Overview

SALLI SCHWARTZ
GLOBAL HEAD OF INVESTOR RELATIONS AND COMMUNICATIONS
Disclaimer

Certain statements contained in this presentation are forward-looking statements and are based on future expectations, plans and prospects for Moody’s business and operations that involve a number of risks and uncertainties. Moody’s outlook for 2016 and other forward-looking statements in this presentation are made as of July 22, 2016, and the Company disclaims any duty to supplement, update or revise such statements on a going-forward basis, whether as a result of subsequent developments, changed expectations or otherwise. In connection with the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, the Company is identifying certain factors that could cause actual results to differ, perhaps materially, from those indicated by these forward-looking statements. Those factors, risks and uncertainties include, but are not limited to, the current world-wide credit market disruptions and economic slowdown, which is affecting and could continue to affect the volume of debt and other securities issued in domestic and/or global capital markets; other matters that could affect the volume of debt and other securities issued in domestic and/or global capital markets, including regulation, credit quality concerns, changes in interest rates and other volatility in the financial markets such as that due to the UK’s referendum vote whereby the UK citizens voted to withdraw from the EU; the level of merger and acquisition activity in the U.S. and abroad; the uncertain effectiveness and possible collateral consequences of U.S. and foreign government initiatives to respond to the current world-wide credit market disruptions and economic slowdown; concerns in the marketplace affecting our credibility or otherwise affecting market perceptions of the integrity or utility of independent credit agency ratings; the introduction of competing products or technologies by other companies; pricing pressure from competitors and/or customers; the level of success of new product development and global expansion; the impact of regulation as an NRSRO, the potential for new U.S., state and local legislation and regulations, including provisions in the Financial Reform Act and regulations resulting from that Act; the potential for increased competition and regulation in the EU and other foreign jurisdictions; exposure to litigation related to our rating opinions, as well as any other litigation, government and regulatory proceedings, investigations and inquires to which the Company may be subject from time to time; provisions in the Financial Reform Act legislation modifying the pleading standards, and EU regulations modifying the liability standards, applicable to credit rating agencies in a manner adverse to credit rating agencies; provisions of EU regulations imposing additional procedural and substantive requirements on the pricing of services; the possible loss of key employees; failures or malfunctions of our operations and infrastructure; any vulnerabilities to cyber threats or other cybersecurity concerns; the outcome of any review by controlling tax authorities of the Company’s global tax planning initiatives; exposure to potential criminal sanctions or civil remedies if the Company fails to comply with foreign and U.S. laws and regulations that are applicable in the jurisdictions in which the Company operates, including sanctions laws, anti-corruption laws, and local laws prohibiting corrupt payments to government officials; the impact of mergers, acquisitions or other business combinations and the ability of the Company to successfully integrate acquired businesses; currency and foreign exchange volatility; the level of future cash flows; the levels of capital investments; and a decline in the demand for credit risk management tools by financial institutions. These factors, risks and uncertainties as well as other risks and uncertainties that could cause Moody’s actual results to differ materially from those contemplated, expressed, projected, anticipated or implied in the forward-looking statements are described in greater detail under “Risk Factors” in Part I, Item 1A of the Company’s annual report on Form 10-K for the year ended December 31, 2015, and in other filings made by the Company from time to time with the SEC or in materials incorporated herein or therein. Stockholders and investors are cautioned that the occurrence of any of these factors, risks and uncertainties may cause the Company’s actual results to differ materially from those contemplated, expressed, projected, anticipated or implied in the forward-looking statements, which could have a material and adverse effect on the Company’s business, results of operations and financial condition. New factors may emerge from time to time, and it is not possible for the Company to predict new factors, nor can the Company assess the potential effect of any new factors on it.
Agenda

1. Second Quarter and First Half 2016 Results
   Ray McDaniel, President and Chief Executive Officer

2. Financial and Operating Highlights
   Linda Huber, Executive Vice President and Chief Financial Officer

3. Current 2016 Outlook
   Ray McDaniel, President and Chief Executive Officer

4. Q&A
   Ray McDaniel, President and Chief Executive Officer
   Linda Huber, Executive Vice President and Chief Financial Officer
   Mark Almeida, President, Moody’s Analytics
   Rob Fauber, President, Moody’s Investors Service
1. Second Quarter 2016 Results

RAY MCDANIEL
PRESIDENT AND CHIEF EXECUTIVE OFFICER
Second Quarter 2016 Results and Comparison to Second Quarter 2015

Moody’s Corporation

» Revenue  1% to $929 million

» Operating Expense  4% to $519 million

» Operating Income  2% to $410 million
  • Foreign currency translation favorably impacted operating income by 1%

» Adjusted Operating Income  1% to $441 million
Second Quarter 2016 Results and Comparison to Second Quarter 2015 (continued)

Moody’s Corporation

» Operating Margin
  • 44.2%

» Adjusted Operating Margin
  • 47.5%

» EPS
  † 2% to $1.30
First Half 2016 Performance and Comparison to First Half 2015

Moody’s Corporation

» Revenue  
  ↓ 2% to $1.7 billion  
  • Excluding the impact of foreign currency translation, revenue declined 1%  
    - MIS  
      ↓ 7% to $1.2 billion  
    - MA  
      ↑ 10% to $594 million

» Operating Expense  
  ↑ 4% to $1 billion  
  • Excluding the impact of foreign currency translation, operating expense increased 6%

» Operating Income  
  ↓ 10% to $714 million  
  • Foreign currency translation negligible

