Moody's



Goldman Sachs Communacopia Conference

Investor Presentation

SEPTEMBER 22, 2011

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1 Corporate Overview

Moody's Business Structure

MOODY'S

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

MOODY'S INVESTORS SERVICE

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

70% of MCO TTM revenue: $1,592 million*

MOODY'S ANALYTICS

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

30% of MCO TTM revenue: $668 million*

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

Moody's Investment Fundamentals

BUSINESS DRIVERS AND METRICS *

- Strong market position and sustained role as credit opinion provider
- Growth potential driven by financing needs associated with global economic growth and demand for risk management solutions
  - Revenue from U.S. 52%, EMEA 31%, other international 17%
- Positioned to benefit from multi-year refinancing wall and financial system disintermediation
- Recurring revenue: 51% of total
- Operating margin: 44%
- Conservatively managed balance sheet
- Committed to returning capital to shareholders

BUSINESS TARGETS

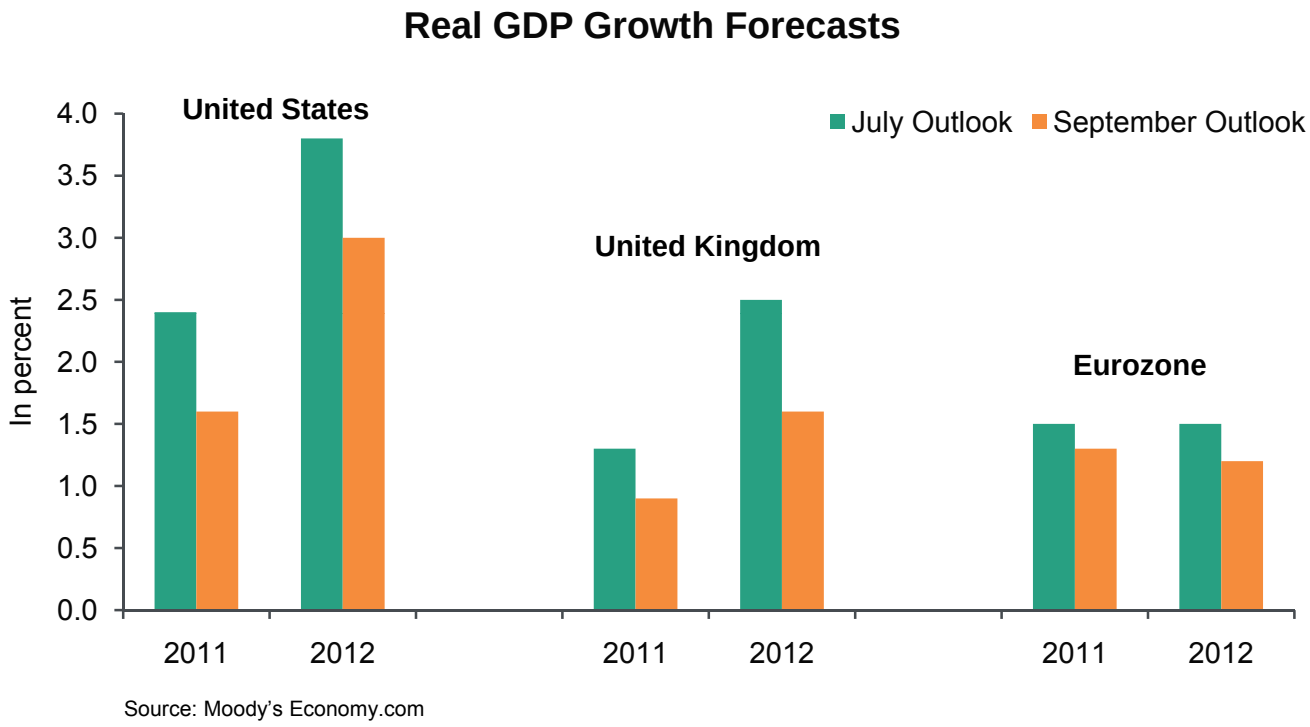
Long-term revenue growth: Double-digit percent

Long-term operating margin: Above 40 percent

* Reflects first half 2011 financials

2 Macroeconomic and Capital Markets Summary

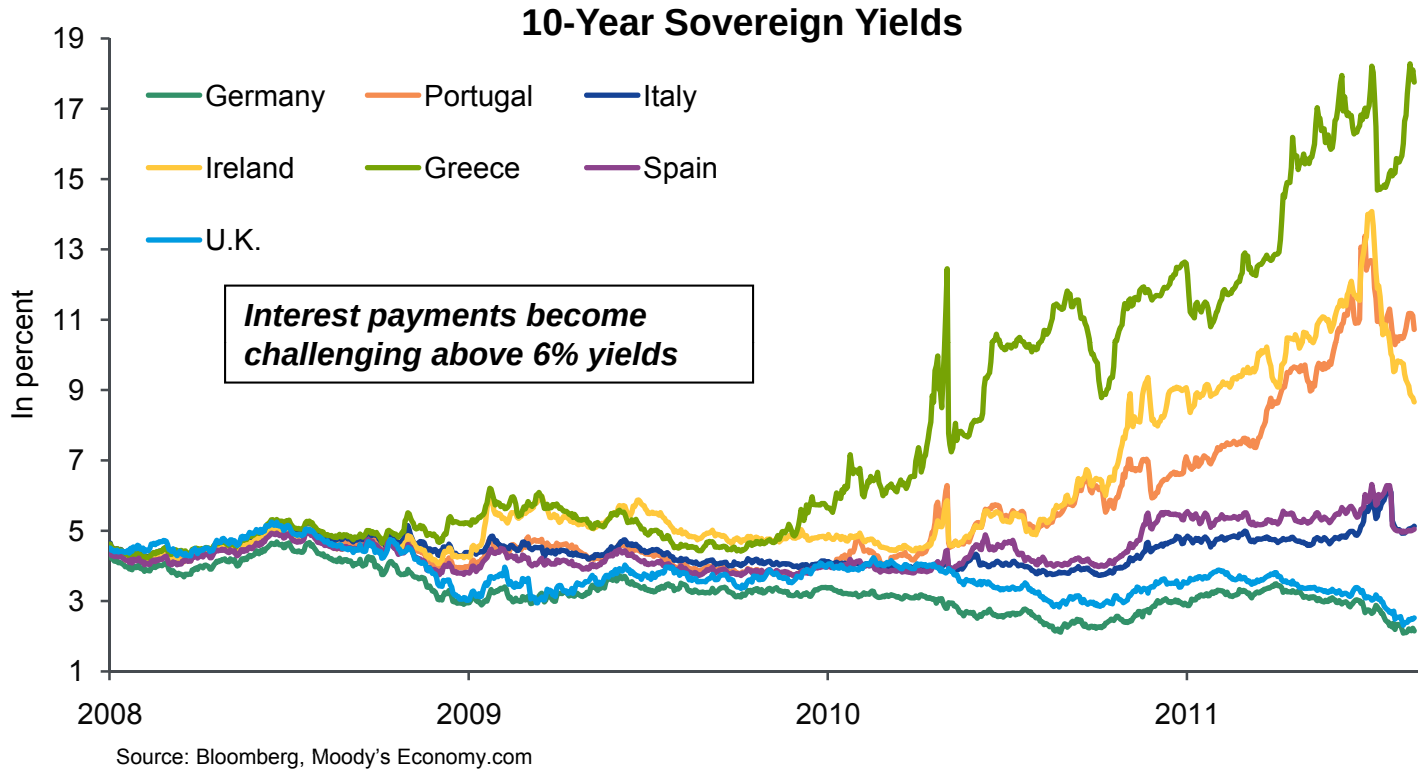
U.S. and European GDP Growth Forecasts Revised Downward



Source: Moody's Economy.com

- U.S. economic growth has stalled amid falling business and consumer confidence
- Rising layoffs and slowing retail sales mean the economy could be on the edge of a new recession
- Europe's sovereign debt crisis is among the uncertainties weighing on sentiment and inhibiting economic activity

Yields on European Sovereign Debt Have Increased

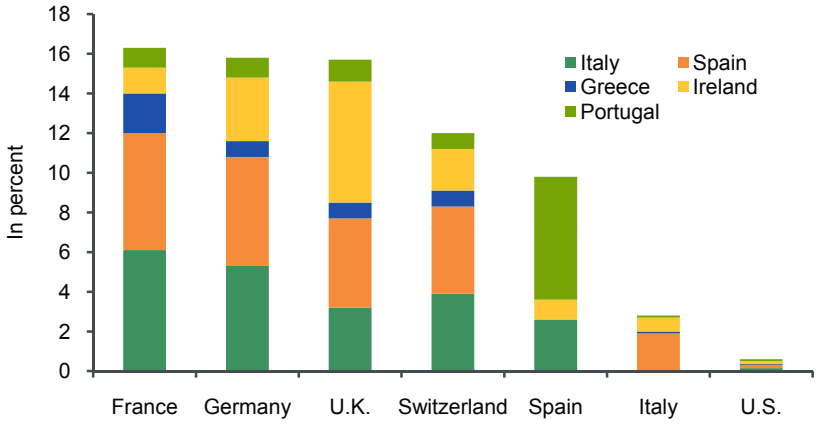


Source: Bloomberg, Moody's Economy.com

» Despite aggressive sovereign bond purchases by the ECB, yields on Italian and Spanish bonds threaten to rise to a point at which the interest payments will become challenging

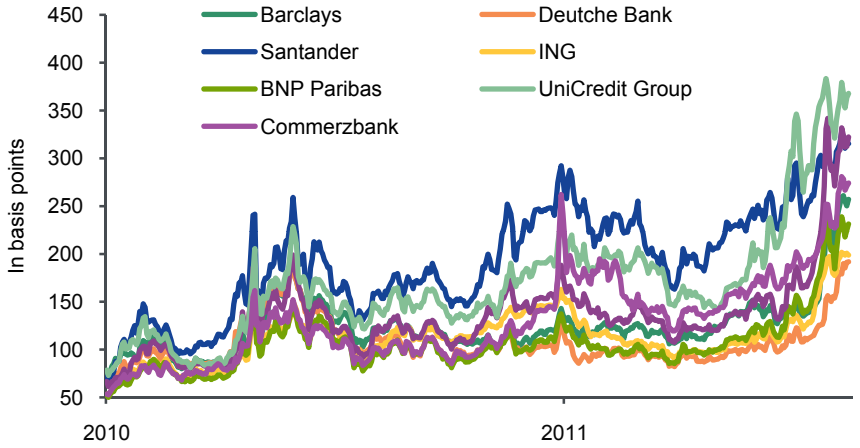
Europe's Banking System Is Exposed to Sovereign Debt

Banking System Exposure to Public & Private Debt, % of GDP, 2Q 2011



Source: IMF, BIS, Moody's Economy.com

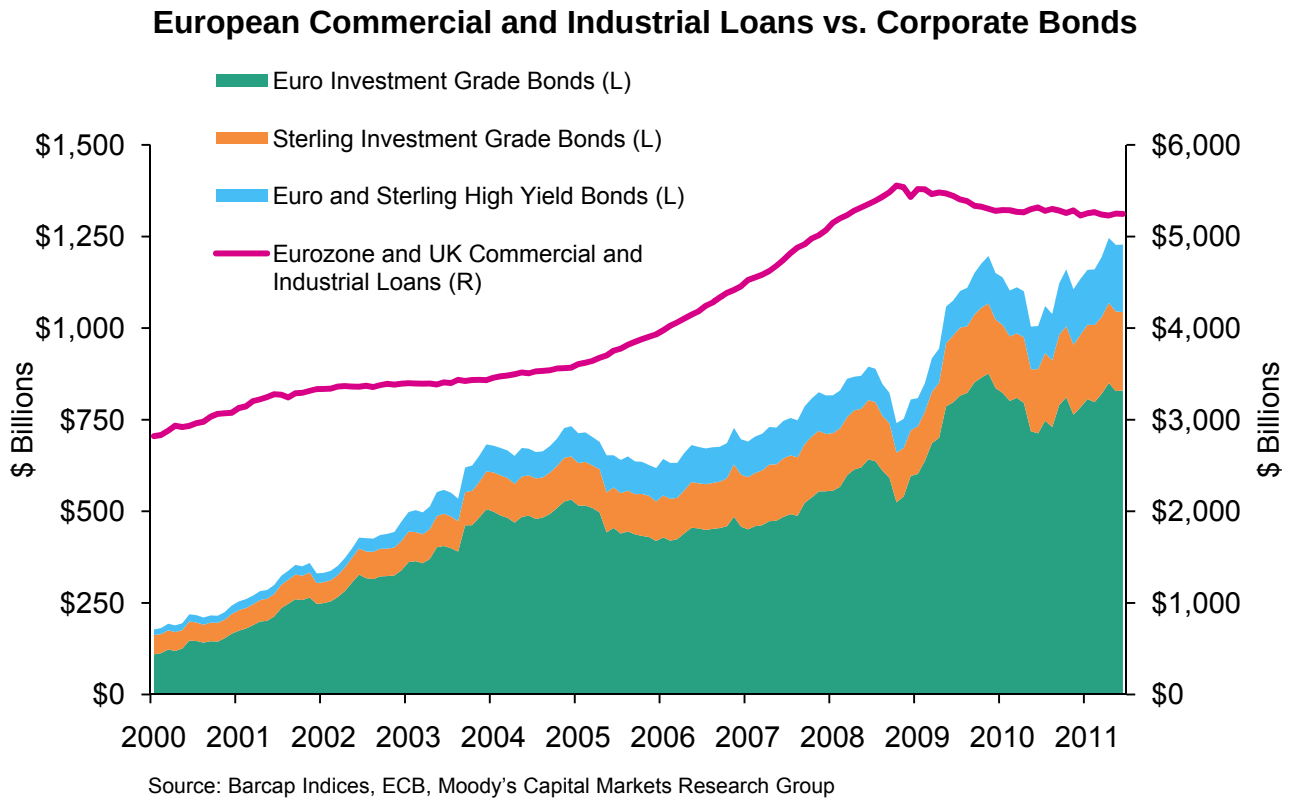
CDS Spreads



Source: Bloomberg, Moody's Economy.com

- Lending by French banks to public and private borrowers in Ireland, Italy, Greece, Portugal and Spain equals more than 15% of French GDP
- German and British banks have similarly high exposures
- U.S. bank loans to debtors in these troubled nations total no more than 1% of U.S. GDP

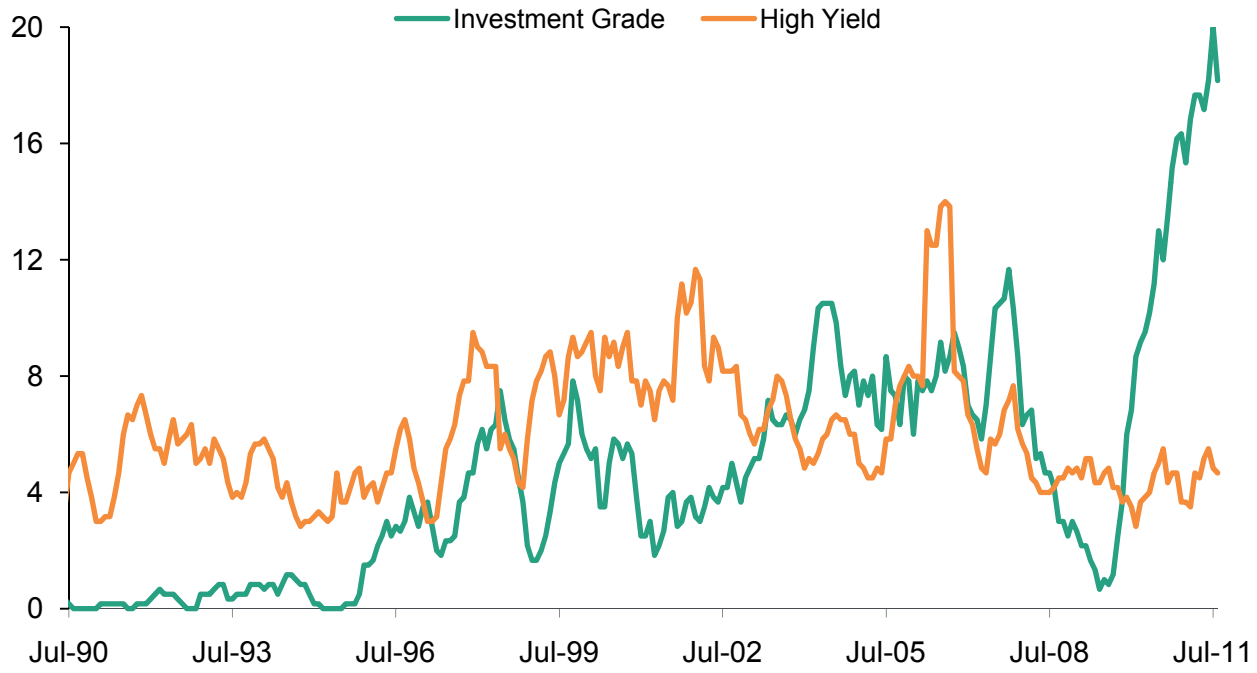
Banking Conditions in Europe Driving More European Corporates to the Bond Markets



» Jan 2000-June 2011 compound annual growth rate: Bonds 18%, Loans 6%

Newly Rated European Corporate Entities Have Risen Sharply

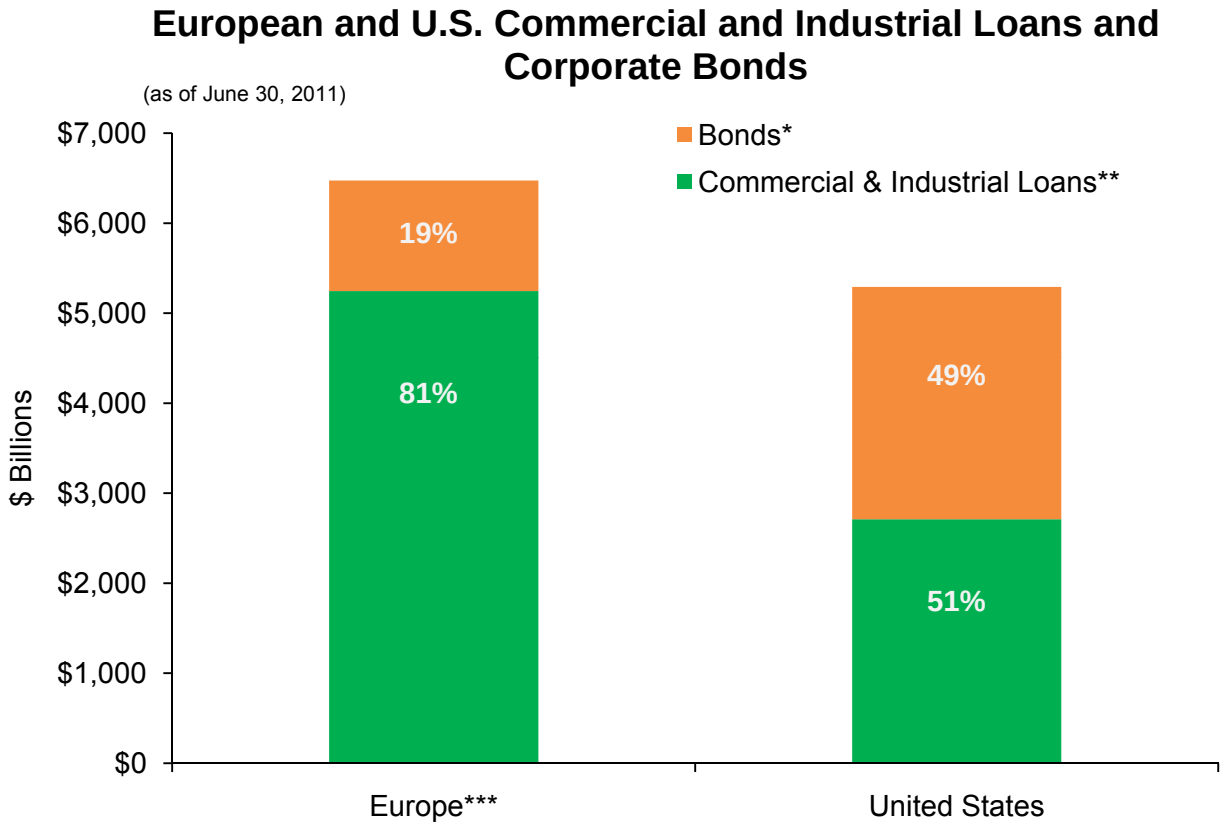
Monthly Count of Newly Rated* European Industrials and Utilities (6 month moving average)



