Disclaimer

Certain statements contained in this document are forward-looking statements and are based on future expectations, plans and prospects for Moody's business and operations that involve a number of risks and uncertainties. The forward-looking statements in this document are made as of the date hereof, and Moody's 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, Moody's 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, world-wide credit market disruptions or an economic slowdown, which could 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 U.K.'s referendum vote whereby the U.K. 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 actions affecting world-wide credit markets, international trade and economic policy; 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 and the expansion of supervisory remit to include non-EU ratings used for regulatory purposes; 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. Other factors, risks and uncertainties relating to our acquisition of Bureau van Dijk could cause our actual results to differ, perhaps materially, from those indicated by these forward-looking statements, including risks relating to the integration of Bureau van Dijk’s operations, products and employees into Moody’s and the possibility that anticipated synergies and other benefits of the acquisition will not be realized in the amounts anticipated or will not be realized within the expected timeframe; risks that the acquisition could have an adverse effect on the business of Bureau van Dijk or its prospects, including, without limitation, on relationships with vendors, suppliers or customers; claims made, from time to time, by vendors, suppliers or customers; changes in the European or global marketplaces that have an adverse effect on the business of Bureau van Dijk. 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, 2017, 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.
Table of Contents

1. Financial Overview
2. Capital Markets Overview
3. Moody’s Investors Service (MIS)
4. Moody’s Analytics (MA)
5. Conclusion
6. Appendix
Moody’s Mission: To be the World’s Most Respected Authority Serving Risk-Sensitive Financial Markets

» Defend and enhance our core ratings & research businesses
  – Ratings: predictive, predictable and transparent
  – Research: timely and insightful

» Pursue strategic growth opportunities
  – Leverage the brand to extend our reach in financial markets
  – More broadly occupy credit / financial risk management and information vertical
  – Extend both thought leadership footprint and presence as a recognized standard
  – Move upstream in emerging financial markets
1 Financial Overview
Overview of Moody’s Corporation

Moody’s Investors Service

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

MIS provides ratings in more than 120 countries

Ratings relationships with:
- ~5,000 non-financial corporate issuers
- ~4,000 financial institutions issuers
- ~18,000 public finance issuers
- ~11,000 structured finance transactions
- ~1,000 infrastructure and project finance issuers

Moody’s Analytics

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

Revenue of $4.2 billion

Operating Income of $1.8 billion

MIS 66% MA 34%

MIS 86% MA 14%

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

Customers in 155 countries

10,500 institutional customers; business with 84 of top 100 global banks

Note: All data is as of December 31, 2017.
Revenue is Diversified by Business, Geography and Type

Revenue by Business
- MIS
  - Corporate Finance: 33%
  - Financial Institutions: 10%
  - Structured Finance: 12%
- MA
  - Public, Project & Infrastructure: 10%
  - Enterprise Risk Solutions: 11%
  - Professional Services: 3%
  - MIS Other: 1%
  - Research, Data & Analytics: 20%

Revenue by Geography
- United States: 56%
- EMEA: 27%
- Asia-Pacific: 11%
- Americas: 6%

Revenue by Type
- MCO: 50% Recurring, 50% Transaction
- MIS: 65% Recurring, 35% Transaction
- MA: 22% Recurring, 78% Transaction
Financial Performance

Revenue

Adjusted Diluted EPS

Operating Margin

5-year Average Free Cash Flow Conversion

1 Guidance as of February 9, 2018.
2 Adjusted diluted EPS is an adjusted measure. See appendix for reconciliations from adjusted financial measures to U.S. GAAP.
3 Includes an approximate $0.65 benefit resulting from U.S. corporate tax reform. See appendix for reconciliations from adjusted financial measures to U.S. GAAP.
4 Adjusted Operating Margin is an adjusted measure. See appendix for reconciliations from adjusted financial measures to U.S. GAAP.
5 As of February 2018, over the last five available fiscal years. Free Cash Flow is an adjusted financial measure. See appendix for reconciliation from adjusted financial measures to U.S. GAAP. Source: FactSet.
6 Includes: OLGX, DNB, EXPN, FDS, INFO, MORN, MSCI, SPGI, TRI and VRSK.
Long-Term Growth Opportunities

Three Levers to Achieve EPS Growth

- **Revenue**
  - High Single Digit % Growth Range
  - Issuance Volume & Mix
  - Coverage
  - Moody's Analytics
  - Pricing Initiatives

- **Adj. Operating Margin**
  - High-40s % Range
  - Cost Discipline
  - Process Re-Engineering
  - Technology Enablement

- **Capital Allocation**
  - Dividend Growth & Share Count Reduction
  - Reinvestment
  - Acquisitions
  - Dividends
  - Share Repurchases

**Note:** Long-term growth opportunities presented on this slide are on average over time.
1. Assumes no material change in effective tax rate, foreign exchange rates, leverage profile and/or capital allocation policy.
2. Subject to market conditions and other ongoing capital allocation decisions.
Actively Managing the Expense Base

**Technology**
- Enabling technology to support operational efficiencies

**Infrastructure**
- Managing real estate and IT expense growth

**Synergies**
- Executing on Bureau van Dijk integration synergies

**Organization**
- Reducing organizational layers and optimizing manager span of control

**Staffing Mix**
- Shifting staff from high-cost to lower-cost geographies

**Sales Mix**
- ERS shifting mix to higher margin product sales

*Best practices and cost management contribute to operating leverage*
Disciplined Approach to Capital Allocation

<table>
<thead>
<tr>
<th>Investing in Growth Opportunities</th>
<th>Return of Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reinvestment</strong></td>
<td><strong>Acquisitions</strong></td>
</tr>
<tr>
<td>Invest in existing businesses to support organic growth</td>
<td>Evaluate carefully to make sure aligned with strategy and market evolution</td>
</tr>
</tbody>
</table>