» Adjusted Operated Income  
  ↓ 8% to $775 million
First Half 2016 Performance and Comparison to First Half 2015 (continued)

**Moody’s Corporation**

- Operating Margin • 40.9%
- Adjusted Operating Margin • 44.4%
- Effective Tax Rate • 32.1%

- Reaffirming FY 2016 EPS guidance of $4.55 to $4.65; expecting to be toward the lower end of the range
2. Financial and Operating Highlights

LINDA HUBER
EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER
Second Quarter 2016 Results and Comparison to Second Quarter 2015

Moody’s Corporation Revenue

» Total Global
   ↑ 1% to $929 million
   • Foreign currency translation negligible

» US
   ↔ flat at $546 million

» Non-US
   ↑ 3% to $383 million
   • 41% of total revenue

» Recurring Revenue
   ↑ 6% to $467 million
   • 50% of total revenue
Second Quarter 2016 Results and Comparison to Second Quarter 2015 (continued)

MIS Revenue

» Total MIS
  ➔ 2% to $626 million
  ➧ 19% from Q1 2016
  • Foreign currency translation negligible

» US
  ➔ 3% to $399 million

» Non-US
  ⇔ flat at $227 million
  • 36% of total MIS revenue
### Second Quarter 2016 Results and Comparison to Second Quarter 2015 (continued)

#### MIS Revenue by Line of Business

- **Corporate Finance:** $305 million
  - Global: $305 million, ↓5%
  - US: $135 million, ↓4%
  - Non-US: $305 million, ↓6%

- **Structured Finance:** $112 million
  - Global: $112 million, ↓8%
  - US: $112 million, ↓16%
  - Non-US: $112 million, ↑14%
Second Quarter 2016 Results and Comparison to Second Quarter 2015 (continued)

MIS Revenue by Line of Business

» Financial Institutions: $90 million
  - Global ↓ 1%
  - US ↑ 7%
  - Non-US ↓ 7%

» Public, Project & Infrastructure Finance: $112 million
  - Global ↑ 12%
  - US ↑ 11%
  - Non-US ↑ 16%

» MIS Other: $7 million; down 10%
Second Quarter 2016 Results and Comparison to Second Quarter 2015 (continued)

MA Revenue by Geography

» Total MA

- 9% to $303 million
  - Foreign currency translation unfavorably impacted MA revenue by 1%
  - 6% excluding the March 2016 acquisition of GGY

» US

- 10% to $147 million

» Non-US

- 8% to $156 million
  - 52% of total MA revenue
MA Revenue by Line of Business

» Research, Data and Analytics: $168 million
  – Global  ➪ 7%
    • 55% of total MA revenue
  – US  ➪ 7%
  – Non-US  ➪ 7%
Second Quarter 2016 Results and Comparison to Second Quarter 2015 (continued)

MA Revenue by Line of Business

» Enterprise Risk Solutions: $98 million
  - Global ▲ 17%
  - US ▲ 21%
  - Non-US ▲ 15%

» ERS TTM* Revenue ▲ 11%

» ERS TTM* Sales ▲ 6%

*Trailing twelve months ended June 30, 2016.
Second Quarter 2016 Results and Comparison to Second Quarter 2015 (continued)

**MA Revenue by Line of Business**

» Professional Services: $38 million
  - Global  ↓ 2%
  - US      ↔ flat
  - Non-US  ↓ 3%
Second Quarter 2016 Results and Comparison to Second Quarter 2015 (continued)

Moody’s Corporation

» Operating Expense
   4% to $519 million
   • Foreign currency translation favorably impacted expense by 2%

» Operating Margin
   • 44.2%

» Adjusted Operating Margin
   • 47.5%

» Effective Tax Rate
   • 31.9%
Second Quarter 2016 Capital Allocation

» During 2Q 2016, Moody’s repurchased 2.3 million shares at a total cost of $223.8 million, or an average cost of $96.60 per share, and issued 249 thousand shares as part of its annual employee stock-based compensation plans.

» During 2Q 2016, Moody’s paid $71.5 million in dividends.

» On July 12, 2016, Moody’s announced a quarterly dividend of $0.37 per share of Moody’s common stock payable September 12, 2016 to stockholders of record at the close of business on August 22, 2016.
First Half 2016 Capital Allocation

» During 1H 2016, Moody’s repurchased 5.2 million shares at a total cost of $485.9 million, or an average cost of $92.83 per share

» During 1H 2016, Moody’s paid $143.6 million in dividends

» As of June 30, 2016, shares outstanding totaled 192.3 million
  – 4% decline from June 30, 2015

» As of June 30, 2016, $1 billion of share repurchase authority remaining
Balance Sheet and Free Cash Flow

As of June 30, 2016, Moody’s had:

- $3.4 billion of outstanding debt
- $1 billion of additional debt capacity available under its revolving credit facility
- Total cash, cash equivalents and short-term investments of $2 billion
  - Approximately 78% held outside the US

Free cash flow of $475 million for 1H 2016, down 14% from 1H 2015
3. Current 2016 Outlook

RAY MCDANIEL
PRESIDENT AND CHIEF EXECUTIVE OFFICER
Changes to 2016 Outlook

» Our guidance assumes foreign currency translation at end-of-quarter exchange rates. Specifically, our forecast reflects exchange rates for the British pound (£) of $1.34 to £1 and for the euro (€) of $1.11 to €1.