Source: Moody's Investors Service; Data as of August 23, 2011

* Rated by Moody's Investors Service

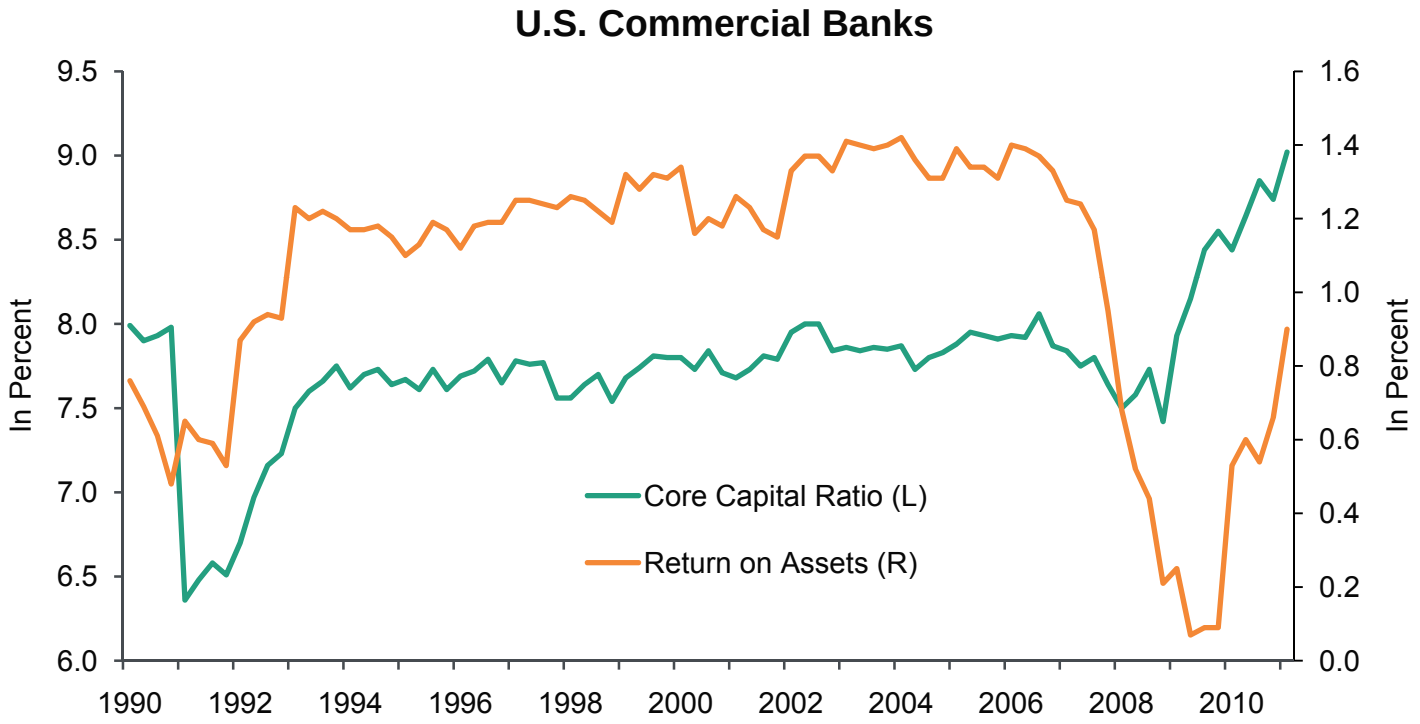
European Capital Markets Have Room For Growth



Sources: The Fed, the ECB, Barcap Indices, Moody's Capital Markets Research Group; *Industrial and utility only; ** 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

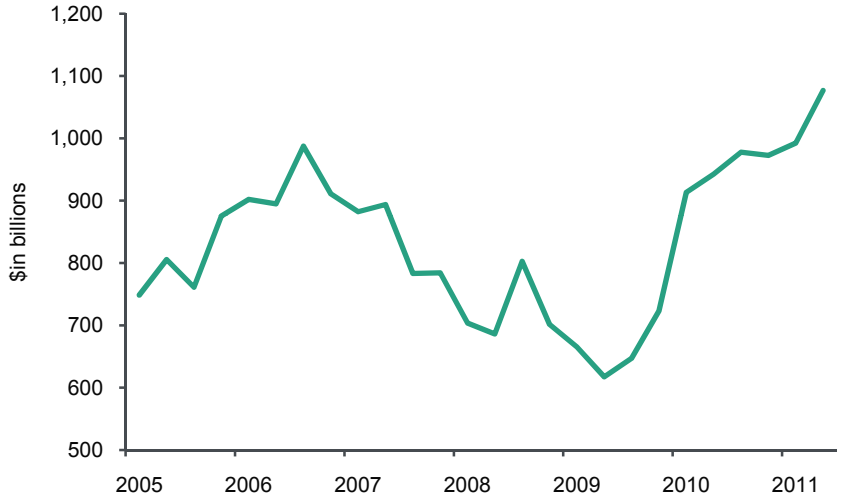
U.S. Banks Have Improved Their Balance Sheets



Source: FDIC, Moody's Economy.com. Core Capital Ratio is defined as the ratio of a bank's capital to its risk-weighted assets. Return on Assets is defined as the ratio of a bank's net income to its assets

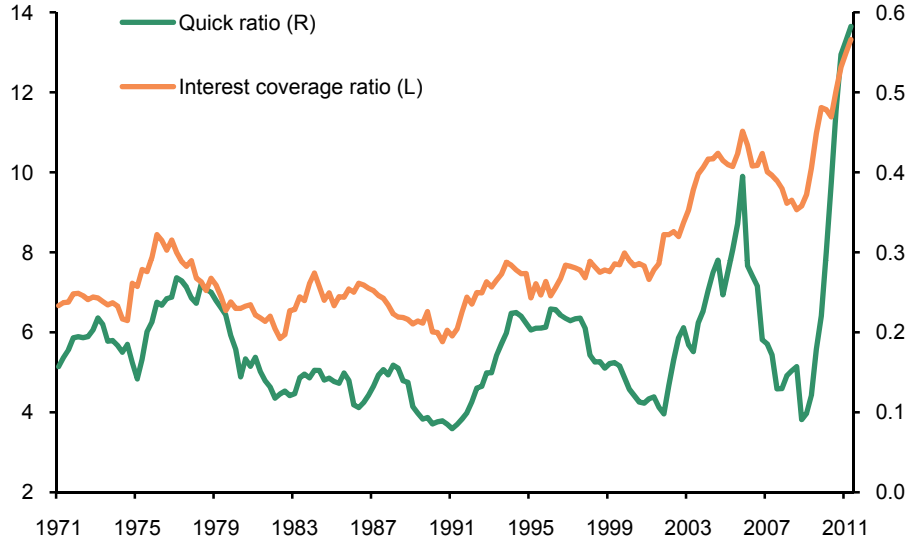
U.S. Businesses Are Very Profitable and Have Strong Balance Sheets

U.S. Non-Financial Domestic Corporate Profits



Source: BEA, Moody's Economy.com

U.S. Non-Financial Corporate Businesses

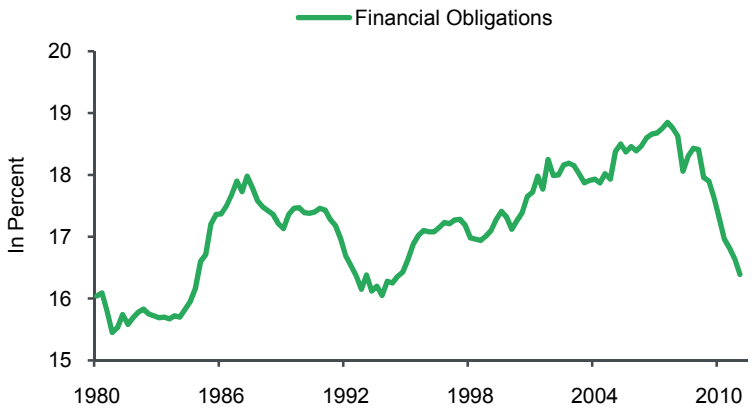


Sources: Federal Reserve, Moody's Economy.com. Quick ratio is defined as non-farm, non-financial corporate business liquid assets/non-farm, non-financial corporate business total short-term liabilities

» Much of the record cash held by U.S. companies is abroad, requiring many of them to continue to tap the domestic debt capital markets

Despite Falling Household Debt Burdens, U.S. Consumer Confidence Is Weakening

Household Debt Burdens Are Falling Quickly
(% of disposable income)



Sources: Federal Reserve, BEA, Moody's Economy.com. Financial Obligations is defined as mortgage, rent, auto lease, and other debt payments

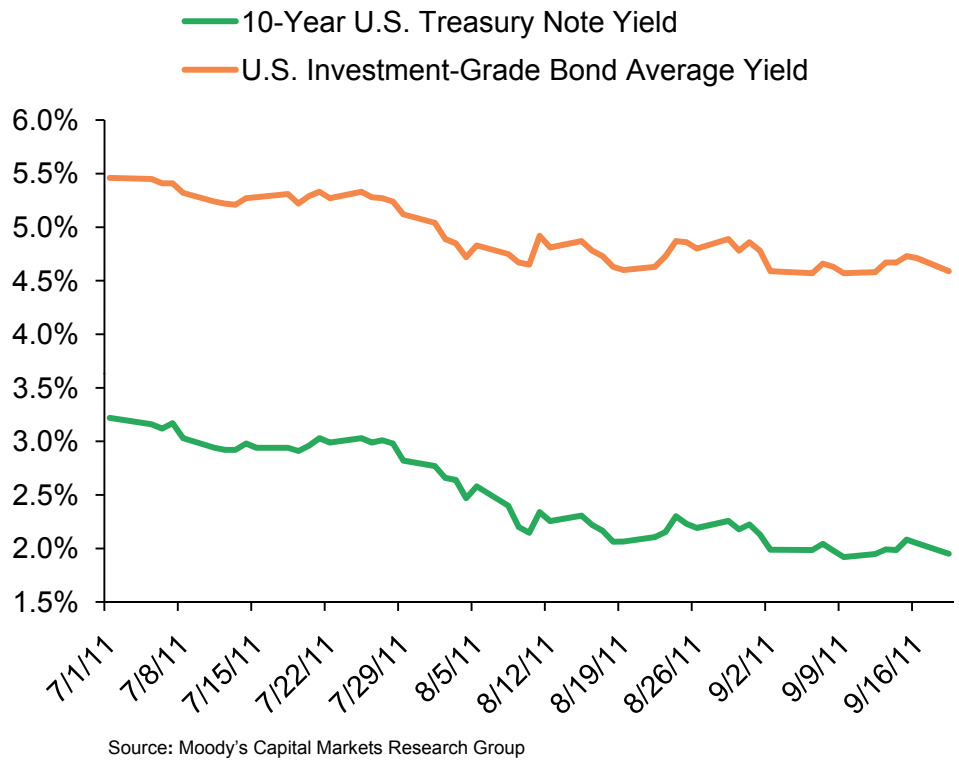
Consumer Sentiment Index
(Q1 1996=100)



Source: University of Michigan, Moody's Economy.com

- At the current rate of deleveraging and interest rates, debt service will be back to early 1980s lows by spring 2012
- Nevertheless, consumer sentiment has been dampened by weak job growth, commodity price pressure and a lack of meaningful recovery in the housing sector

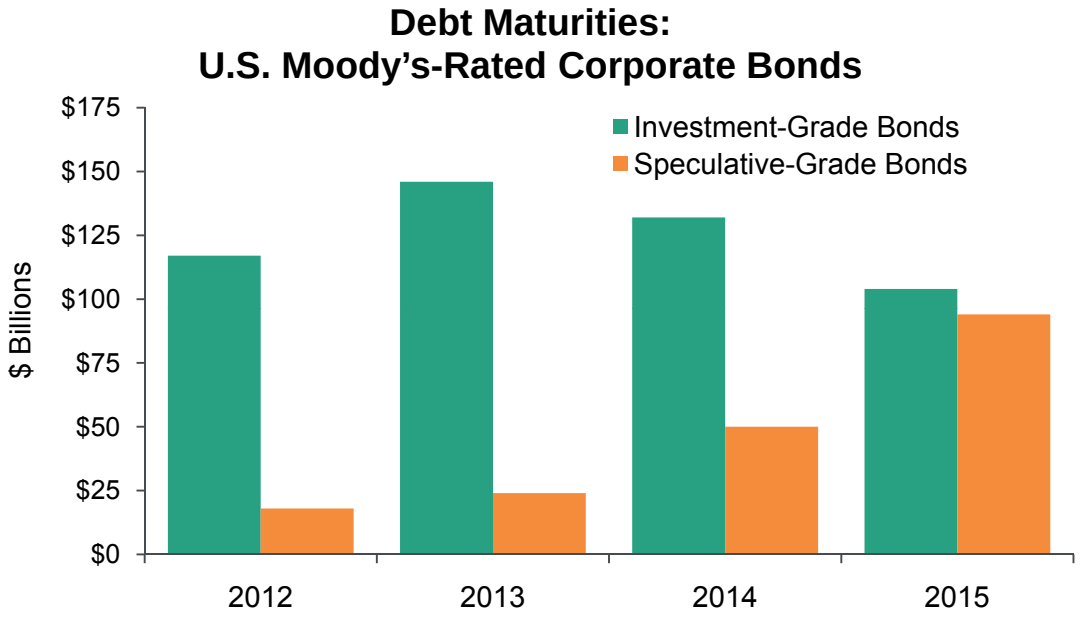
Rates Expected to Remain Near Historic Lows



Source: Moody's Capital Markets Research Group

- 10-Year U.S. treasury note yield is at historic low
- U.S. investment grade bond average yields are at the lowest levels since the 1960s
- 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

Refunding Requirements in the Next Several Years Are Significant and Will Help Drive Issuance Activity

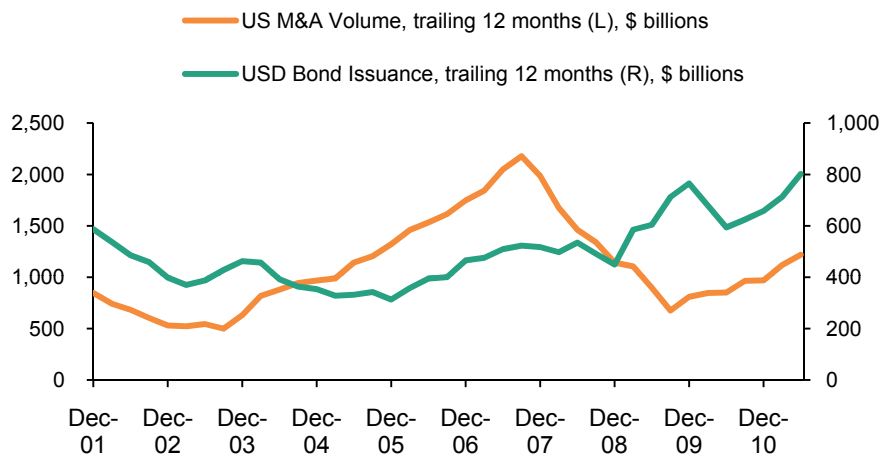


Source: Moody's Investors Service, September 2011

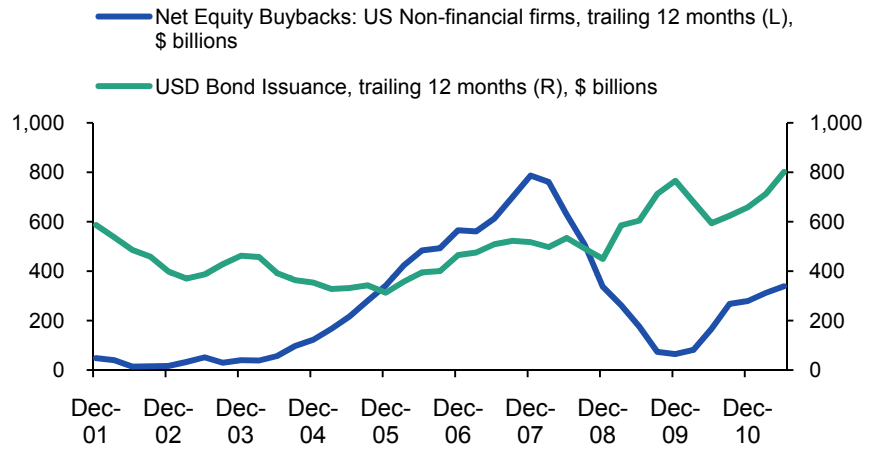
- Unusual 2013-2015 speculative-grade maturity profile reflects 2005-2007 LBO boom and creates near-term refunding demand
- Pull-forward financing has been a significant issuance driver in 2010 and 1H 2011
  - During 1Q11, an estimated 14% of U.S. investment-grade bonds, 12% of speculative-grade bonds maturing in 2012-2014 were refinanced
- Significant refunding needs remain
  - Expect future pull-forward to also be supported by tendency of issuers to refinance all instruments included in a single credit agreement when the first instrument governed by the facility matures

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

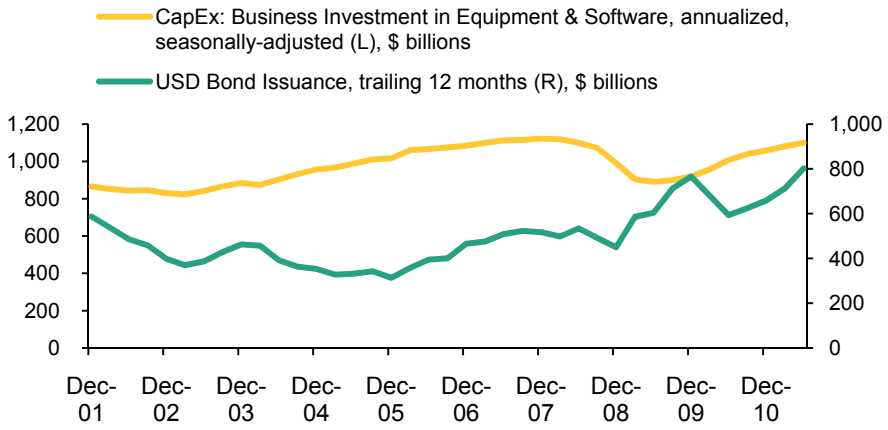
U.S. M&A Volume and Bond Issuance



U.S. Stock Buybacks and Bond Issuance



U.S. CapEx and Bond Issuance



Source: Moody's Capital Markets Research Group

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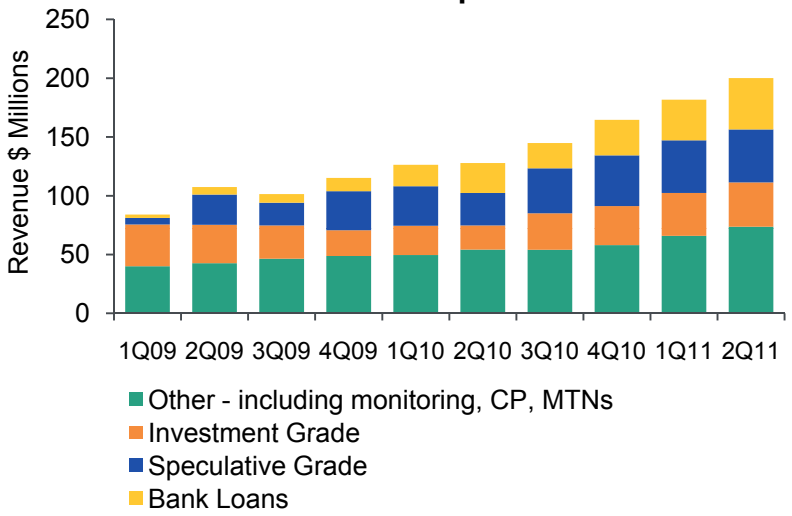
Moody's Investors Service

