**	**44%**	**48%**	**46%**
Restructuring	-	-	-	-	-	-	-	-	1%	-	3%	-	-1%	-	-
Non-GAAP Operating Margin	**37%**	**45%**	**43%**	**35%**	**37%**	**40%**	**41%**	**37%**	**39%**	**42%**	**39%**	**31%**	**43%**	**48%**	**46%**

2008 Revenue MIS Business Line Reclassification

in $millions

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

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

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

* Excludes intersegment royalty

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

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

2009 Moody's Analytics Revenue Reclassification

in $millions

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

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

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

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

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