<table>
<thead>
<tr>
<th>Changes to 2016 Full-Year Financial Outlook*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MIS</strong></td>
</tr>
<tr>
<td>Revenue</td>
</tr>
<tr>
<td>MIS Non-U.S.</td>
</tr>
<tr>
<td>Structured Finance</td>
</tr>
<tr>
<td><strong>MA</strong></td>
</tr>
<tr>
<td>Revenue</td>
</tr>
<tr>
<td>MA Non-U.S.</td>
</tr>
</tbody>
</table>

*Refer to “Moody’s Corporation Reports Results for Second Quarter 2016” press release for a full review of guidance.
Highlights

» Korea Investors Service (KIS)
  • Acquired full ownership
  • Leading provider of domestic credit ratings in Korea
  • Long-standing and productive relationship since 2001
  • No significant impact on 2016 EPS; funded from international cash on hand

» MIS Voted “Best Credit Rating Agency”
  • 2016 poll of US fixed income investors conducted by publisher Institutional Investor
  • 5th year in a row MIS has won this award

» Moody’s Analytics Risk Quality (MARQ)
  • Launch of new credit metric for small companies
  • Result of collaboration with Finagraph, a financial technology company in which we made a minority investment earlier in 2016
4. Q&A Session

» Ray McDaniel
  President and Chief Executive Officer, Moody’s Corporation

» Linda Huber
  Executive Vice President and Chief Financial Officer, Moody’s Corporation

» Mark Almeida
  President, Moody’s Analytics

» Rob Fauber
  President, Moody’s Investors Service
USD Market: Issuance Views

Views on this page are from various investment banks and capital markets economists. Issuance views are for both financial and non-financial US dollar issuance and may not align with Moody’s revenue categorizations.

**Investment Grade**

- Investment grade market has been resilient post-Brexit with all-in yields below previous record lows
- M&A-related financing continues to be a strong driver
- Favorable market conditions are expected to encourage opportunistic issuance post-earnings black-outs
- FY 2016 estimated issuance forecasts range from flat to up 10% vs. FY 2015

**High Yield**

- High yield new issuance in Q2 was the strongest it has been in a year
- Many issuers who were waiting to see the market reaction to Brexit are beginning to emerge, though issuance windows may be shorter
- FY 2016 estimated issuance forecasts range from down 10% to down 20% vs. FY 2015

**Leveraged Loans**

- CLO issuance has started to re-emerge (~$30 billion year-to-date)
- Pipeline is modest
- FY 2016 estimated issuance forecasts range from down 10% to down 20% vs. FY 2015
Euro Market: Issuance Views

Views on this page are from various investment banks and capital markets economists. Issuance views are for both financial and non-financial euro issuance and may not align with Moody’s revenue categorizations.

**Investment Grade**
- Record low coupons as the ECB’s corporate bond buying program continues to help the market
- US corporates continue to see value in accessing the Euro market and are expected to remain a heavy component of the market
- Supply has slowed entering the traditional “summer slowdown” and as many issuers accessed the markets pre-Brexit

**High Yield**
- Market has reopened after a period of muted issuance following the Brexit vote; however, issuance windows likely to be shorter due to macroeconomic climate and “summer slowdown”
- Investors are moving down to the speculative grade market searching for yield
Moody's Investor Day 2016

Moody's Corporation is holding its annual Investor Day on Wednesday, September 28, 2016 in New York City. The event, which will be webcast live, will feature presentations from management and showcase important aspects of the Company's business.

Additional details to follow.
Replay Details

» Available from 3:30pm (Eastern Time) July 22, 2016 until 3:30pm (Eastern Time) August 20, 2016

» Telephone Details:
  – US +1-888-203-1112
  – Non-US +1-719-457-0820
  – Passcode 8452229

» Webcast Details:
  – Go to http://ir.moodys.com
  – Click on “Events & Presentations”
  – Click on the link for “2Q 2016 Earnings Conference Call”
## Consolidated Statements of Operations
(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th>Six Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 30,</td>
<td>June 30,</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>$ 928.9</td>
<td>$ 918.1</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>258.9</td>
<td>243.9</td>
</tr>
<tr>
<td>Selling, general and administrative</td>
<td>228.6</td>
<td>227.0</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>31.2</td>
<td>27.9</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>518.7</td>
<td>498.8</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>410.2</td>
<td>419.3</td>
</tr>
<tr>
<td><strong>Non-operating (expense) income, net</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>(34.3)</td>
<td>(31.9)</td>
</tr>
<tr>
<td><strong>Other non-operating income, net</strong></td>
<td>3.0</td>
<td>(8.2)</td>
</tr>
<tr>
<td><strong>Total non-operating expense, net</strong></td>
<td>(31.3)</td>
<td>(40.1)</td>
</tr>
<tr>
<td><strong>Income before provision for income taxes</strong></td>
<td>378.9</td>
<td>379.2</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>120.8</td>
<td>115.1</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>258.1</td>
<td>264.1</td>
</tr>
<tr>
<td>Less: net income attributable to noncontrolling interests</td>
<td>2.6</td>
<td>2.4</td>
</tr>
<tr>
<td><strong>Net income attributable to Moody’s Corporation</strong></td>
<td>$ 255.5 $ 261.7</td>
<td>$ 439.9 $ 491.8</td>
</tr>
</tbody>
</table>

**Earnings per share attributable to Moody’s common shareholders**
- **Basic**
  - 2016: $1.32
  - 2015: $1.30
  - 2016 Increase: $0.27
  - 2015 Increase: $0.24
- **Diluted**
  - 2016: $1.30
  - 2015: $1.28
  - 2016 Increase: $0.22
  - 2015 Increase: $0.24