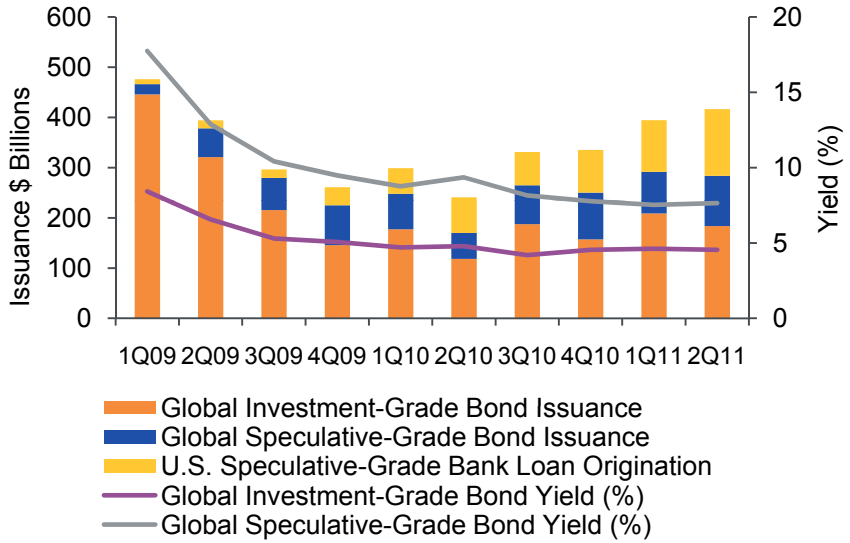
Favorable 1H 2011 Conditions for Corporate Issuance; Growth Expected to Slow in 2H 2011

Revenue Mix: Corporate Finance*



* Historical data has been adjusted to conform with current information

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

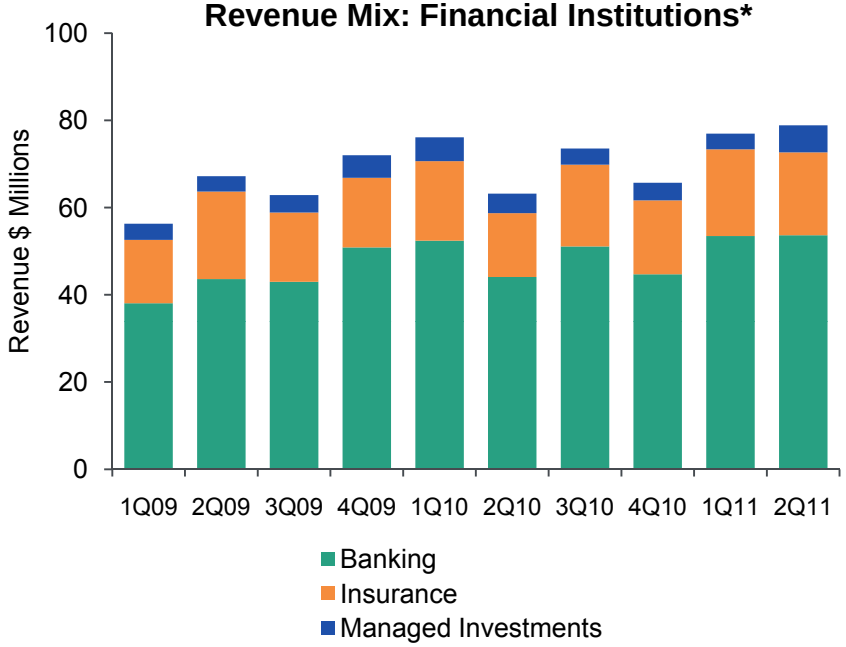


Source: Moody's Capital Markets Research Group, Dealogic
U.S. Bank Loan issuance represents rated new U.S. bank loan programs
** Debt issuance categories do not directly correspond to Moody's revenue categorization

- Issuance across all CFG asset classes and regions was very active in 1H 2011
- Activity in Europe and U.S. high-yield sector decreased year-over-year during July-August
  - However, European bond market is benefiting from diversification of funding sources away from banking system
- Despite wider spreads, U.S. investment-grade activity remained strong amid low underlying interest rates

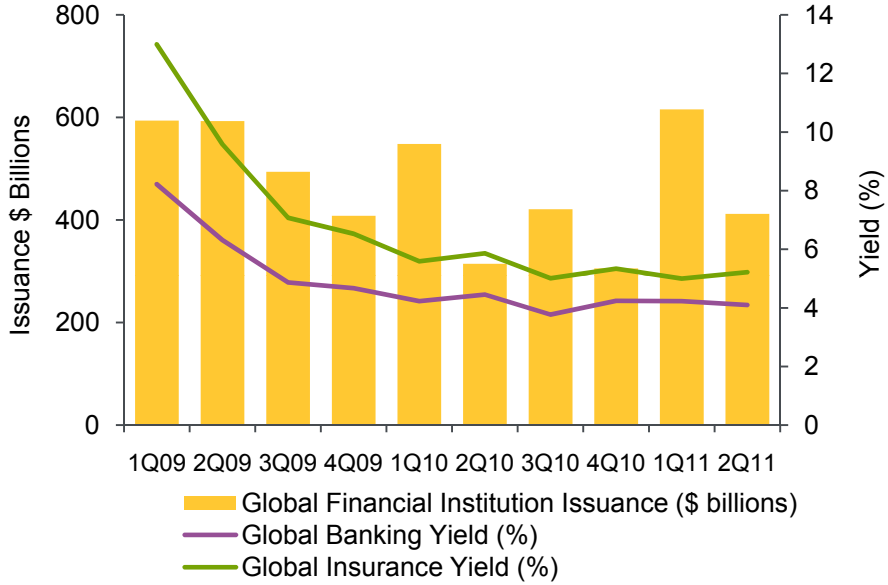
Market Conditions for Financial Institutions Improved in 1H 2011

Revenue Mix: Financial Institutions*



*Historical data has been adjusted to conform with current information

Issuance: Global Financial Institutions**



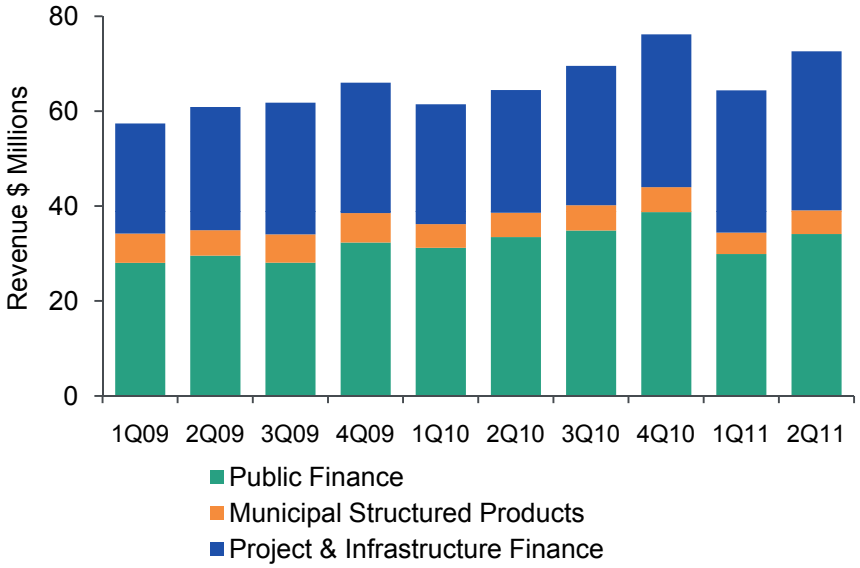
Source: Moody's Capital Markets Research Group, Dealogic

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

- FIG revenue has a large recurring component and is relatively inelastic to issuance due to predominance of frequent-issuer contracts with larger financial institutions
- 1H 2011 revenue grew as smaller financial institutions accessed credit markets opportunistically due to more favorable financing costs
  - Issuance lower year-over-year in July and August reflecting sovereign debt concerns

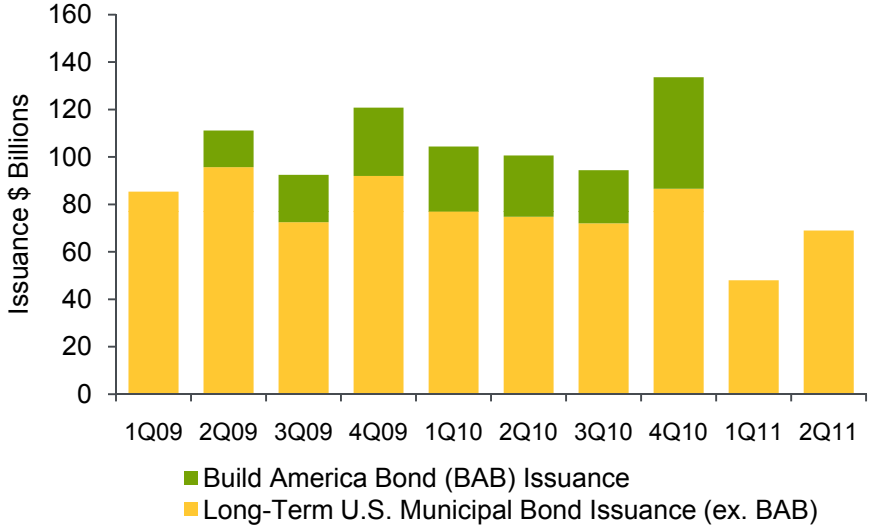
Growth in Public, Project & Infrastructure Finance Revenue to Be Driven by Infrastructure Spending

Revenue Mix: Public, Project & Infrastructure Finance*



*Historical data has been adjusted to conform with current information

Issuance: U.S. Municipal Bonds**

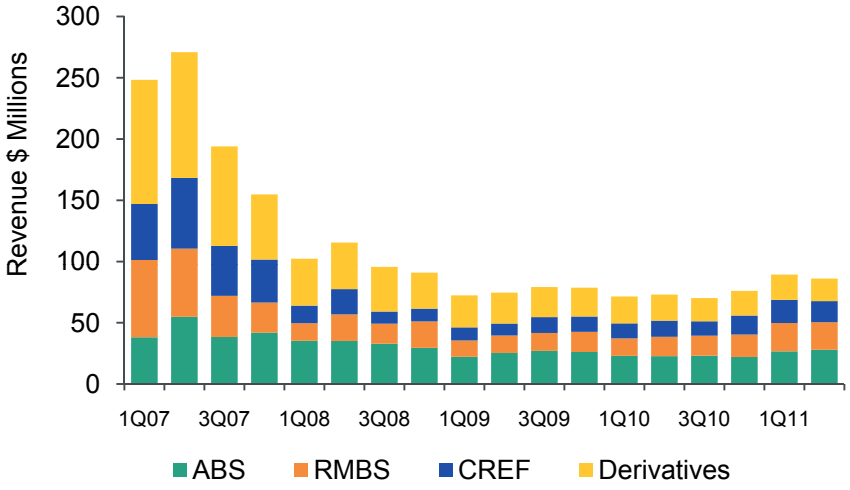


Source: Bond Buyer
**Revenue from U.S. municipal finance bonds is included in the Public Finance segment. Debt issuance categories do not directly correspond to Moody's revenue categorization

- 2011 U.S. public finance activity affected by budgetary pressures and expiration of Build America Bond program in 2010
  - July and August activity showed improvement as interest rates declined and some states and local governments sought financing after finalizing budgets
- Higher infrastructure spending outside the U.S. expected to generate growth in 2011

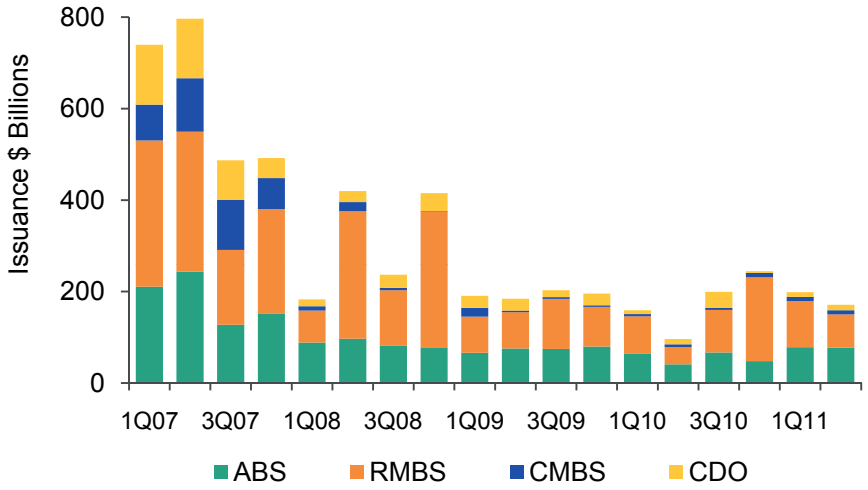
Structured Finance Conditions Have Stabilized

Revenue Mix: Structured Finance*



* 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

Issuance: Global Rated Structured Finance**



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

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

- Regulatory and economic uncertainty continues to weigh on overall structured finance activity
- Near-term issuance growth expected from U.S. CMBS and European covered bonds, gradual return of CLO activity and stabilization in U.S. ABS
- U.S. RMBS rating recovery unlikely while government role in housing finance continues

4

Moody's Analytics

Moody's Analytics Helps Financial Institutions Manage Risk

Information	Systems	Advice & Training
RESEARCH, DATA & ANALYTICS (RDA)	**RISK MANAGEMENT SOFTWARE (RMS)**	**PROFESSIONAL SERVICES**
MIS research & data MIS ratings feeds Quantitative credit metrics (EDFs) Economic research, data & models Structured finance analytics & data	Credit assessment and origination Portfolio management Balance sheet management Regulatory compliance	Financial services education » In-house training, seminars and e-learning » Professional certifications Custom consulting projects » Regulatory compliance practices » Risk scoring models
Sold via Subscription	**Sold via License & Subscription**	**Sold as One-off Contracts**

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

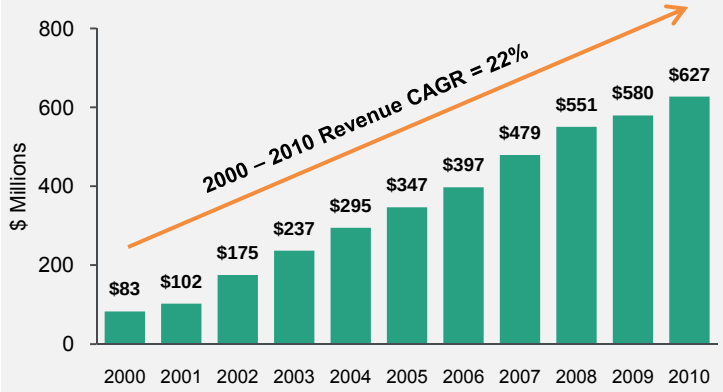
- Capitalize on Moody's reputation for credit expertise and global brand awareness
- Establishes Moody's footprint in emerging markets, where use of ratings and research is still nascent

Moody's Analytics Financial Profile

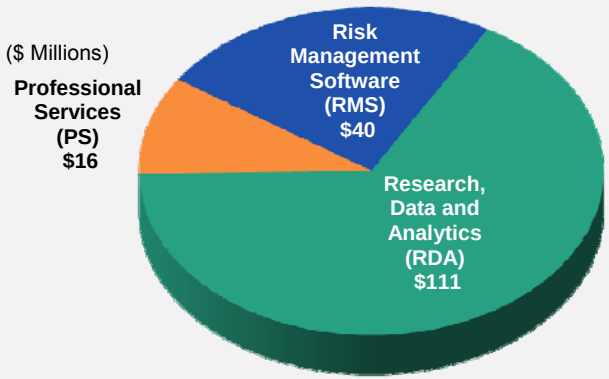
2Q11 RESULTS

Total revenue:	$167 million(1)
U.S. revenue:	42%
Non-U.S. revenue:	58%
Recurring revenue:	84%
Non-recurring revenue:	16%

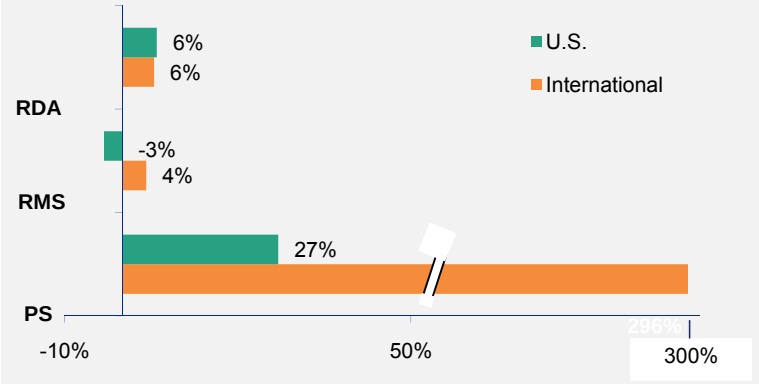
REVENUE GROWTH HISTORY(1)(2)



2Q11 REVENUE BY DIVISION



2Q11 YOY GROWTH BY DIVISION



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

Research, Data and Analytics (RDA)

OFFERINGS

- Ratings research and data
- Ratings feeds
- Quantitative credit metrics (EDFs)
- Economic research, data and models
- Structured finance analytics and data

KEY DEMAND DRIVERS

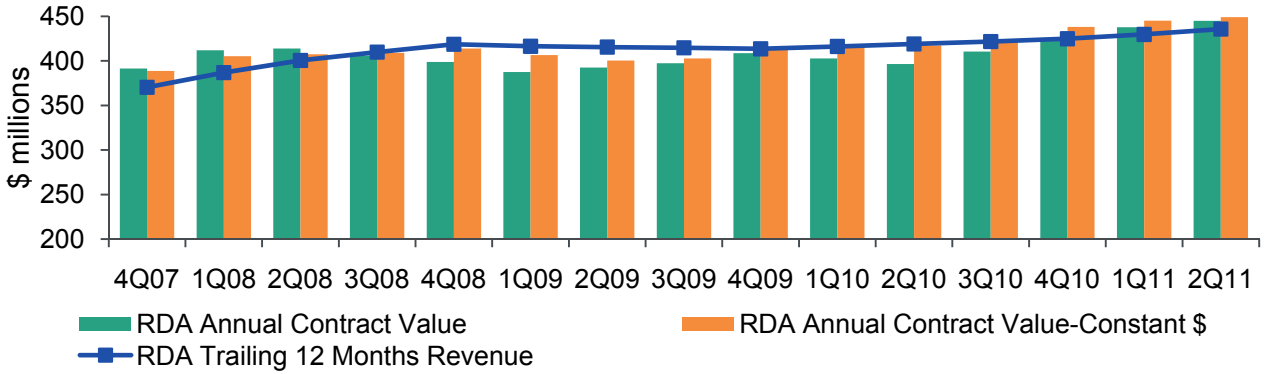
- Expansion of credit market activity among financial institutions customers
  - Headcount growth
  - Asset-class exposures
  - Geographic expansion