**Weighted average number of shares outstanding**
- **Basic**
  - 2016: 193.4
  - 2015: 201.3
  - 2016 Increase: 194.2
  - 2015 Increase: 202.0
- **Diluted**
  - 2016: 195.8
  - 2015: 204.4
  - 2016 Increase: 196.8
  - 2015 Increase: 205.4
## Supplemental Revenue Information (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended June 30,</th>
<th>Production Cost</th>
<th>Six Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
<td>2016</td>
</tr>
<tr>
<td><strong>Moody’s Investors Service</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Finance</td>
<td>$ 304.8</td>
<td>$ 319.6</td>
<td>$ 545.1</td>
</tr>
<tr>
<td>Structured Finance</td>
<td>111.5</td>
<td>121.2</td>
<td>202.1</td>
</tr>
<tr>
<td>Financial Institutions</td>
<td>89.7</td>
<td>90.4</td>
<td>184.6</td>
</tr>
<tr>
<td>Public, Project and Infrastructure Finance</td>
<td>112.3</td>
<td>99.9</td>
<td>203.8</td>
</tr>
<tr>
<td>MIS Other</td>
<td>7.3</td>
<td>8.1</td>
<td>15.1</td>
</tr>
<tr>
<td>Intersegment royalty</td>
<td>24.6</td>
<td>23.7</td>
<td>48.6</td>
</tr>
<tr>
<td>Sub-total MIS</td>
<td>650.2</td>
<td>662.9</td>
<td>1,199.3</td>
</tr>
<tr>
<td>Eliminations</td>
<td>(24.6)</td>
<td>(23.7)</td>
<td>(48.6)</td>
</tr>
<tr>
<td>Total MIS revenue</td>
<td>625.6</td>
<td>639.2</td>
<td>1,150.7</td>
</tr>
<tr>
<td><strong>Moody’s Analytics</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research, Data and Analytics</td>
<td>168.3</td>
<td>157.5</td>
<td>333.2</td>
</tr>
<tr>
<td>Enterprise Risk Solutions</td>
<td>97.5</td>
<td>83.2</td>
<td>187.0</td>
</tr>
<tr>
<td>Professional Services</td>
<td>37.5</td>
<td>38.2</td>
<td>74.1</td>
</tr>
<tr>
<td>Intersegment revenue</td>
<td>2.8</td>
<td>3.1</td>
<td>5.6</td>
</tr>
<tr>
<td>Sub-total MA</td>
<td>306.1</td>
<td>282.0</td>
<td>599.9</td>
</tr>
<tr>
<td>Eliminations</td>
<td>(2.8)</td>
<td>(3.1)</td>
<td>(5.6)</td>
</tr>
<tr>
<td>Total MA revenue</td>
<td>303.3</td>
<td>278.9</td>
<td>594.3</td>
</tr>
<tr>
<td><strong>Total Moody’s Corporation revenue</strong></td>
<td>$ 928.9</td>
<td>$ 918.1</td>
<td>$ 1,745.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Moody’s Corporation revenue by geographic area</strong></th>
<th>2016</th>
<th>2015</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$ 545.9</td>
<td>$ 545.9</td>
<td>$ 1,025.9</td>
<td>$ 1,045.7</td>
</tr>
<tr>
<td>International</td>
<td>383.0</td>
<td>372.2</td>
<td>719.1</td>
<td>738.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 928.9</td>
<td>$ 918.1</td>
<td>$ 1,745.0</td>
<td>$ 1,783.7</td>
</tr>
</tbody>
</table>
### Selected Consolidated Balance Sheet Data (Unaudited)

<table>
<thead>
<tr>
<th>Amounts in millions</th>
<th>June 30, 2016</th>
<th>December 31, 2015*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 1,674.3</td>
<td>$ 1,757.4</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>352.5</td>
<td>474.8</td>
</tr>
<tr>
<td>Total current assets</td>
<td>3,030.1</td>
<td>3,243.1</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>2,014.8</td>
<td>1,859.9</td>
</tr>
<tr>
<td>Total assets</td>
<td>5,044.9</td>
<td>5,103.0</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>1,146.4</td>
<td>1,218.5</td>
</tr>
<tr>
<td>Total debt</td>
<td>3,420.4</td>
<td>3,380.6</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>847.6</td>
<td>836.9</td>
</tr>
<tr>
<td>Total shareholders’ (deficit)</td>
<td>(369.5)</td>
<td>(333.0)</td>
</tr>
<tr>
<td>Total liabilities and shareholders’ (deficit)</td>
<td>5,044.9</td>
<td>5,103.0</td>
</tr>
</tbody>
</table>

*In the first quarter of 2016, the Company adopted a new accounting update on a retrospective basis which requires debt issuance costs to be presented as a reduction of debt rather than as an asset. Accordingly, the Company reclassified debt issuance costs, which were previously included in non-current assets, as a reduction of total debt.
Selected Consolidated Balance Sheet Data (continued)  
(Unaudited)

Total debt consists of the following:

<table>
<thead>
<tr>
<th>Notes Payable:</th>
<th>June 30, 2016</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal Amount</td>
<td>Fair Value of Interest Rate Swap(^{(1)})</td>
</tr>
<tr>
<td>6.06% Series 2007-1 Notes due 2017</td>
<td>$300.0</td>
<td>- $</td>
</tr>
<tr>
<td>5.50% 2010 Senior Notes, due 2020</td>
<td>500.0</td>
<td>25.5</td>
</tr>
<tr>
<td>4.50% 2012 Senior Notes, due 2022</td>
<td>500.0</td>
<td>-</td>
</tr>
<tr>
<td>4.875% 2013 Senior Notes, due 2024</td>
<td>500.0</td>
<td>-</td>
</tr>
<tr>
<td>2.75% 2014 Senior Notes (5-Year), due 2019</td>
<td>450.0</td>
<td>12.0</td>
</tr>
<tr>
<td>5.25% 2014 Senior Notes (30-Year), due 2044</td>
<td>600.0</td>
<td>-</td>
</tr>
<tr>
<td>1.75% 2015 Senior Notes, due 2027</td>
<td>555.5</td>
<td>-</td>
</tr>
<tr>
<td>Total long-term debt</td>
<td>$3,405.5</td>
<td>$37.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes Payable:</th>
<th>December 31, 2015</th>
<th></th>
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<td>- $</td>
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<tr>
<td>5.50% 2010 Senior Notes, due 2020</td>
<td>500.0</td>
<td>9.4</td>
</tr>
<tr>
<td>4.50% 2012 Senior Notes, due 2022</td>
<td>500.0</td>
<td>-</td>
</tr>
<tr>
<td>4.875% 2013 Senior Notes, due 2024</td>
<td>500.0</td>
<td>-</td>
</tr>
<tr>
<td>2.75% 2014 Senior Notes (5-Year), due 2019</td>
<td>450.0</td>
<td>2.3</td>
</tr>
<tr>
<td>5.25% 2014 Senior Notes (30-Year), due 2044</td>
<td>600.0</td>
<td>-</td>
</tr>
<tr>
<td>1.75% 2015 Senior Notes, due 2027</td>
<td>543.1</td>
<td>-</td>
</tr>
<tr>
<td>Total long-term debt</td>
<td>$3,393.1</td>
<td>$11.7</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Reflects Interest rate swaps on the 2010 Senior Notes and the 2014 Senior Notes (5-Year).

\(^{(2)}\) Pursuant to a new accounting update, unamortized debt issuance costs are presented as a reduction to the carrying value of the debt.
## Non-operating (Expense) Income, Net

<table>
<thead>
<tr>
<th></th>
<th>Three Months Ended</th>
<th></th>
<th>Six Months Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Amounts in millions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Interest:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expense on borrowings</td>
<td>$ (35.4)</td>
<td>$ (30.7)</td>
<td>$ (70.0)</td>
<td>$ (59.0)</td>
</tr>
<tr>
<td>Income</td>
<td>2.8</td>
<td>2.3</td>
<td>5.7</td>
<td>4.2</td>
</tr>
<tr>
<td>Expense on UTPs and other tax related liabilities</td>
<td>(1.7)</td>
<td>(3.5)</td>
<td>(4.5)</td>
<td>(6.7)</td>
</tr>
<tr>
<td>Interest capitalized</td>
<td>-</td>
<td>-</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Total interest expense, net</strong></td>
<td>$ (34.3)</td>
<td>$ (31.9)</td>
<td>$ (68.4)</td>
<td>$ (61.2)</td>
</tr>
<tr>
<td><strong>Other non-operating (expense) income, net:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FX gain/(loss)</td>
<td>$ 0.8</td>
<td>$ (12.2)</td>
<td>$ 4.8</td>
<td>$ (12.2)</td>
</tr>
<tr>
<td>Joint venture income</td>
<td>3.0</td>
<td>3.4</td>
<td>4.9</td>
<td>5.3</td>
</tr>
<tr>
<td>Other</td>
<td>(0.8)</td>
<td>0.6</td>
<td>(1.1)</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Other non-operating (expense) income, net</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3.0</td>
<td>(8.2)</td>
<td>8.6</td>
<td>(5.7)</td>
</tr>
<tr>
<td><strong>Total non-operating (expense) income, net</strong></td>
<td>$ (31.3)</td>
<td>$ (40.1)</td>
<td>$ (59.8)</td>
<td>$ (66.9)</td>
</tr>
</tbody>
</table>
## Financial Information by Segment

The table below presents revenue, adjusted operating income and operating income by reportable segment. The Company defines adjusted operating income as operating income excluding depreciation and amortization.

### Three Months Ended June 30,

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th></th>
<th></th>
<th>2015</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MIS</td>
<td>MA</td>
<td>Eliminations</td>
<td>Consolidated</td>
<td>MIS</td>
<td>MA</td>
</tr>
<tr>
<td>Revenue</td>
<td>$650.2</td>
<td>$306.1</td>
<td>$(27.4)</td>
<td>$928.9</td>
<td>$662.9</td>
<td>$282.0</td>
</tr>
<tr>
<td>Operating, selling,</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>general and</td>
<td>281.3</td>
<td>233.6</td>
<td>$(27.4)</td>
<td>487.5</td>
<td>287.0</td>
<td>210.7</td>
</tr>
<tr>
<td>administrative</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>expense</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted operating</td>
<td>368.9</td>
<td>72.5</td>
<td>-</td>
<td>441.4</td>
<td>375.9</td>
<td>71.3</td>
</tr>
<tr>
<td>income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and</td>
<td>18.2</td>
<td>13.0</td>
<td>-</td>
<td>31.2</td>
<td>15.8</td>
<td>12.1</td>
</tr>
<tr>
<td>amortization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>$350.7</td>
<td>$59.5</td>
<td>-</td>
<td>$410.2</td>
<td>$360.1</td>
<td>$59.2</td>
</tr>
<tr>
<td>Adjusted operating</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>margin</td>
<td>56.7%</td>
<td>23.7%</td>
<td></td>
<td>47.5%</td>
<td>56.7%</td>
<td>25.3%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>53.9%</td>
<td>19.4%</td>
<td></td>
<td>44.2%</td>
<td>54.3%</td>
<td>21.0%</td>
</tr>
</tbody>
</table>