STRATEGIC POSITIONING

- Capture larger "share of wallet" via product extensions

FINANCIAL PROFILE

- 100% recurring revenue from annual subscriptions
- Pricing model and high renewal rates (90%+) limit downside
- Stable long-term revenue growth outlook
- Highly profitable digital distribution of "by-product" of MIS ratings process



Increase in annual contract value is indicative of future revenue growth

Risk Management Software (RMS)

OFFERINGS

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

KEY DEMAND DRIVERS

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

STRATEGIC POSITIONING

- Unique value proposition: market leading quantitative analytics integrated within industrial-strength software platform
- Goal to reach several hundred million dollars in revenue within next few years

FINANCIAL PROFILE

- Approximately 2/3rds recurring revenue from software subscriptions and annual maintenance fees
- Double-digit long-term revenue growth outlook
- Margin expansion with growth in scale
- Apparent market value far exceeds investment to date

waters rankings 2011

- Best Credit Risk Solution Provider

Risk Technology Rankings 2010

- #1 in Basel II Compliance, Regulatory Risk Capital Calculation & Regulatory Reporting
- #3 in Economic Risk Capital Calculation
- #3 in Asset and Liability Management

AsiaRisk Technology Rankings 2010

- #1 in Liquidity Management
- Ranked in Top 10 Overall Vendors in Enterprise Risk Management

Chartis RiskTech100 2010 Category Winner: Credit Risk

- #1 in Credit Risk overall
- #1 in Customer Satisfaction
- Ranked 6th in Overall Rankings

MA Software Penetration of Top 100 Commercial Banks	
United States	**50%**
Europe	**50%**
Asia Pacific	**25%**
Latin America*	**15%**

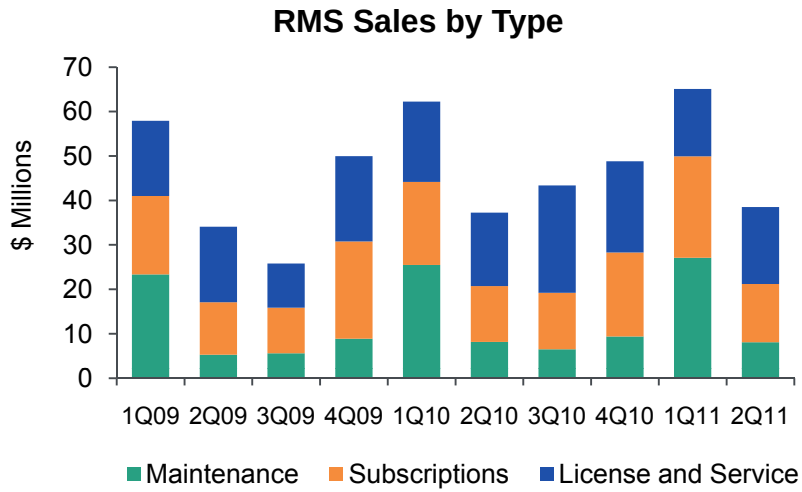
* Reflects top 40 banks only

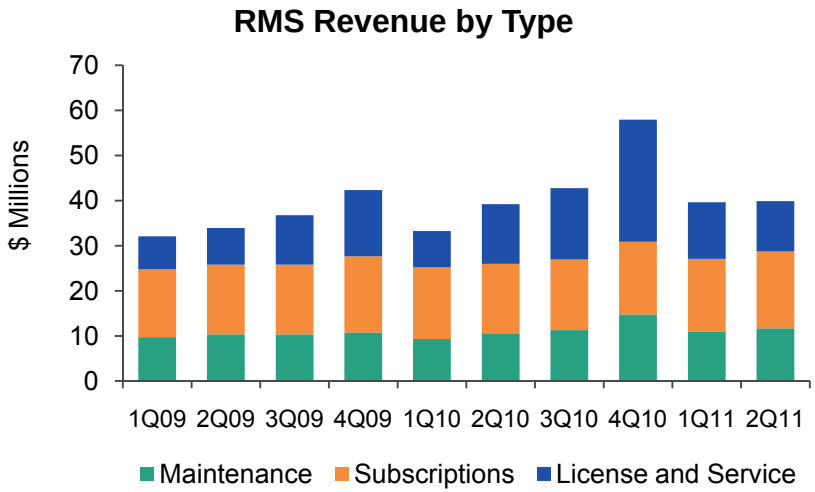
RMS Helps Lending Institutions Answer Key Risk-Related Questions



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

RMS 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

Professional Services

OFFERINGS

Professional development programs

- Credit, financial and securities markets education
- Professional licensing and certifications

Custom advisory projects

- Basel II implementation best practices
- Credit process reengineering and advisory

KEY DEMAND DRIVERS

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

STRATEGIC POSITIONING

- 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
- Certification strengthens Moody's position as a standards provider

FINANCIAL PROFILE

- Education and advisory: one-off contracts
- Certification: stable growth outlook with good prospects in new markets

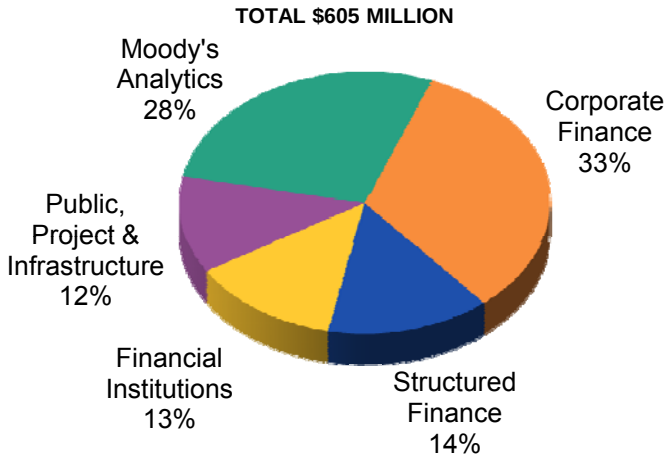
Acquisition of CSI Global Education

- Canada's leading provider of financial learning, credentials and certification; acquired November 2010
- Supports Moody's ongoing commitment to enhance risk management practices and promote soundness and efficiency in global markets through financial education

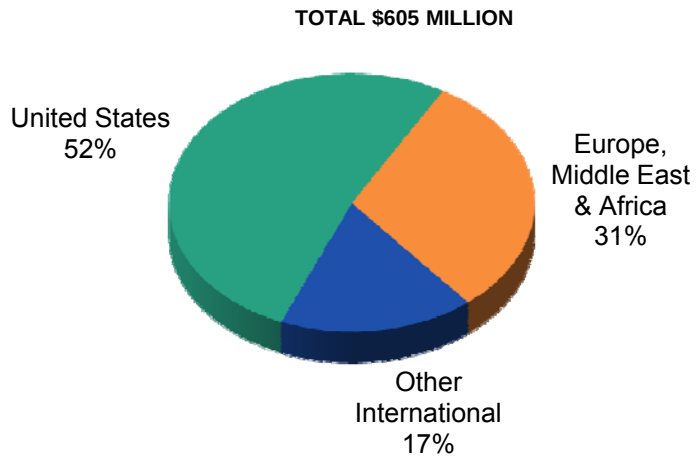
5 Financial Review and Outlook

Global Footprint and Breadth of Moody's Businesses Provide Diversification

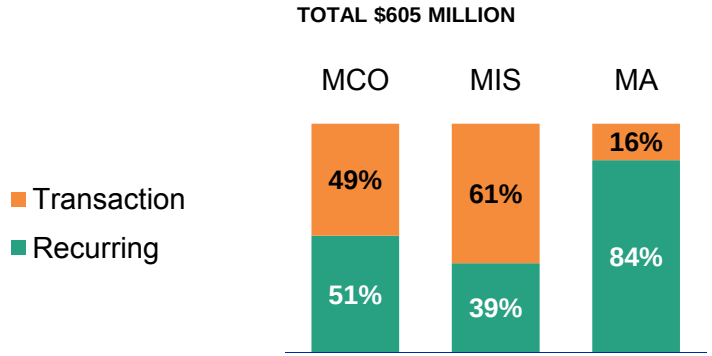
2Q11 REVENUE BY BUSINESS



2Q11 REVENUE BY REGION



2Q11 REVENUE BY TYPE



TRANSACTION AND RECURRING REVENUE

Moody's Investors Service

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

Moody's Analytics

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

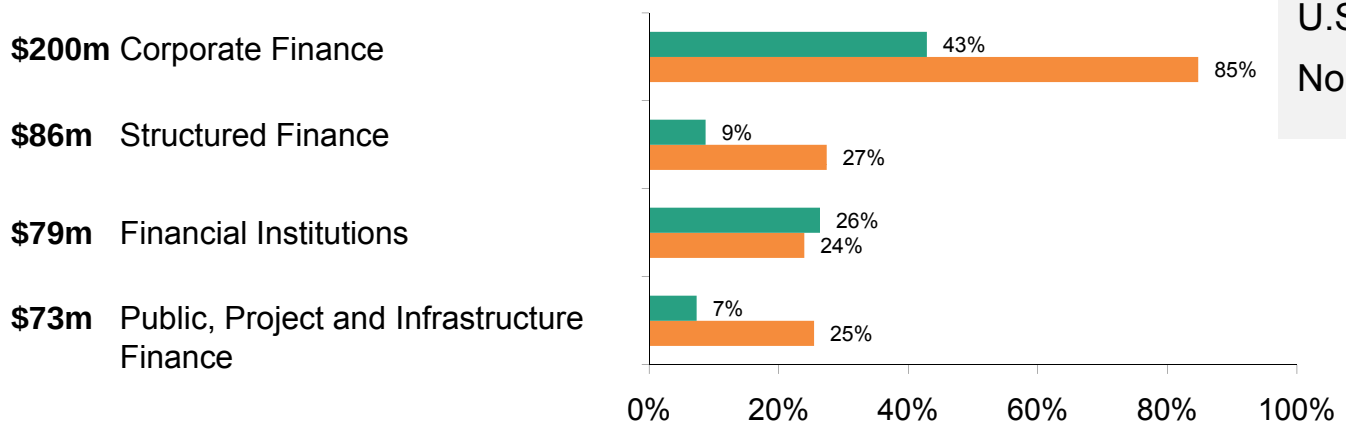
Strength Across MIS, Particularly in Corporate Debt Ratings, and Strong Performance in MA Drove 2Q Revenue

2Q11 Revenue Year-Over-Year % Change

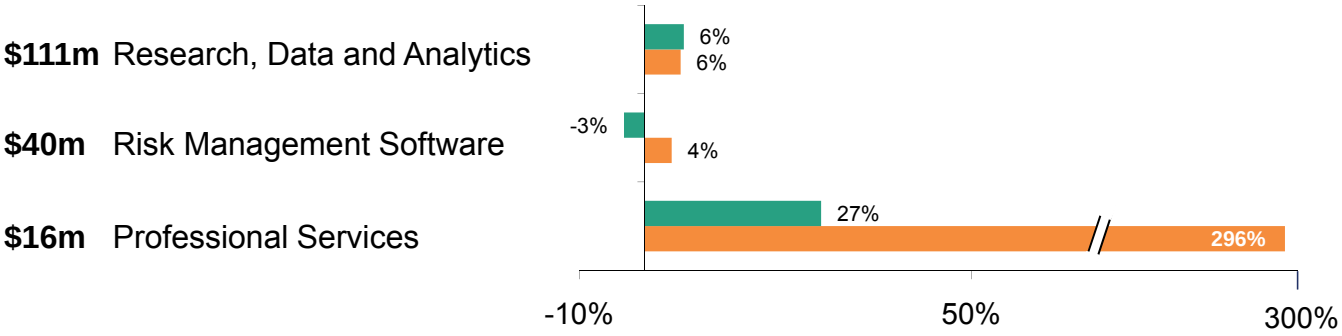
Moody's Total Revenue

2Q 2011:	**$605 million**
U.S.	↑ 20%
Non-U.S.	↑ 34%

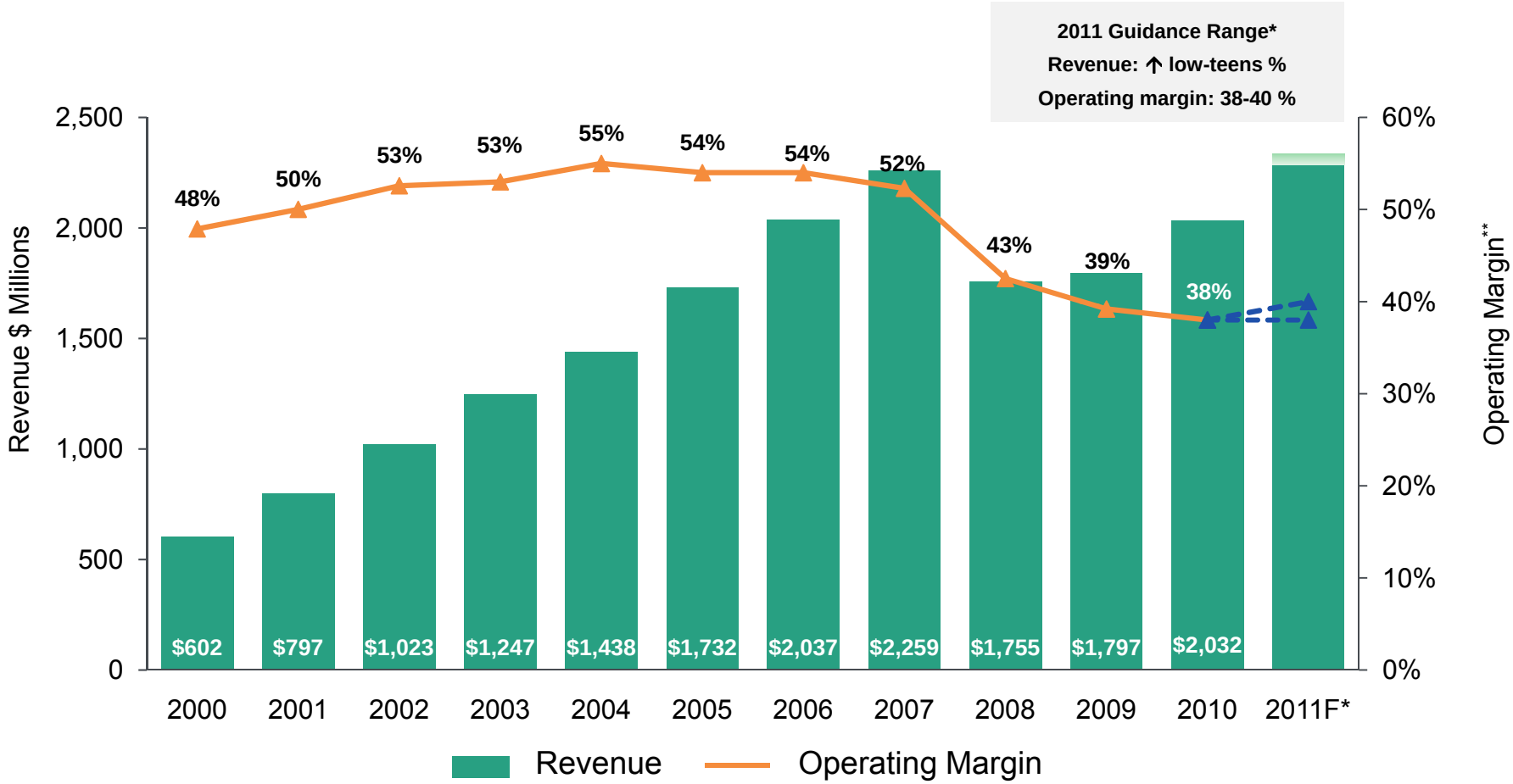
Moody's Investors Service



Moody's Analytics



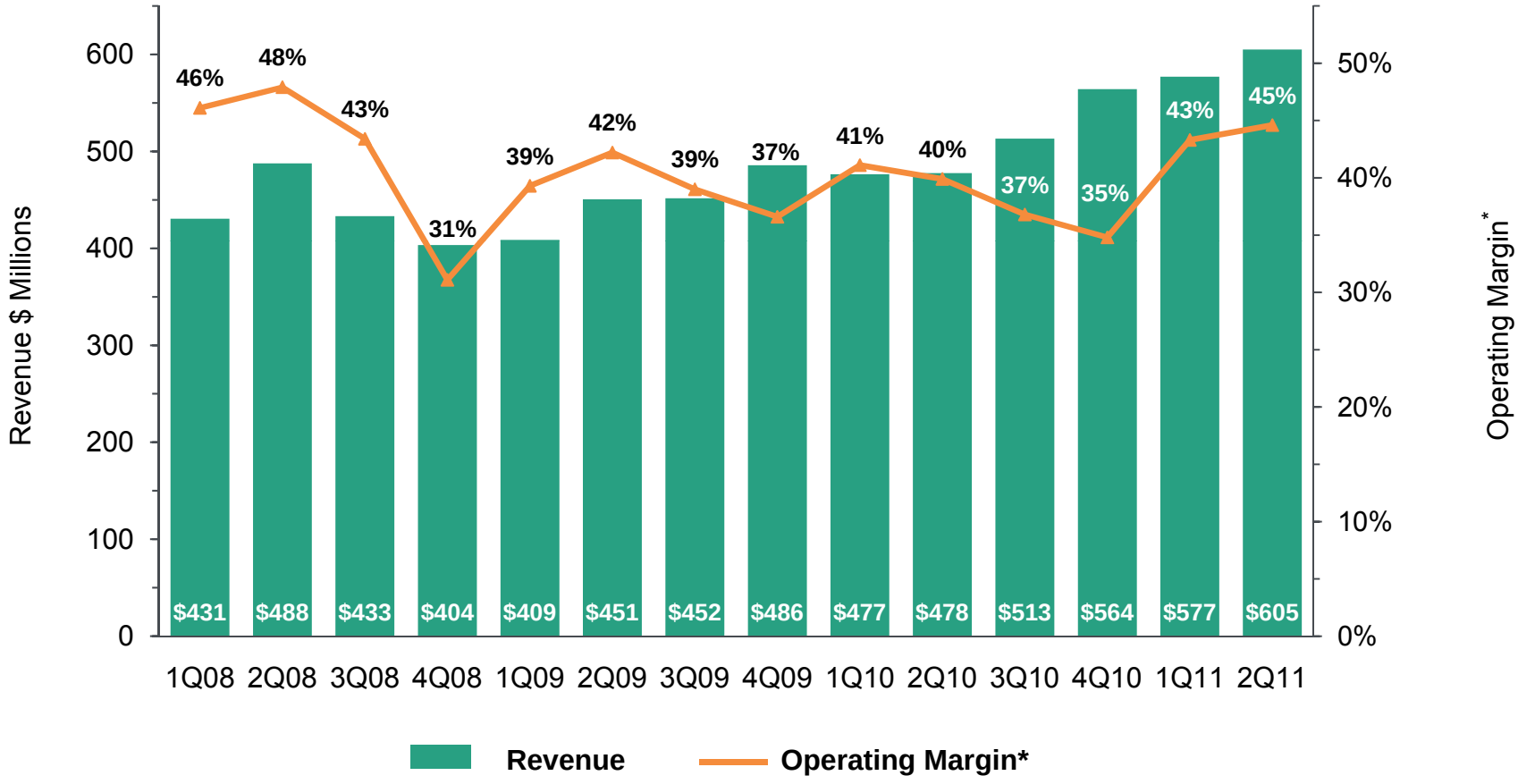
Expect Potential Margin Expansion in 2011 as Expense Growth Moderates