### Six Months Ended June 30,

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th></th>
<th></th>
<th>2015</th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MIS</td>
<td>MA</td>
<td>Eliminations</td>
<td>Consolidated</td>
<td>MIS</td>
<td>MA</td>
</tr>
<tr>
<td>Revenue</td>
<td>$1,199.3</td>
<td>$599.9</td>
<td>$(54.2)</td>
<td>$1,745.0</td>
<td>$1,287.5</td>
<td>$548.6</td>
</tr>
<tr>
<td>Operating, selling,</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>general and</td>
<td>559.9</td>
<td>463.9</td>
<td>$(54.2)</td>
<td>969.6</td>
<td>568.3</td>
<td>420.7</td>
</tr>
<tr>
<td>administrative</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>expense</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted operating</td>
<td>639.4</td>
<td>336.0</td>
<td>-</td>
<td>775.4</td>
<td>719.2</td>
<td>127.9</td>
</tr>
<tr>
<td>income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and</td>
<td>35.7</td>
<td>25.4</td>
<td>-</td>
<td>61.1</td>
<td>31.8</td>
<td>24.7</td>
</tr>
<tr>
<td>amortization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>$603.7</td>
<td>$110.6</td>
<td>$(54.2)</td>
<td>$714.3</td>
<td>$687.4</td>
<td>$103.7</td>
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<tr>
<td>Adjusted operating</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>margin</td>
<td>53.3%</td>
<td>22.7%</td>
<td></td>
<td>44.4%</td>
<td>55.9%</td>
<td>23.3%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>50.3%</td>
<td>18.4%</td>
<td></td>
<td>40.9%</td>
<td>53.4%</td>
<td>18.8%</td>
</tr>
</tbody>
</table>
Transaction and Relationship Revenue

The tables below summarize the split between transaction and relationship revenue. In the MIS segment, excluding MIS Other, transaction revenue represents the initial rating of a new debt issuance as well as other one-time fees while relationship revenue represents the recurring monitoring of a rated debt obligation and/or entities that issue such obligations, as well as revenue from programs such as commercial paper, medium-term notes and shelf registrations. In MIS Other, transaction revenue represents revenue from professional services and outsourcing engagements and relationship revenue represents subscription based revenues. In the MA segment, relationship revenue represents subscription-based revenues and software maintenance revenue. Transaction revenue in MA represents software license fees and revenue from risk management advisory projects, training and certification services, and outsourced research and analytical engagements.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th></th>
<th>2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Transaction</td>
<td>Relationship</td>
<td>Total</td>
<td>Transaction</td>
</tr>
<tr>
<td>Corporate Finance</td>
<td>$215.6</td>
<td>$89.2</td>
<td>$304.8</td>
<td>$232.8</td>
</tr>
<tr>
<td></td>
<td>71%</td>
<td>29%</td>
<td>100%</td>
<td>73%</td>
</tr>
<tr>
<td>Structured Finance</td>
<td>$68.0</td>
<td>$43.5</td>
<td>$111.5</td>
<td>$80.3</td>
</tr>
<tr>
<td></td>
<td>61%</td>
<td>39%</td>
<td>100%</td>
<td>66%</td>
</tr>
<tr>
<td>Financial Institutions</td>
<td>$29.8</td>
<td>$59.9</td>
<td>$89.7</td>
<td>$32.8</td>
</tr>
<tr>
<td></td>
<td>33%</td>
<td>67%</td>
<td>100%</td>
<td>36%</td>
</tr>
<tr>
<td>Public, Project and Infrastructure Finance</td>
<td>$73.2</td>
<td>$39.1</td>
<td>$112.3</td>
<td>$62.2</td>
</tr>
<tr>
<td></td>
<td>65%</td>
<td>35%</td>
<td>100%</td>
<td>62%</td>
</tr>
<tr>
<td>MIS Other</td>
<td>$2.7</td>
<td>$4.6</td>
<td>$7.3</td>
<td>$4.1</td>
</tr>
<tr>
<td></td>
<td>37%</td>
<td>63%</td>
<td>100%</td>
<td>51%</td>
</tr>
<tr>
<td>Total MIS</td>
<td>$389.2</td>
<td>$236.4</td>
<td>$625.6</td>
<td>$412.2</td>
</tr>
<tr>
<td></td>
<td>62%</td>
<td>38%</td>
<td>100%</td>
<td>64%</td>
</tr>
<tr>
<td>Moody’s Analytics</td>
<td>$72.8</td>
<td>$230.5</td>
<td>$303.3</td>
<td>$67.1</td>
</tr>
<tr>
<td></td>
<td>24%</td>
<td>76%</td>
<td>100%</td>
<td>24%</td>
</tr>
<tr>
<td>Total Moody’s Corporation</td>
<td>$462.0</td>
<td>$466.9</td>
<td>$928.9</td>
<td>$479.3</td>
</tr>
<tr>
<td></td>
<td>50%</td>
<td>50%</td>
<td>100%</td>
<td>52%</td>
</tr>
</tbody>
</table>
The tables below summarize the split between transaction and relationship revenue. In the MIS segment, excluding MIS Other, transaction revenue represents the initial rating of a new debt issuance as well as other one-time fees while relationship revenue represents the recurring monitoring of a rated debt obligation and/or entities that issue such obligations, as well as revenue from programs such as commercial paper, medium-term notes and shelf registrations. In MIS Other, transaction revenue represents revenue from professional services and outsourcing engagements and relationship revenue represents subscription based revenues. In the MA segment, relationship revenue represents subscription-based revenues and software maintenance revenue. Transaction revenue in MA represents software license fees and revenue from risk management advisory projects, training and certification services, and outsourced research and analytical engagements.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th></th>
<th></th>
<th>2015</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Transaction</td>
<td>Relationship</td>
<td>Total</td>
<td>Transaction</td>
<td>Relationship</td>
<td>Total</td>
</tr>
<tr>
<td>Corporate Finance</td>
<td>$366.5</td>
<td>$178.6</td>
<td>$545.1</td>
<td>$446.3</td>
<td>$172.0</td>
<td>$618.3</td>
</tr>
<tr>
<td></td>
<td>67%</td>
<td>33%</td>
<td>100%</td>
<td>72%</td>
<td>28%</td>
<td>100%</td>
</tr>
<tr>
<td>Structured Finance</td>
<td>$117.8</td>
<td>$84.3</td>
<td>$202.1</td>
<td>$142.1</td>
<td>$80.4</td>
<td>$222.5</td>
</tr>
<tr>
<td></td>
<td>58%</td>
<td>42%</td>
<td>100%</td>
<td>64%</td>
<td>36%</td>
<td>100%</td>
</tr>
<tr>
<td>Financial Institutions</td>
<td>$66.8</td>
<td>$117.8</td>
<td>$184.6</td>
<td>$70.6</td>
<td>$113.6</td>
<td>$184.2</td>
</tr>
<tr>
<td></td>
<td>36%</td>
<td>64%</td>
<td>100%</td>
<td>38%</td>
<td>62%</td>
<td>100%</td>
</tr>
<tr>
<td>Public, Project and Infrastructure Finance</td>
<td>$127.0</td>
<td>$76.8</td>
<td>$203.8</td>
<td>$126.7</td>
<td>$73.9</td>
<td>$200.6</td>
</tr>
<tr>
<td></td>
<td>62%</td>
<td>38%</td>
<td>100%</td>
<td>63%</td>
<td>37%</td>
<td>100%</td>
</tr>
<tr>
<td>MIS Other</td>
<td>$5.6</td>
<td>$9.5</td>
<td>$15.1</td>
<td>$7.4</td>
<td>$8.5</td>
<td>$15.9</td>
</tr>
<tr>
<td></td>
<td>37%</td>
<td>63%</td>
<td>100%</td>
<td>47%</td>
<td>53%</td>
<td>100%</td>
</tr>
<tr>
<td>Total MIS</td>
<td>$683.7</td>
<td>$467.0</td>
<td>$1,150.7</td>
<td>$793.1</td>
<td>$448.4</td>
<td>$1,241.5</td>
</tr>
<tr>
<td></td>
<td>59%</td>
<td>41%</td>
<td>100%</td>
<td>64%</td>
<td>36%</td>
<td>100%</td>
</tr>
<tr>
<td>Moody’s Analytics</td>
<td>$142.1</td>
<td>$452.2</td>
<td>$594.3</td>
<td>$127.7</td>
<td>$414.5</td>
<td>$542.2</td>
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<tr>
<td></td>
<td>24%</td>
<td>76%</td>
<td>100%</td>
<td>24%</td>
<td>76%</td>
<td>100%</td>
</tr>
<tr>
<td>Total Moody's Corporation</td>
<td>$825.8</td>
<td>$919.2</td>
<td>$1,745.0</td>
<td>$920.8</td>
<td>$862.9</td>
<td>$1,783.7</td>
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<tr>
<td></td>
<td>47%</td>
<td>53%</td>
<td>100%</td>
<td>52%</td>
<td>48%</td>
<td>100%</td>
</tr>
</tbody>
</table>
## Non-GAAP Adjusted Operating Income and Adjusted Operating Margin

The tables below reflect certain adjusted results that the SEC defines as “non-GAAP financial measures” as well as a reconciliation of each non-GAAP measure to its most directly comparable GAAP measure. Management believes that such non-GAAP financial measures, when read in conjunction with the Company’s reported results, can provide useful supplemental information for investors analyzing period-to-period comparisons of the Company’s performance, facilitate comparisons to competitors’ operating results and to provide greater transparency to investors of supplemental information used by management in its financial and operational decision-making. These non-GAAP measures, as defined by the Company, are not necessarily comparable to similarly defined measures of other companies. Furthermore, these non-GAAP measures should not be viewed in isolation or used as a substitute for other GAAP measures in assessing the operating performance or cash flows of the Company.

The table below reflects a reconciliation of the Company’s operating income and operating margin to adjusted operating income and adjusted operating margin. The Company defines adjusted operating income as operating income excluding depreciation and amortization. The Company presents adjusted operating income because management deems this metric to be a useful measure of assessing the operating performance of Moody’s, measuring the Company’s ability to service debt, fund capital expenditures, and expand its business. Adjusted operating income excludes depreciation and amortization because companies utilize productive assets of different ages and use different methods of both acquiring and deprecating productive assets. Management believes that the exclusion of this item, detailed in the reconciliation below, allows for a more meaningful comparison of the Company’s results from period to period and across companies. The Company defines adjusted operating margin as adjusted operating income divided by revenue.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>$410.2</td>
<td>$419.3</td>
<td>$714.3</td>
<td>$790.6</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>31.2</td>
<td>27.9</td>
<td>61.1</td>
<td>56.5</td>
</tr>
<tr>
<td>Adjusted operating income</td>
<td>$441.4</td>
<td>$447.2</td>
<td>$775.4</td>
<td>$847.1</td>
</tr>
<tr>
<td>Operating margin</td>
<td>44.2%</td>
<td>45.7%</td>
<td>40.9%</td>
<td>44.3%</td>
</tr>
<tr>
<td>Adjusted operating margin</td>
<td>47.5%</td>
<td>48.7%</td>
<td>44.4%</td>
<td>47.5%</td>
</tr>
</tbody>
</table>