* Represents GAAP guidance provided on July 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)

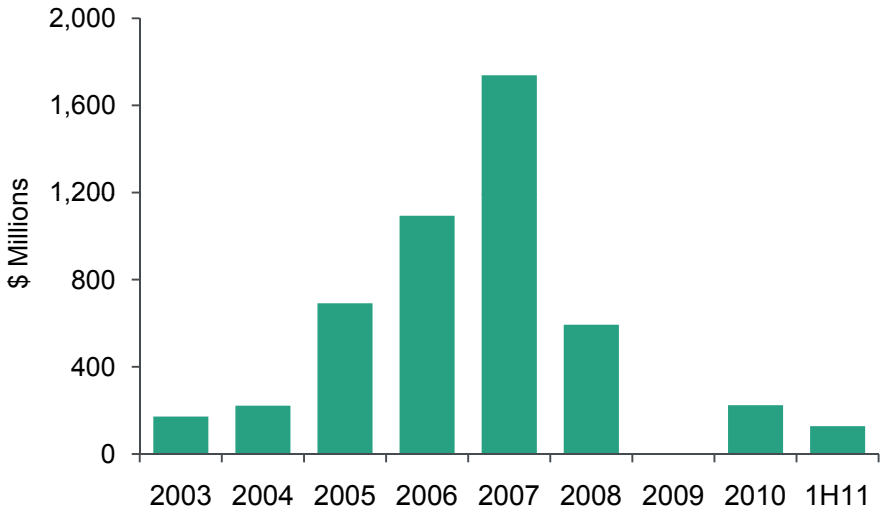
Operating Margin Tends to Follow a Pattern Throughout the Year Due to Typical Quarterly Drivers



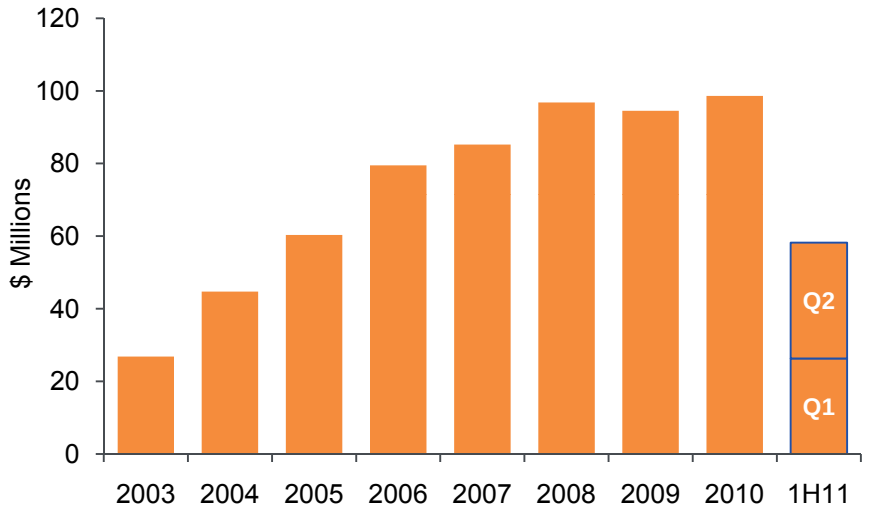
* Operating margin excludes restructuring charges and related adjustments

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

SHARE REPURCHASES

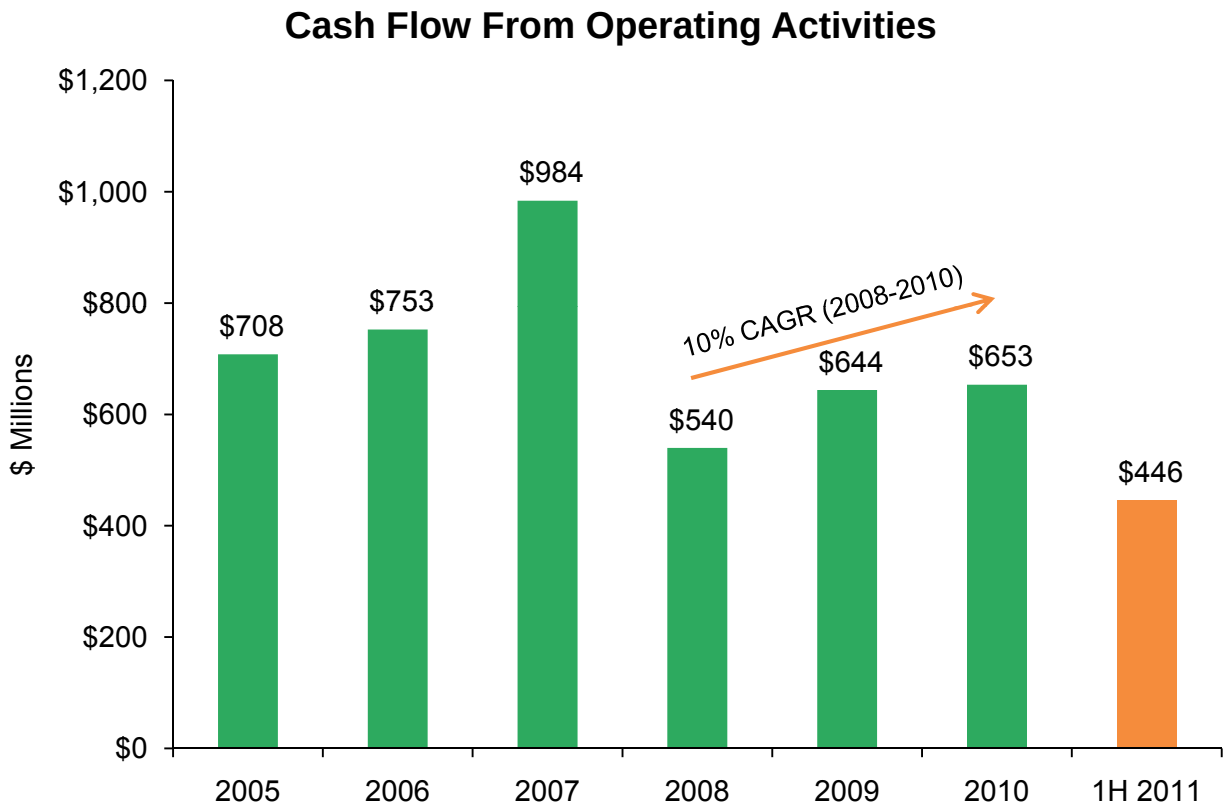


DIVIDENDS



- Share repurchases to continue in second half of 2011
  - $1.1 billion of share repurchase authority remaining as of June 30, 2011
- Annualized dividend of $0.56 per share, up 33% from $0.42 per share in 2010

Cash Flow Generation Remains Solid



Legislative and Regulatory Developments

» United States

- Following the August 8th comment deadline for the rule proposals relevant to NRSROs under the Dodd-Frank Act, the SEC expects to adopt final rules between January and June 2012
- Pursuant to the Dodd-Frank Act, regulatory authorities have begun reviewing their use of ratings in regulation and considering alternative measures as replacements
- On September 13, 2011, the comment period closed for the SEC's request for comment concerning a study it is mandated to carry out under the Dodd-Frank Act regarding, among other matters, the feasibility of establishing an alternative system of allocating credit rating assignments for structured finance products. The study, which the SEC expects to complete by December 2012, stems from the "Franken Amendment"
- The SEC is expected to publish the following by December 2011: (i) under the Dodd-Frank Act: a report summarizing NRSRO inspections, findings, responses, and evaluating appropriateness of responses, as mandated; and (ii) under the 2006 Credit Rating Agency Reform Act: an annual report regarding the NRSRO industry

» European Union

- Transfer of oversight of registered credit rating agencies to the European Securities and Markets Authority (ESMA) became effective as of the beginning of July
- Expect the review of Moody's registration application of our EU-based entities to be concluded before year-end
- European Commission is expected to propose new rules for the rating agency industry before year-end regarding matters that include the use of ratings in regulation, business models, sovereign ratings, liability and competition
- European Commission published preliminary proposal on bank capital, which seeks to implement Basel III

Full-Year 2011 Guidance as of July 27, 2011

Moody's Corporation

- **Revenue:** Increase in the low-teens percent range
- **Operating expenses:** Increase in the low-double-digit percent range
- **Operating margin:** In the range of 38 to 40 percent
- **Effective tax rate:** Approximately 33 percent
- **Earnings per share:** In the range of $2.38 to $2.48

6 Appendix

Moody's Is a Global Organization



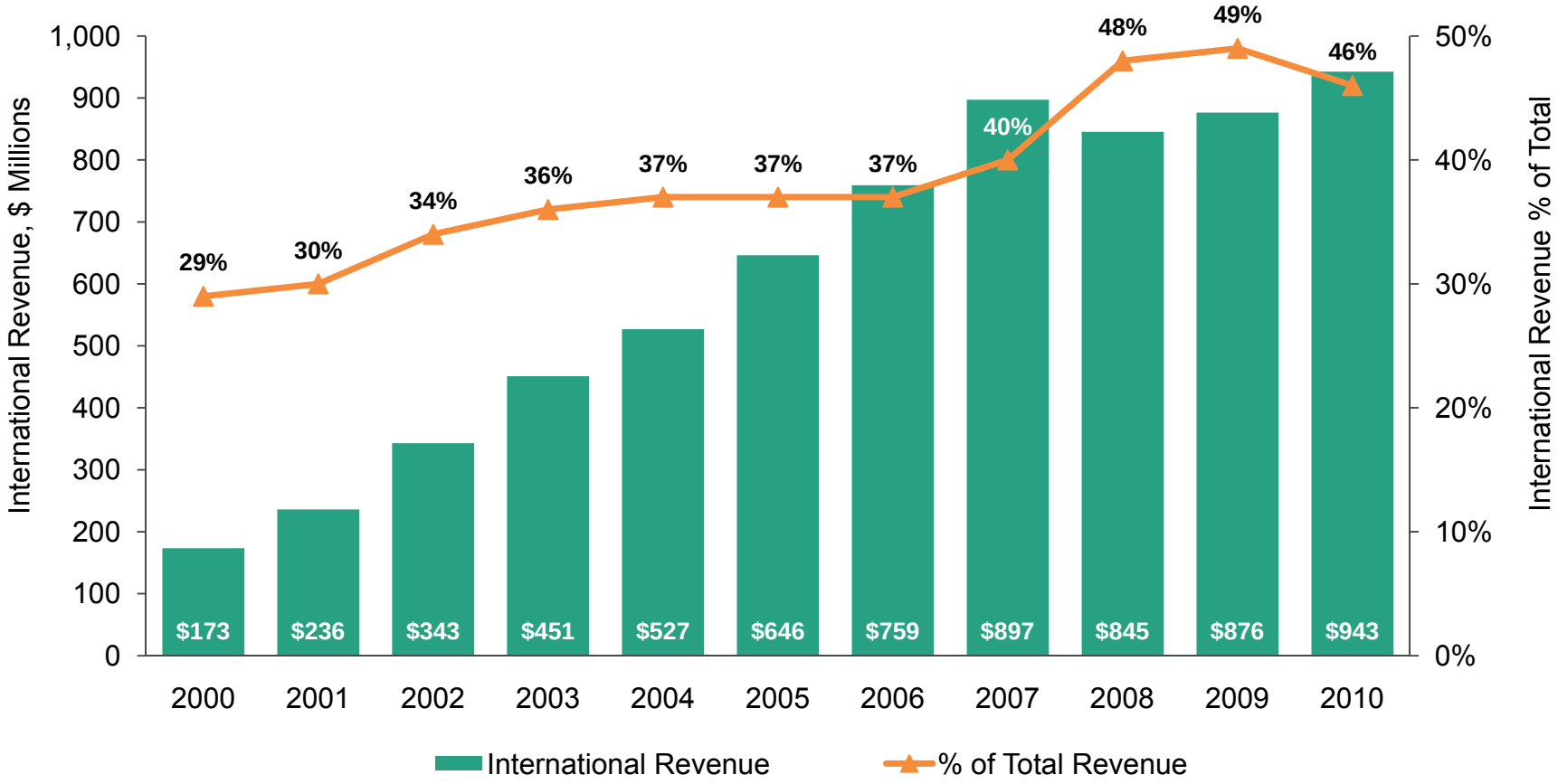
Moody's Global Staffing

- More than 1,300 analysts
- Approximately 4,500 employees
- Presence in 28 countries

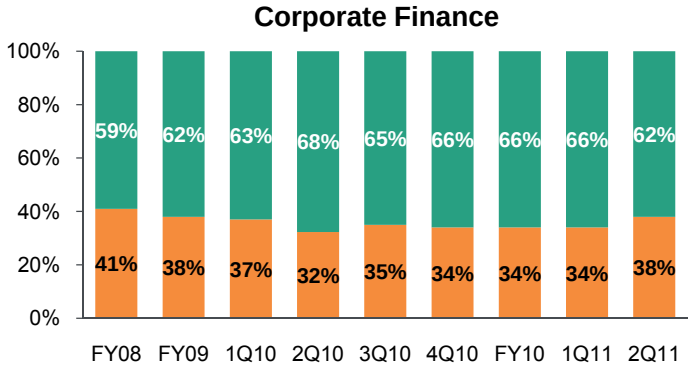
	US	Non-US	Total
6/30/2011	2,349	2,200	4,549
6/30/2010	2,223	1,921	4,144

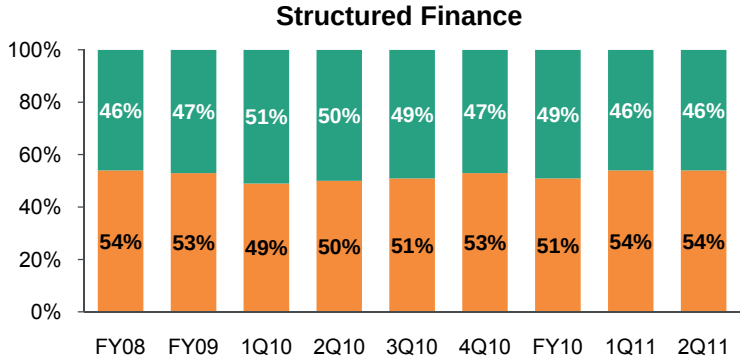
Moody's International Growth

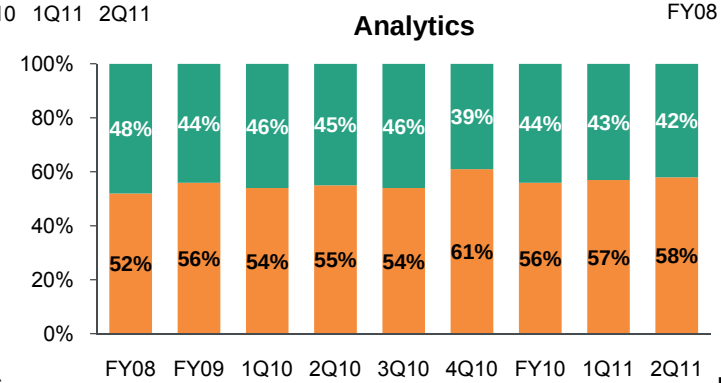
2000-2010 INTERNATIONAL REVENUE CAGR = 18%

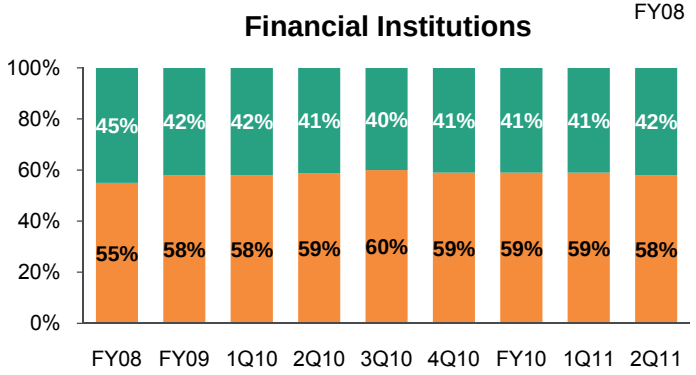


Geographic Revenue Distribution



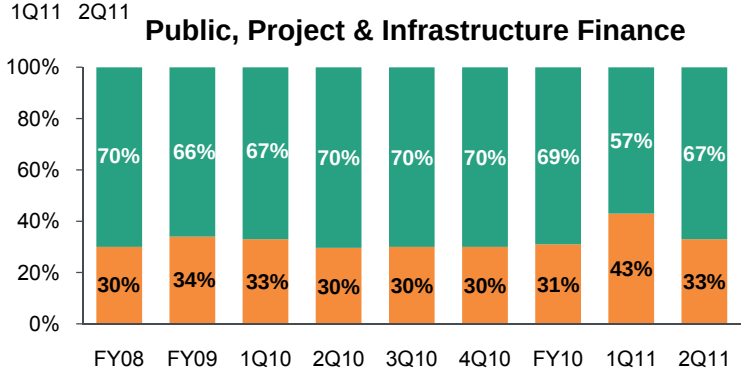




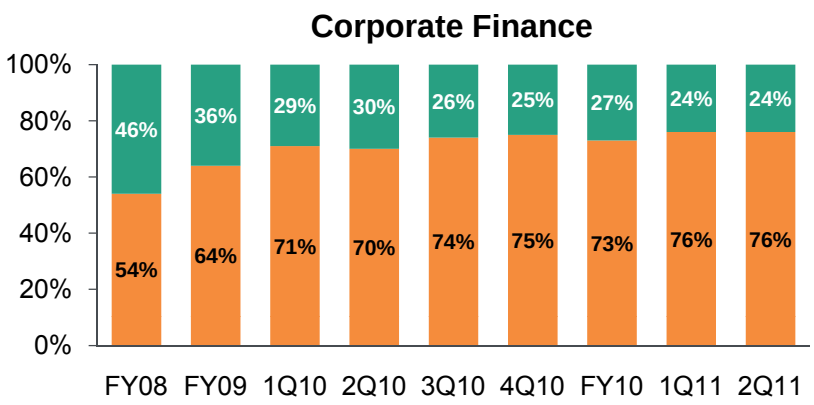


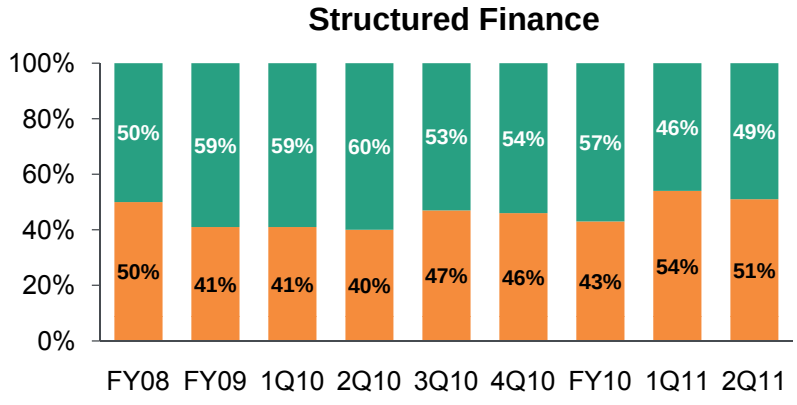


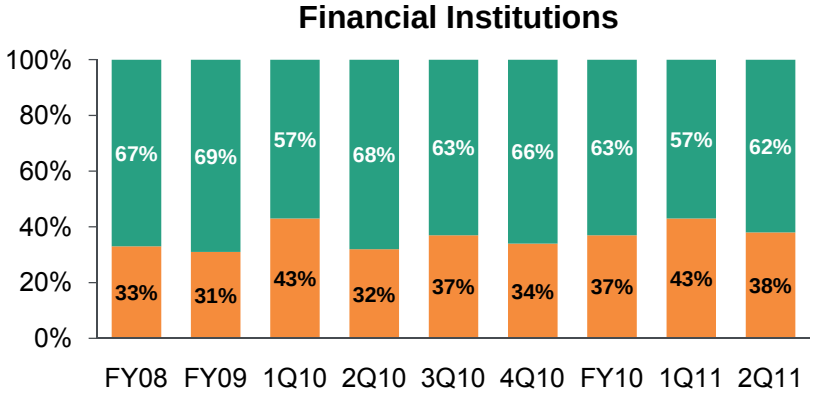
Historical data has been adjusted to conform with current information

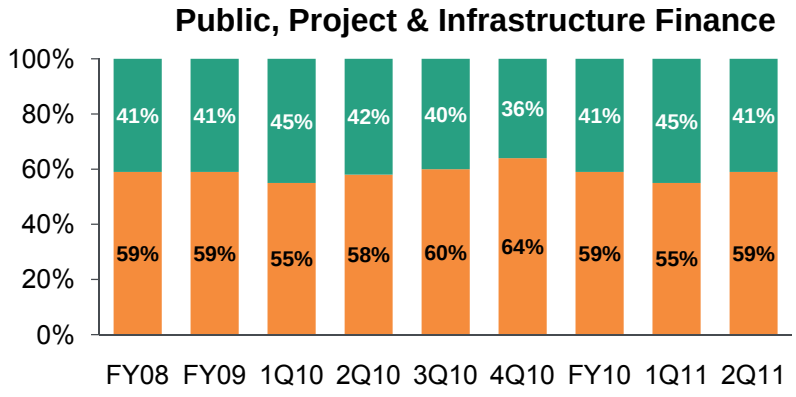


Moody's Investors Service Revenue Mix by Business Line
Transaction vs. Recurring





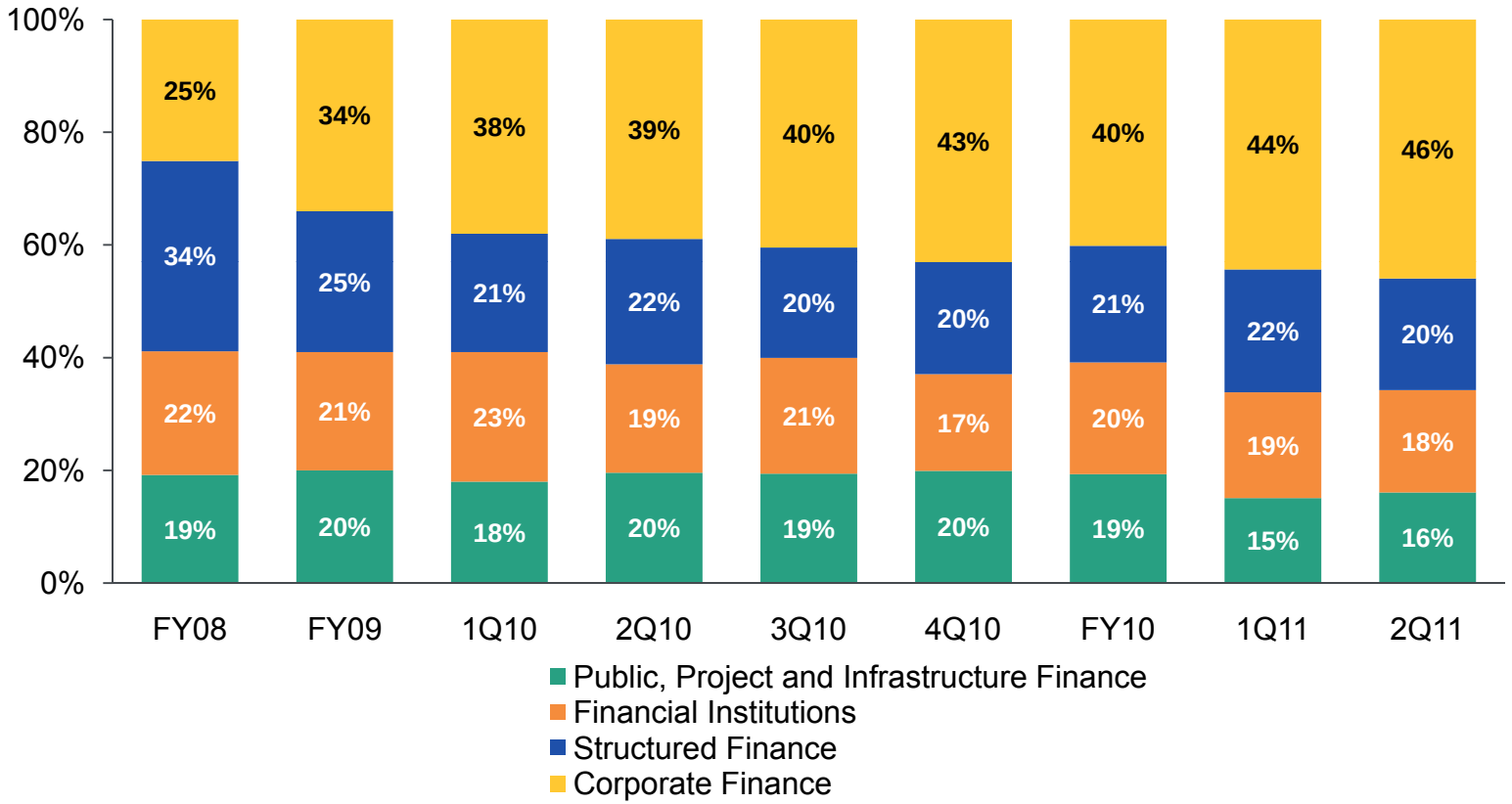




Recurring **Transaction**

Historical data has been adjusted to conform with current information

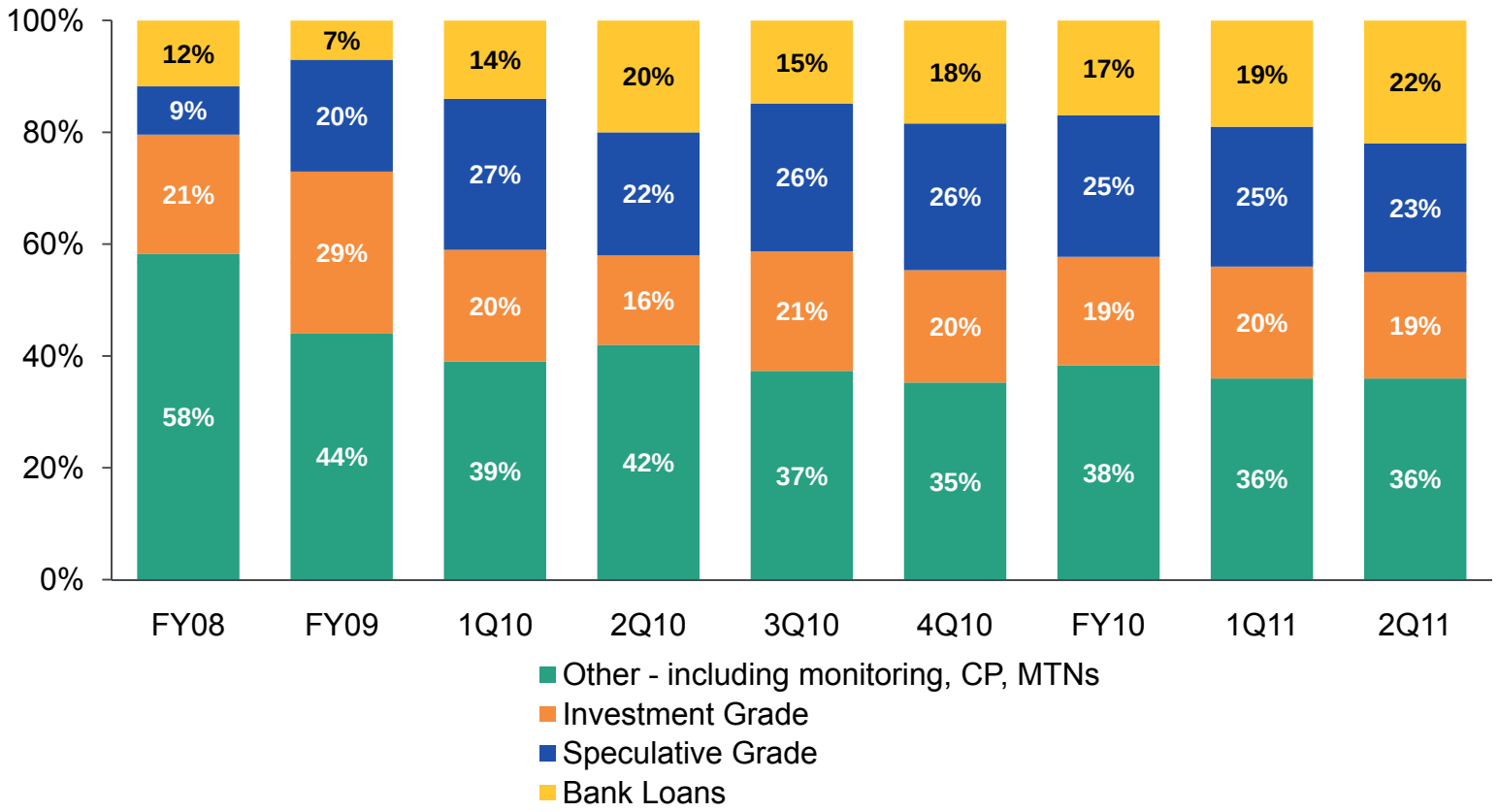
Moody's Investors Service Revenue Distribution
by Line of Business



Historical data has been adjusted to conform with current information

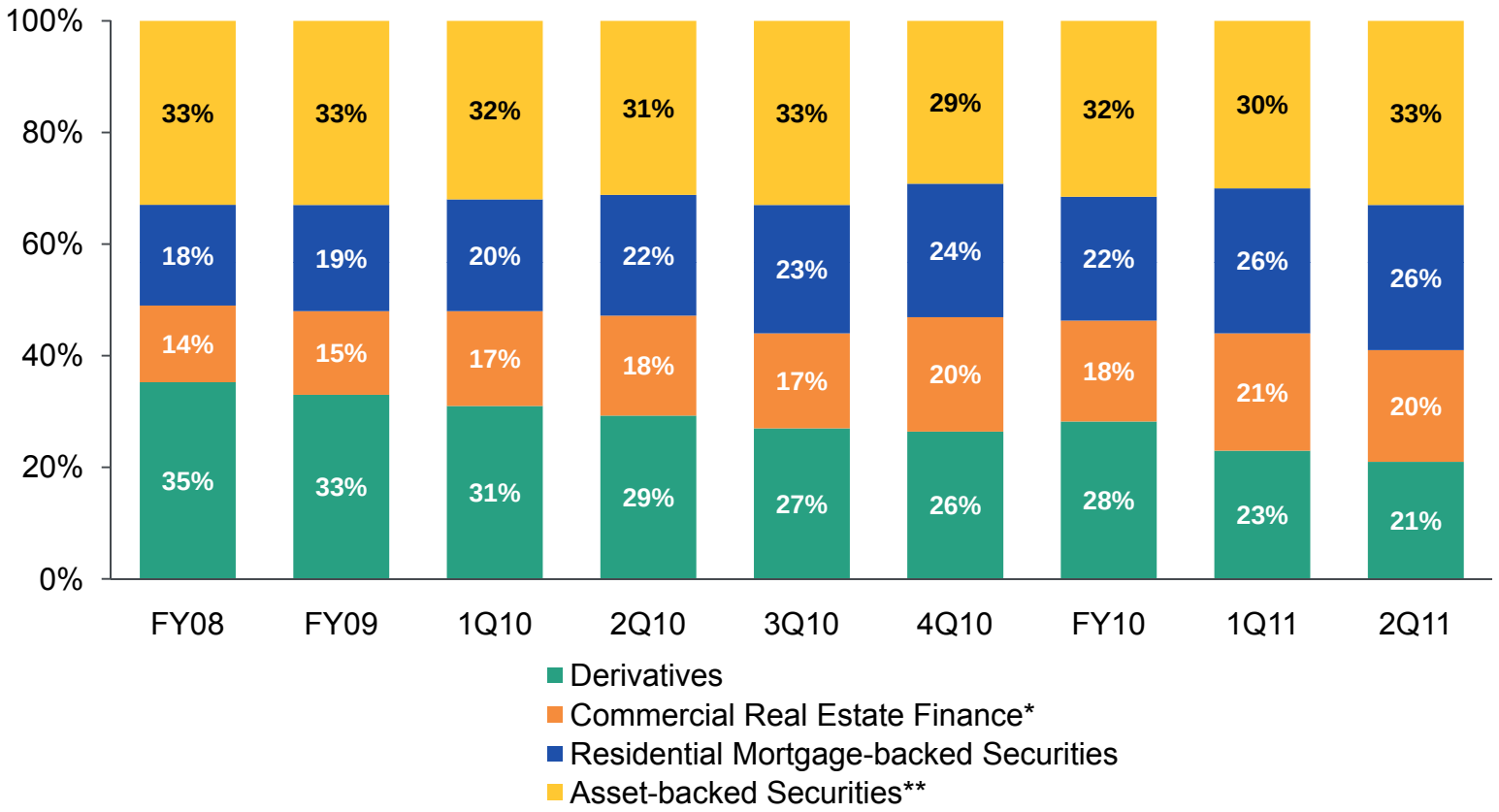
Represents revenue for MIS excluding intersegment royalty

Corporate Finance Revenue Distribution
by Product



Historical data has been adjusted to conform with current information

Structured Finance Revenue Distribution
by Asset Class

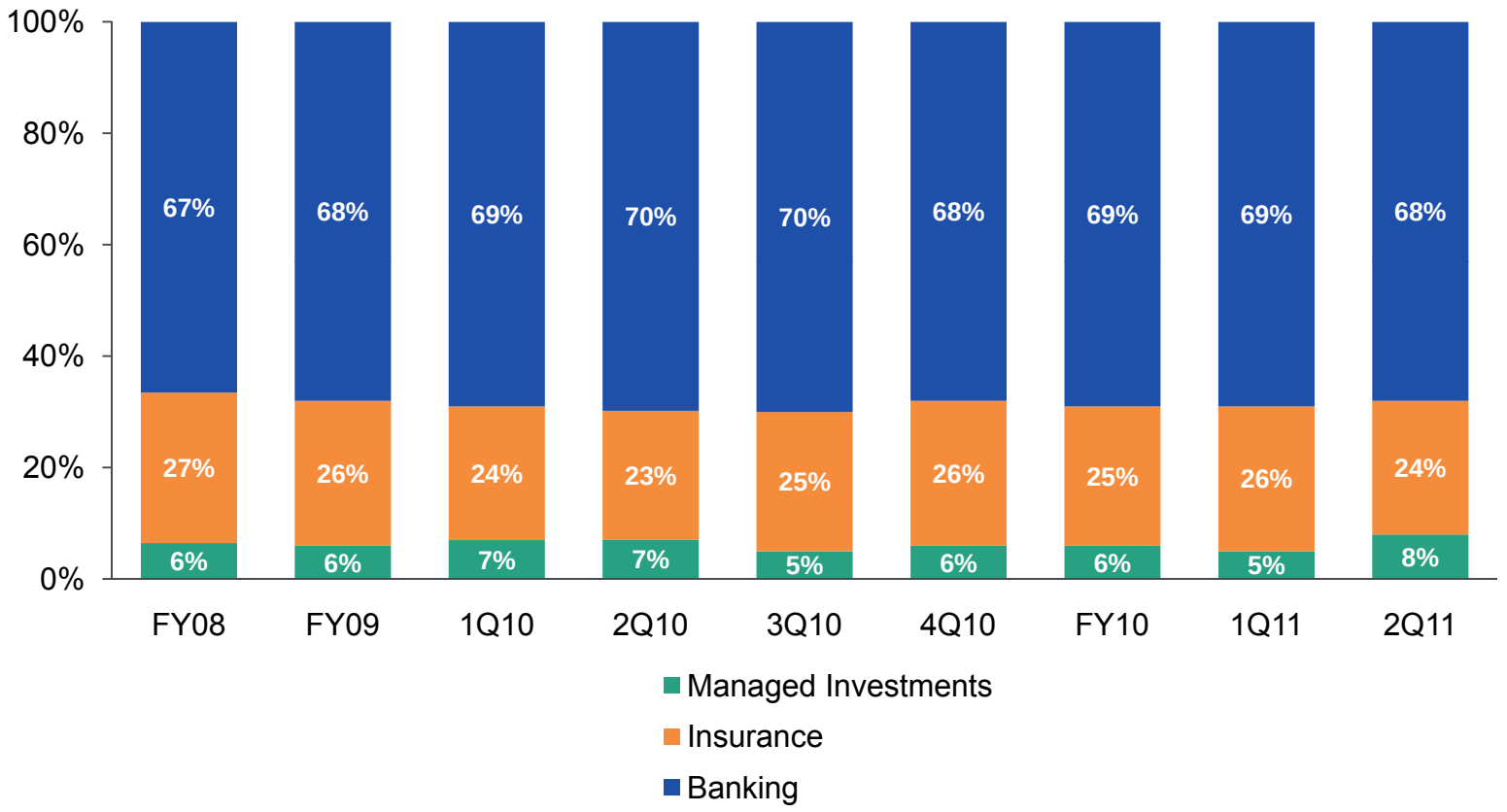


Historical data has been adjusted to conform with current information

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

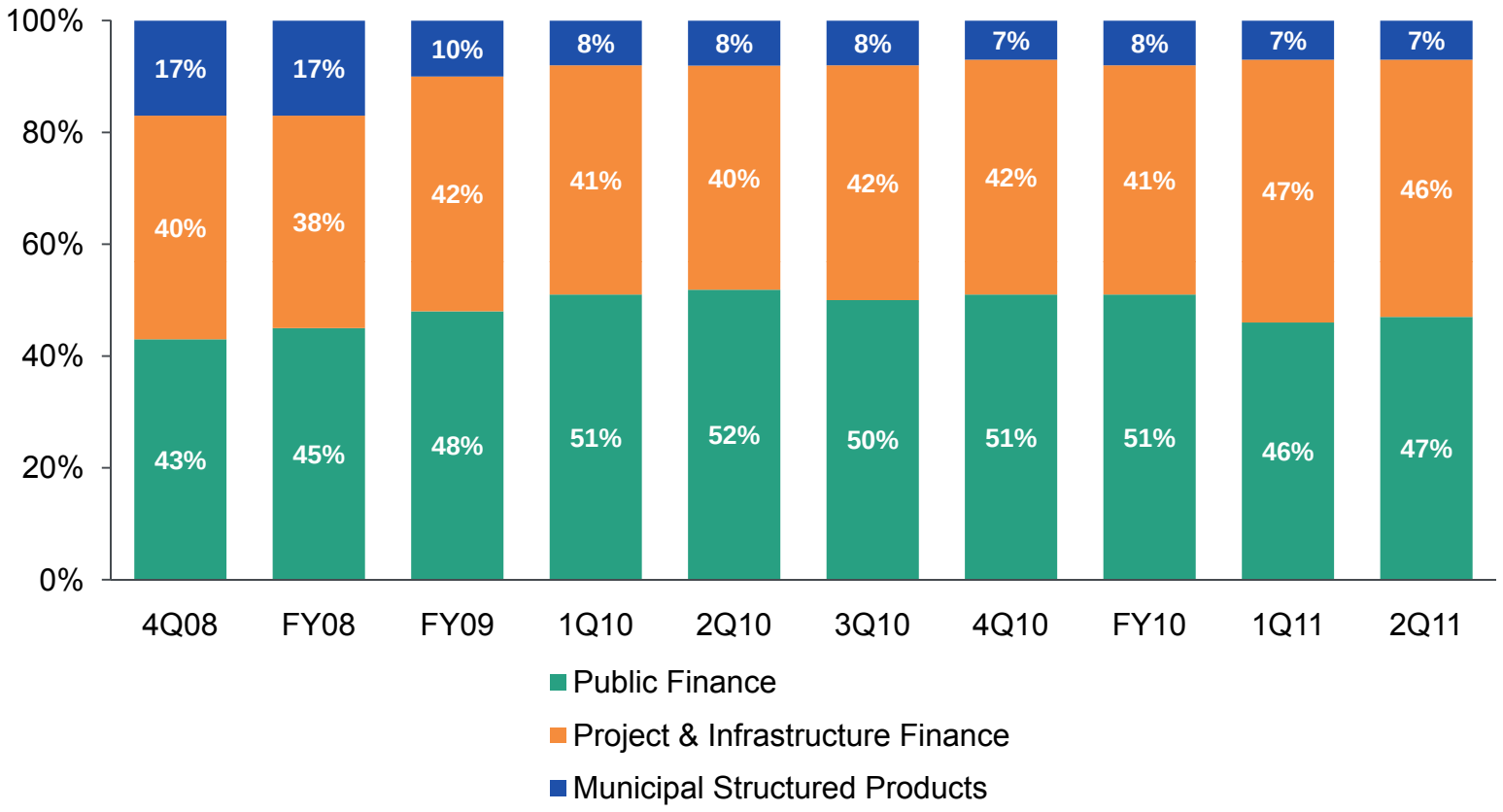
** ABS includes asset-backed commercial paper and long-term asset-backed securities