### Year Ended December 31, 2016

- Operating margin guidance: Approximately 41%
- Depreciation and amortization: Approximately 4%
- Adjusted operating margin guidance: Approximately 45%
Free Cash Flow

The table below reflects a reconciliation of the Company's net cash flows from operating activities to free cash flow. The Company defines free cash flow as net cash provided by operating activities minus payments for capital additions. Management believes that free cash flow is a useful metric in assessing the Company’s cash flows to service debt, pay dividends and to fund acquisitions and share repurchases. Management deems capital expenditures essential to the Company’s product and service innovations and maintenance of Moody's operational capabilities. Accordingly, capital expenditures are deemed to be a recurring use of Moody's cash flow.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash flows from operating activities</td>
<td>$528.8</td>
<td>$594.4</td>
</tr>
<tr>
<td>Capital additions</td>
<td>$(54.3)</td>
<td>$(40.7)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$474.5</td>
<td>$553.7</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>$(7.3)</td>
<td>$(91.8)</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>$(622.8)</td>
<td>$(157.6)</td>
</tr>
</tbody>
</table>

Year Ended December 31, 2016

- Approximately $1.1 billion
- Approximately $125 million
- Approximately $1.0 billion
2016 Outlook

Moody’s outlook for 2016 is based on assumptions about many geopolitical conditions and macroeconomic and capital market factors, including interest rates, foreign currency exchange rates, corporate profitability and business investment spending, merger and acquisition activity, consumer borrowing and securitization, and the amount of debt issued. These assumptions are subject to some degree of uncertainty, and results for the year could differ materially from our current outlook. Moody’s guidance assumes foreign currency translation at end-of-quarter exchange rates. Specifically, our forecast reflects exchange rates for the British pound (£) of $1.34 to £1 and for the euro (€) of $1.11 to €1.

<table>
<thead>
<tr>
<th>MOODY'S CORPORATION</th>
<th>Current guidance as of July 22, 2016</th>
<th>Last publicly disclosed guidance on April 29, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>increase in the low-single-digit percent range</td>
<td>NC</td>
</tr>
<tr>
<td>Operating expense</td>
<td>increase in the mid-single-digit percent range</td>
<td>NC</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>Approximately $130 million</td>
<td>NC</td>
</tr>
<tr>
<td>Operating margin</td>
<td>Approximately 41%</td>
<td>NC</td>
</tr>
<tr>
<td>Adjusted operating margin</td>
<td>Approximately 45%</td>
<td>NC</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>32% - 32.5%</td>
<td>NC</td>
</tr>
<tr>
<td>EPS</td>
<td>$4.55 to $4.65*</td>
<td>NC</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>Approximately $125 million</td>
<td>NC</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>Approximately $1 billion</td>
<td>NC</td>
</tr>
<tr>
<td>Share repurchases</td>
<td>Approximately $1 billion (subject to available cash, market conditions and other ongoing capital allocation decisions)</td>
<td>NC</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MIS</th>
<th>Current guidance as of July 22, 2016</th>
<th>Last publicly disclosed guidance on April 29, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>MIS global</td>
<td>decrease in the low-single-digit percent range</td>
<td>Approximately flat</td>
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<tr>
<td>MIS U.S.</td>
<td>decrease in the low-single-digit percent range</td>
<td>NC</td>
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<tr>
<td>MIS Non-U.S.</td>
<td>decrease in the low-single-digit percent range</td>
<td>increase in the low-single-digit percent</td>
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<td>CFG</td>
<td>decrease in the low-single-digit percent range</td>
<td>NC</td>
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<tr>
<td>SFG</td>
<td>decrease in the high-single-digit percent range</td>
<td>decrease in the mid-single-digit percent</td>
</tr>
<tr>
<td>FIG</td>
<td>increase in the mid-single-digit percent range</td>
<td>NC</td>
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<tr>
<td>PPIF</td>
<td>increase in the mid-single-digit percent range</td>
<td>NC</td>
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<th>MA</th>
<th>Current guidance as of July 22, 2016</th>
<th>Last publicly disclosed guidance on April 29, 2016</th>
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<tbody>
<tr>
<td>MA global</td>
<td>increase in the mid-single-digit percent range</td>
<td>Increase in the high-single-digit percent</td>
</tr>
<tr>
<td>MA U.S.</td>
<td>increase in the low-double-digit percent range</td>
<td>NC</td>
</tr>
<tr>
<td>MA Non-U.S.</td>
<td>increase in the low-single-digit percent range</td>
<td>Increase in the mid-single-digit percent</td>
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<tr>
<td>RD&amp;A</td>
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<tr>
<td>ERS</td>
<td>increase in the high-single-digit percent range</td>
<td>NC</td>
</tr>
<tr>
<td>PS</td>
<td>decrease in the low-single-digit percent range</td>
<td>NC</td>
</tr>
</tbody>
</table>

NC - There is no difference between the Company’s current guidance and the last publicly disclosed guidance for this item.

* - Expecting to be toward the lower end of the range.
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