Financial Institutions Revenue Distribution
by Product



Historical data has been adjusted to conform with current information

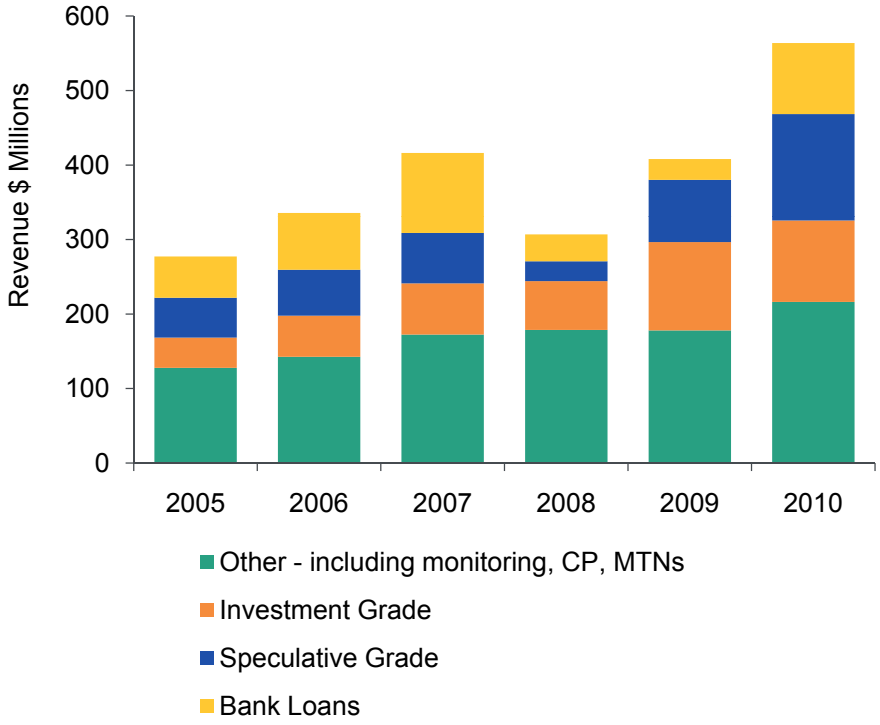
Public, Project & Infrastructure Revenue Distribution
by Product



Historical data has been adjusted to conform with current information

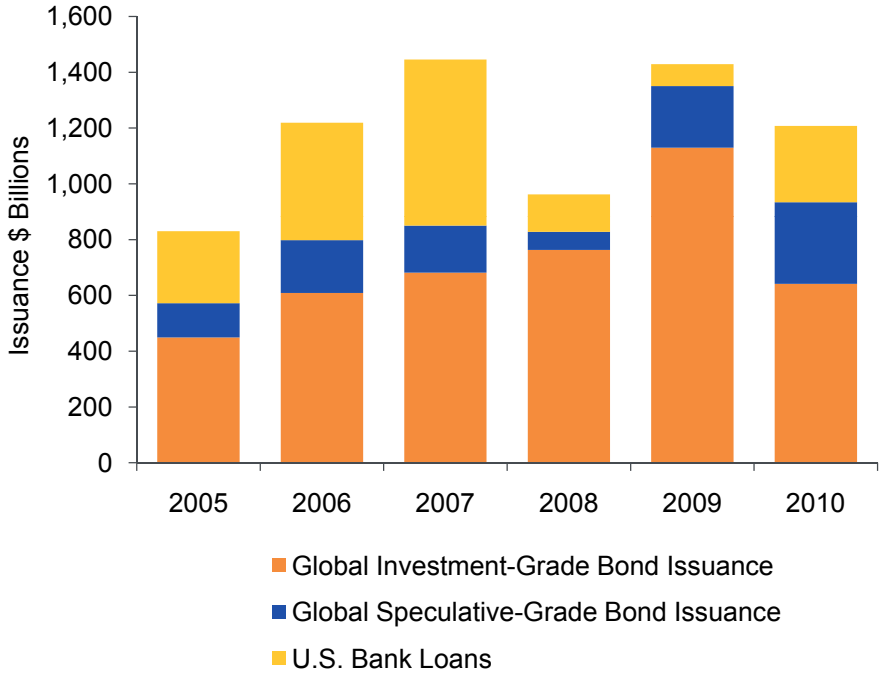
Historical MIS Revenue and Issuance
Corporate Finance

Revenue Mix: Corporate Finance



Historical data has been adjusted to conform with current information

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



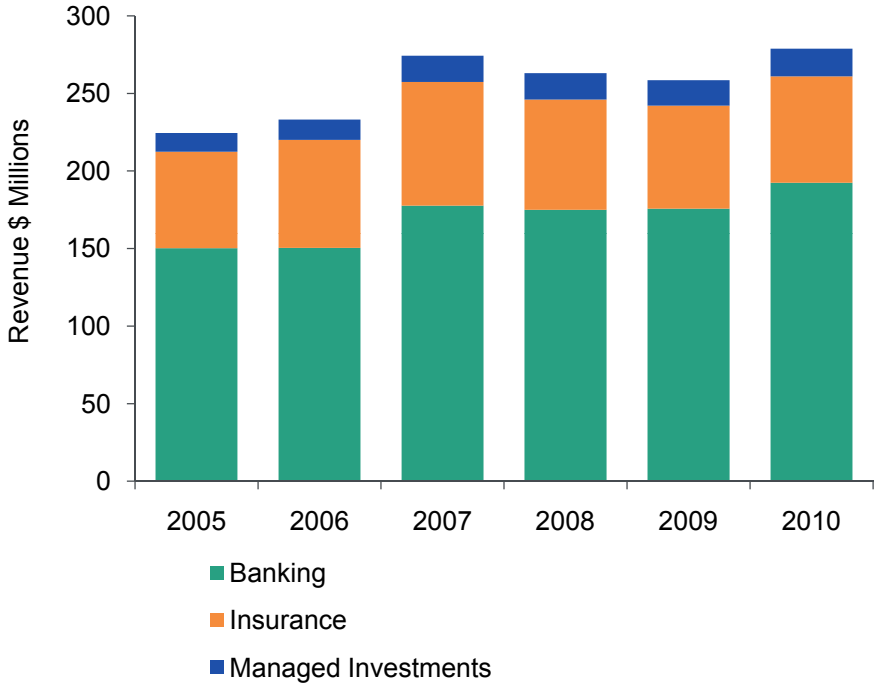
Source: Moody's Capital Markets Research Group, Dealogic

U.S. Bank Loan issuance represents rated new U.S. bank loan programs

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

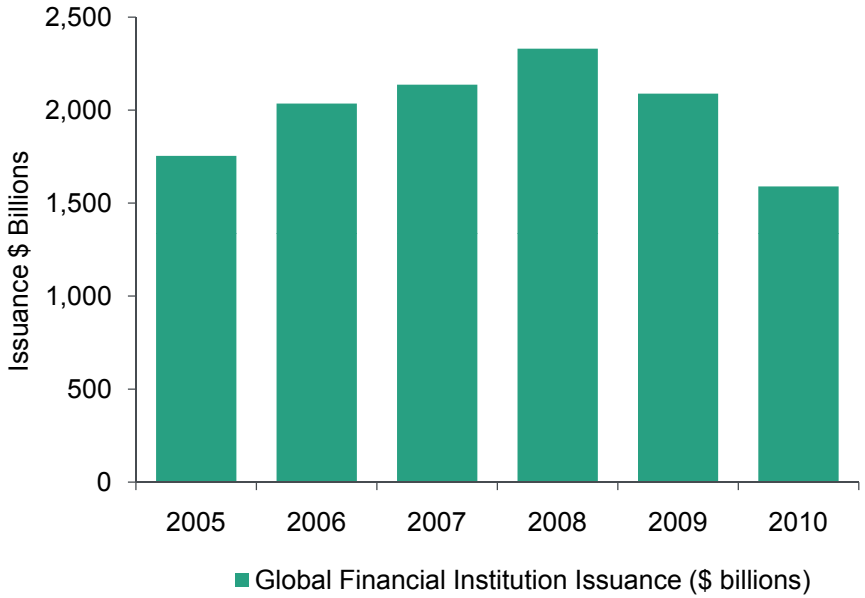
Historical MIS Revenue and Issuance
Financial Institutions

Revenue Mix: Financial Institutions



Historical data has been adjusted to conform with current information

Issuance: Global Financial Institutions

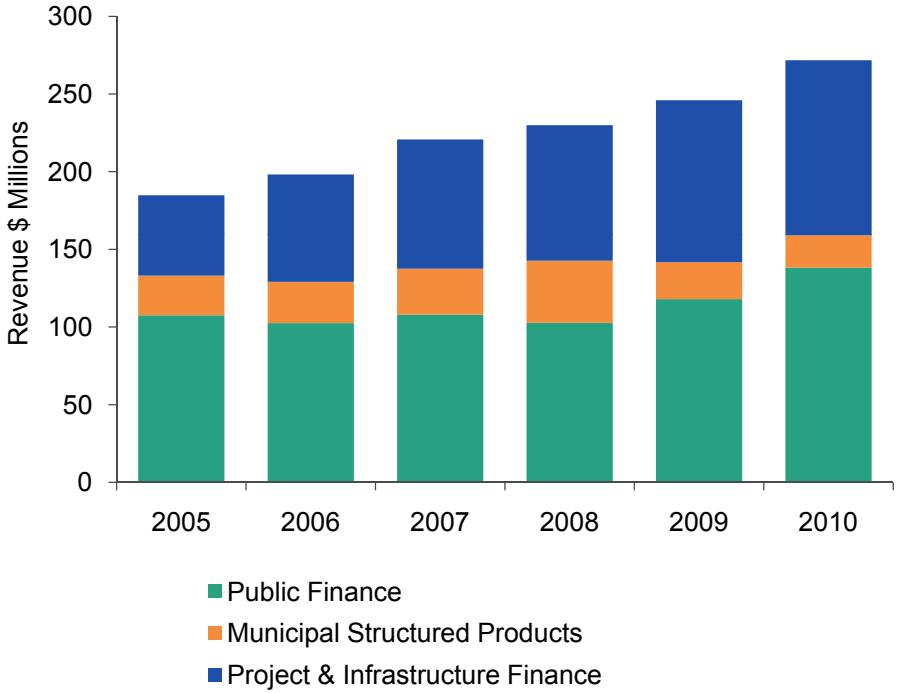


Source: Moody's Capital Markets Research Group, Dealogic

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

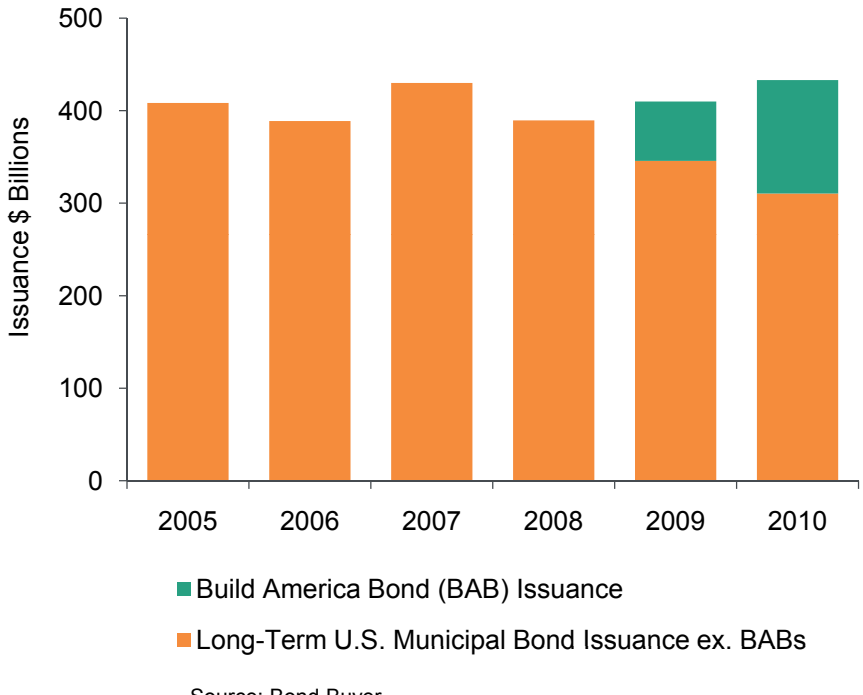
Historical MIS Revenue and Issuance
Public, Project and Infrastructure Finance

Revenue Mix: Public, Project & Infrastructure Finance



Historical data has been adjusted to conform with current information

Issuance: U.S. Municipal Bonds

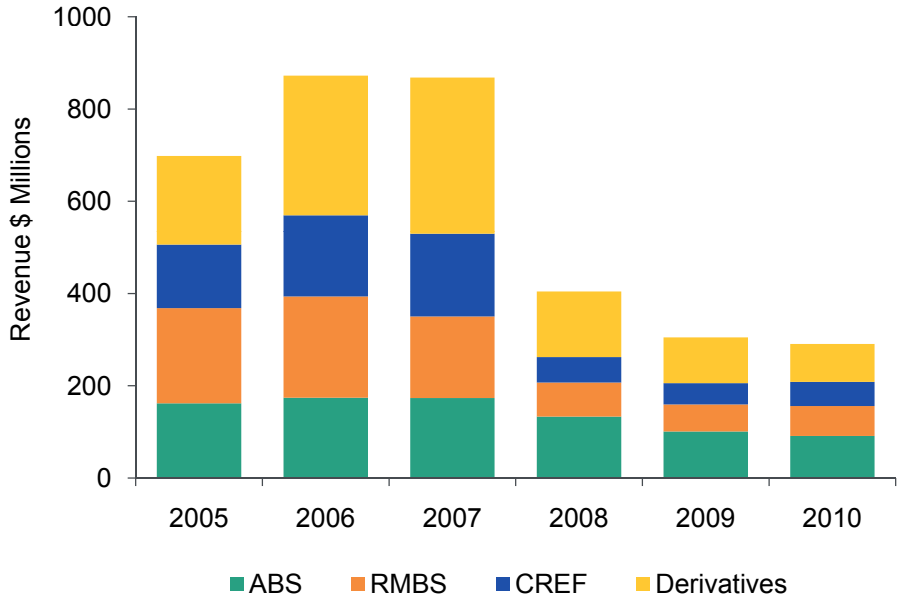


Source: Bond Buyer

Revenue from U.S. municipal finance bonds is included in the Public Finance segment. Debt issuance categories do not directly correspond to Moody's revenue categorization

Historical MIS Revenue and Issuance
Structured Finance

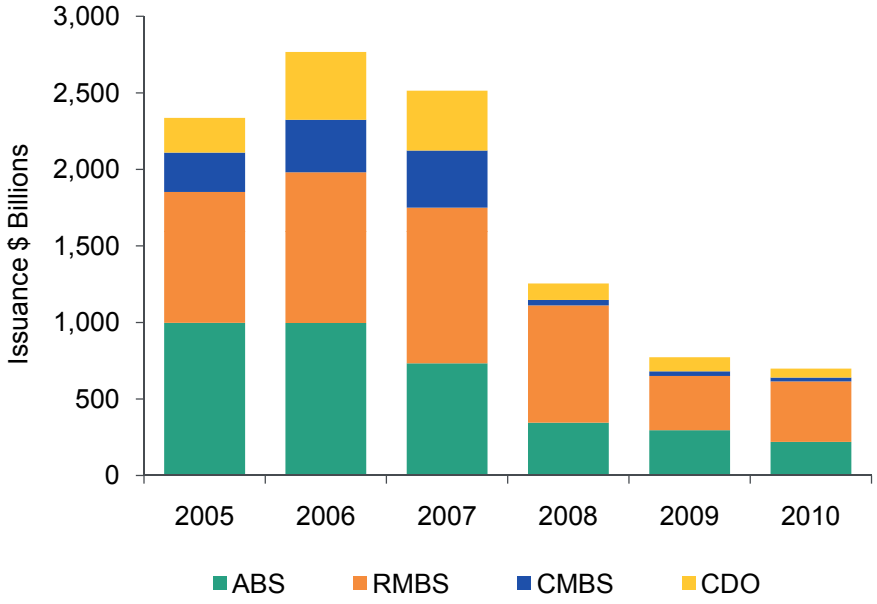
Revenue Mix: Structured Finance



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

Issuance: Global Rated Structured Finance



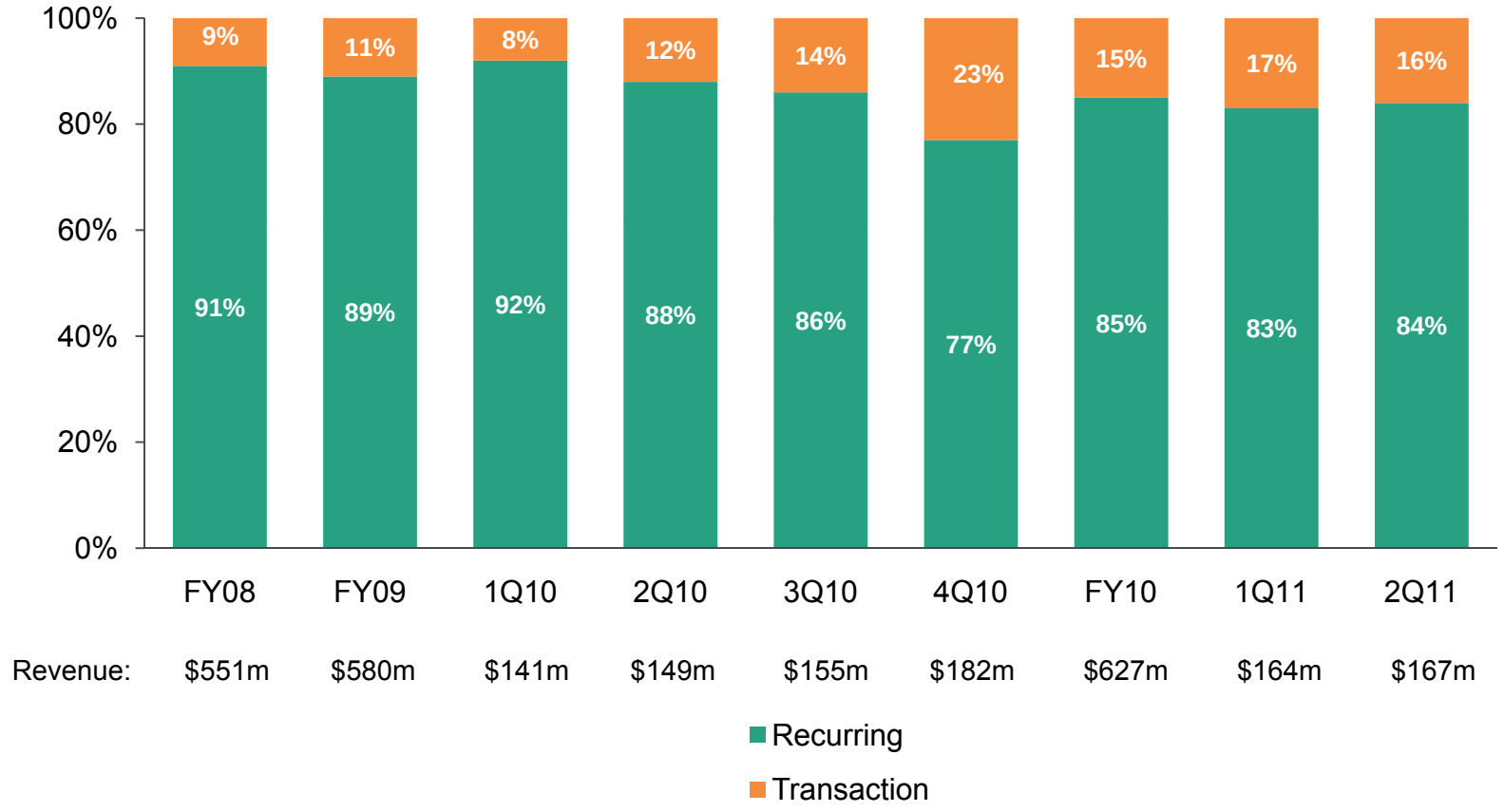
Source: AB Alert, CM Alert, Moody's Corporation

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

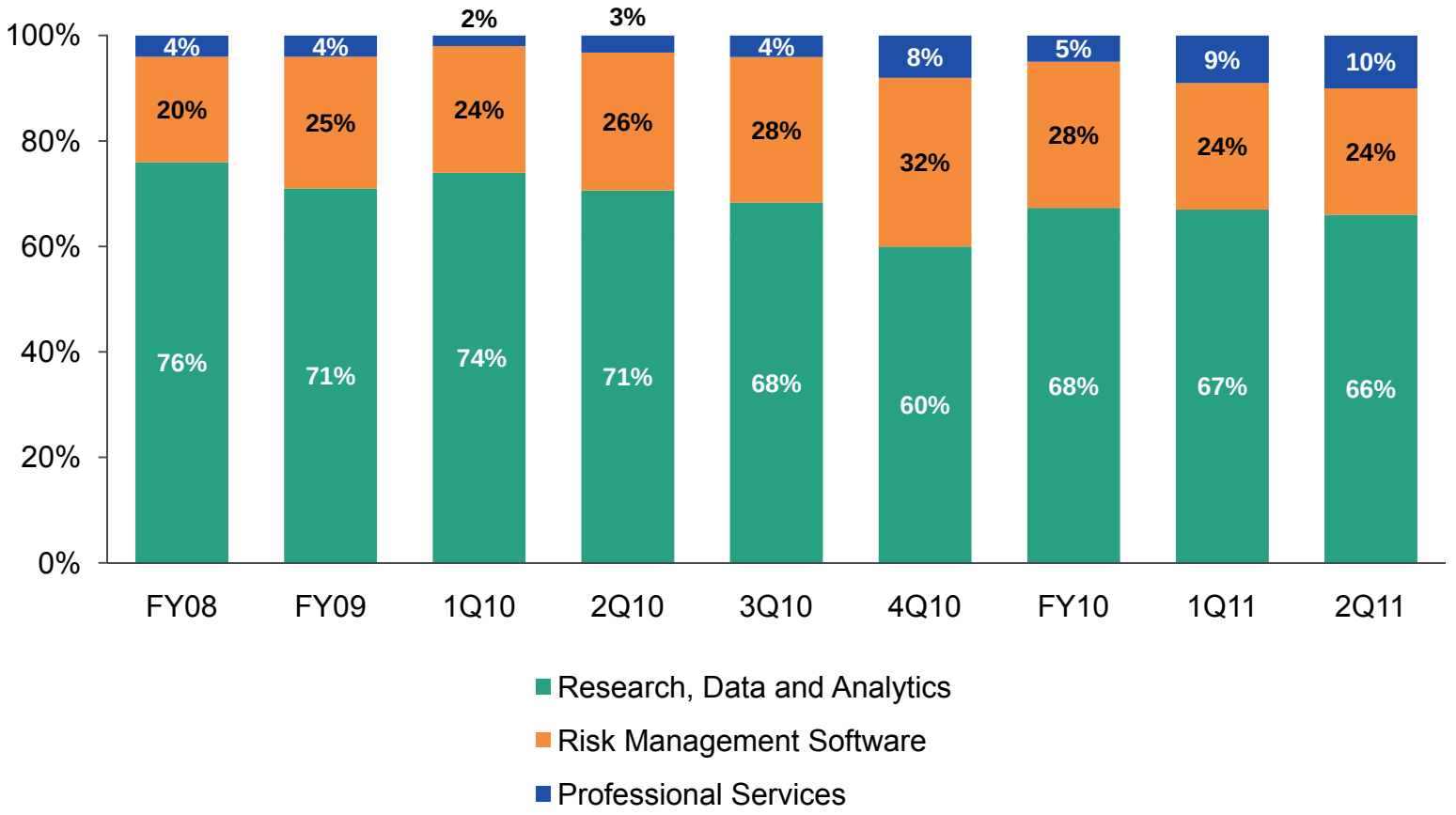
Regulatory Uncertainty Continues to Weigh on New Securitization Conditions

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

Moody's Analytics Revenue Mix
Transaction vs. Recurring

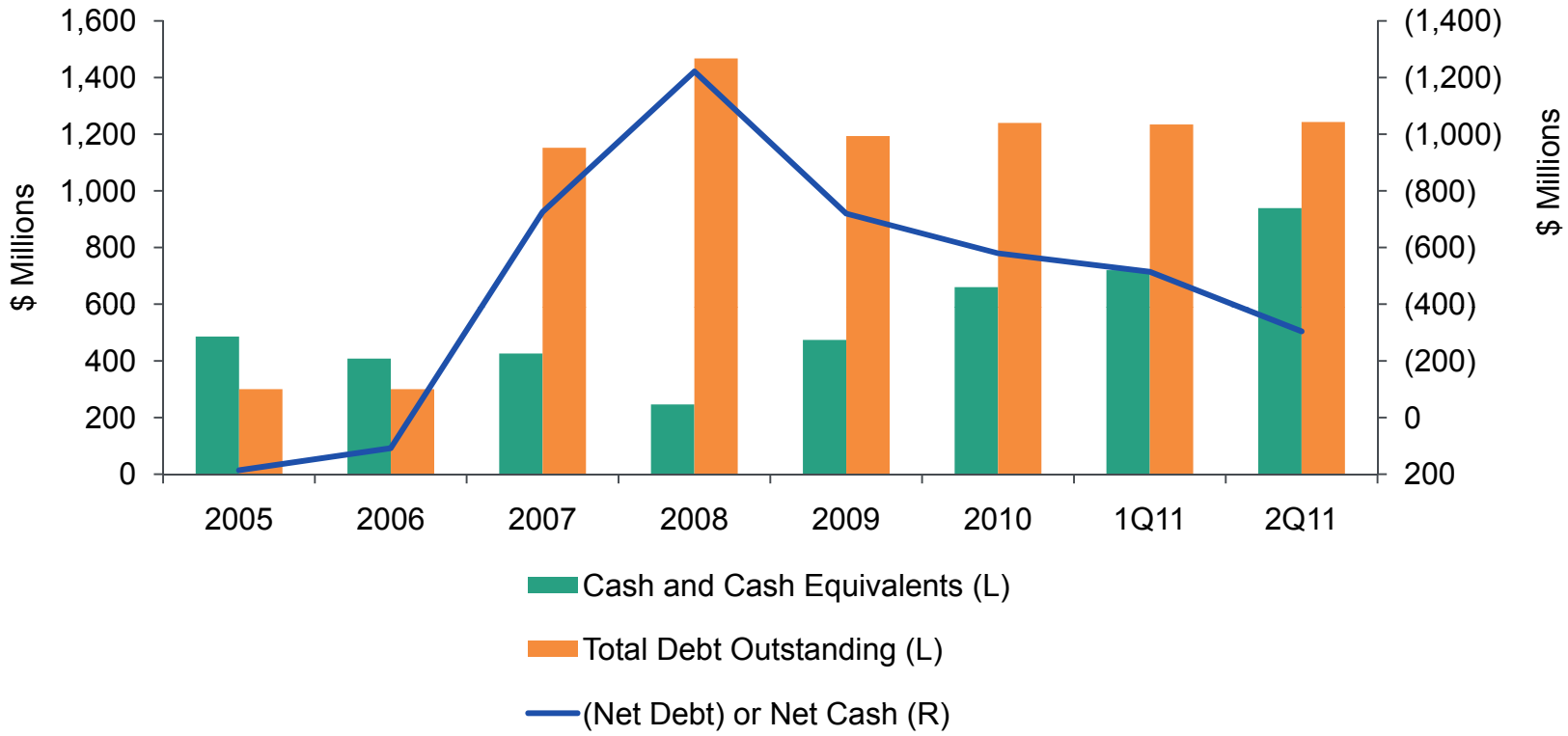


Moody's Analytics Revenue Distribution
by Segment



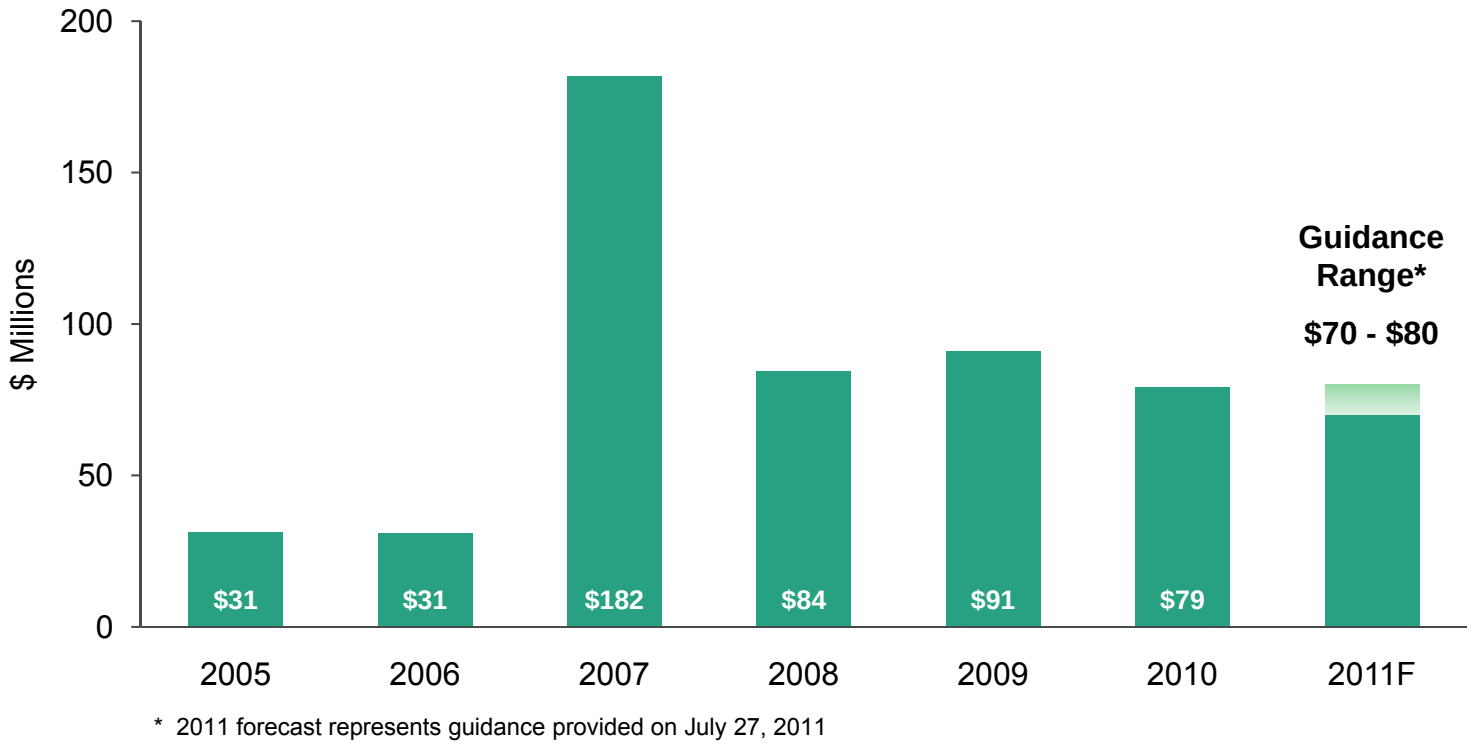
Historical data has been adjusted to conform with current information

Balance Sheet Remains Strong



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

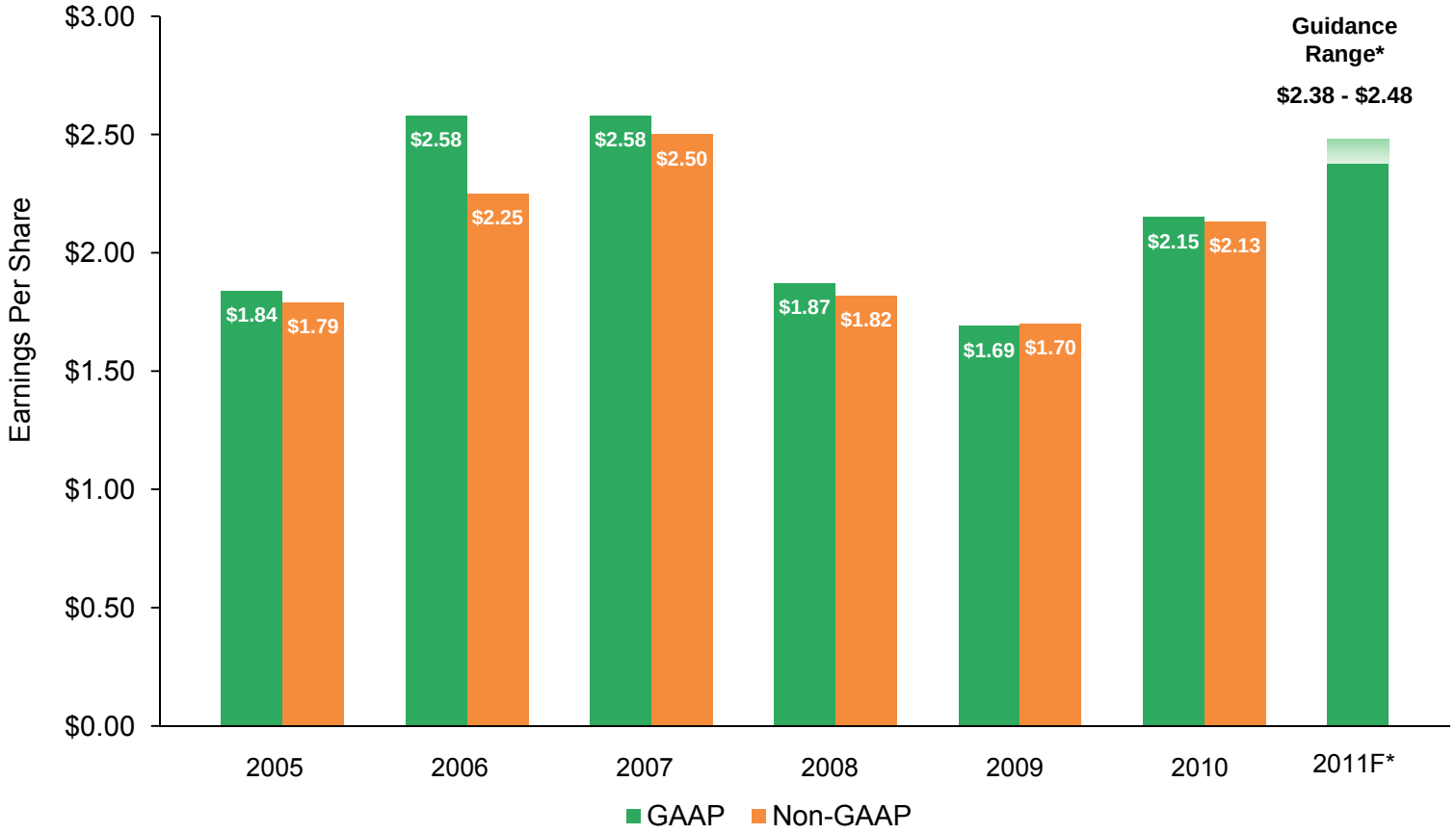
Limited Capital Expenditures to Support Business Needs



* 2011 forecast represents guidance provided on July 27, 2011

- Near-term spending on technology for compliance and process improvement
- 2007-2010 figures include costs associated with build-out of New York and London offices
- Normalized long-term CapEx expected in the $70 to $90 million range

Earnings Per Share



* 2011 EPS range represents GAAP guidance provided on July 27, 2011

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 EPS Measures to GAAP

	2010	2009	2008
GAAP diluted EPS as reported	**2.15**	**$ 1.69**	**$ 1.87**
Non-GAAP adjustments [(a)]:			
Impact of restructuring	-	0.05	(0.01)
Impact of legacy tax items	(0.02)	(0.04)	(0.04)
Non-GAAP diluted EPS	**2.13**	**$ 1.70**	**$ 1.82**
Shares used in diluted EPS calculation (millions)	**236.6**	**237.8**	**245.3**

(a) Non-GAAP EPS adjustments may differ from figures disclosed in earnings releases due to rounding

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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