### Share Repurchases and Dividends Paid

<table>
<thead>
<tr>
<th>Year</th>
<th>Share Repurchases (R)</th>
<th>Dividends Paid (R)</th>
<th>Shares Outstanding (L)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$1,090</td>
<td>$893</td>
<td>226.00 Million</td>
</tr>
<tr>
<td>2014</td>
<td>$1,457</td>
<td>$236</td>
<td>232.00 Million</td>
</tr>
<tr>
<td>2015</td>
<td>$1,370</td>
<td>$722</td>
<td>237.00 Million</td>
</tr>
<tr>
<td>2016</td>
<td>$1,024</td>
<td>$285</td>
<td>238.00 Million</td>
</tr>
<tr>
<td>2017</td>
<td>$200</td>
<td>$187</td>
<td>238.00 Million</td>
</tr>
</tbody>
</table>

### Annualized Dividend Per Share

\(\text{CAGR} = 14\%\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends Paid (R)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$0.90</td>
</tr>
<tr>
<td>2014</td>
<td>$1.12</td>
</tr>
<tr>
<td>2015</td>
<td>$1.36</td>
</tr>
<tr>
<td>2016</td>
<td>$1.48</td>
</tr>
<tr>
<td>2017</td>
<td>$1.52</td>
</tr>
<tr>
<td>2018</td>
<td>$1.76</td>
</tr>
</tbody>
</table>

\(^1\) Dividend payout ratio is defined as dividends per share paid/adjusted net income.

\(^2\) Annualized dividend total, based on first quarter dividend declared on January 24, 2018.
De-leveraging in 2018 to Maintain Current BBB+ Credit Rating

» Current long-term credit ratings from S&P and Fitch are BBB+ (negative) / BBB+ (stable)

» Solid investment-grade rating provides reliable, cost-effective access to capital in a variety of market environments

1 Amount is an adjusted measure. See Appendix for reconciliations from adjusted financial measures to U.S. GAAP.
## 2018 Outlook

<table>
<thead>
<tr>
<th>Metric</th>
<th>Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>Low-double digit % growth</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>Low-double-digit % growth</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>43% - 44%</td>
</tr>
<tr>
<td></td>
<td>~48% (Adjusted(^2))</td>
</tr>
<tr>
<td>Effective Tax Rate</td>
<td>22% - 23%</td>
</tr>
<tr>
<td>EPS</td>
<td>$7.20 - $7.40</td>
</tr>
<tr>
<td></td>
<td>$7.65 - $7.85 (Adjusted(^2))</td>
</tr>
<tr>
<td>Free Cash Flow(^2)</td>
<td>~$1.6 billion</td>
</tr>
</tbody>
</table>

1. See press release titled “Moody’s Corporation Reports Results for Fourth Quarter and Full Year 2017; Sets Outlook for Full Year 2018” from February 9, 2018 for Moody’s full 2018 guidance.
2. These metrics are adjusted measures. See Appendix for reconciliations from adjusted financial measures to U.S. GAAP.
2

Capital Markets Overview
Historically, Rising Rates Have not had a Significant Impact on Moody’s Revenue

MCO Revenue and Interest Rates

1 10-yr U.S. Treasury Yields are represented by the rate at the end-of-period.
Source: www.treasury.gov.
Debt Leverage Down in North America, Stable in Europe; Interest Coverage Remains Steady

Credit Metrics: North American Speculative Grade Companies

Credit Metrics: European Speculative Grade Companies

Source: Moody's Investors Service.
Global Default Rates Remain Under Historic Average

Default Rates for Corporate Rated Issuance

» Global speculative-grade default rate at 2.9% as of December 31, 2017; expected to decline to 1.9% by December 2018

North America and EMEA Non-Financial Corporates Have Significant Refunding Needs

Debt Maturities: North America Moody’s-Rated Corporate Bonds and Loans

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

Source: MIS, February 2018.
Note: Data represents U.S. & Canadian MIS rated corporate bonds & loans.


1 Amount reflects total maturities identified in the above sources.
Debt Refinancing and M&A are Most Frequently Stated Uses of Proceeds

Uses of Funds from USD High Yield Bonds and Bank Loans

- **Debt Refinancing**
- **M&A**
- **Capital Spending**
- **Shareholder Payments**

1 Percent of mentions for each respective period in bond issue or bank loan program tranche documents. Excludes issues of less than $25 million and general corporate purposes. An issue can have multiple purposes and, as a result, percentages do not sum to 100%.

Source: Moody's Analytics.
Disintermediation of Credit is an Ongoing Trend in the Global Capital Markets

European Non-Financial Corporate Bonds vs. Bank Loans Outstanding

U.S. Non-Financial Corporate Bonds vs. Bank Loans Outstanding

Sources: ECB, Federal Reserve, BarCap Indices. Europe bank loan data includes Eurozone and UK bank loans. Europe bond data includes euro and sterling denominated bonds. European and U.S. data is through December 2017.
Growth of New Mandates Driven by Asia

Global New Rating Mandates

<table>
<thead>
<tr>
<th>Year</th>
<th>US + Canada</th>
<th>EMEA</th>
<th>China</th>
<th>Rest of Asia</th>
<th>Latin America</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>225</td>
<td>203</td>
<td>244</td>
<td>246</td>
<td>20</td>
</tr>
<tr>
<td>2016</td>
<td>233</td>
<td>194</td>
<td>248</td>
<td>245</td>
<td>19</td>
</tr>
<tr>
<td>2017</td>
<td>244</td>
<td>213</td>
<td>243</td>
<td>236</td>
<td>12</td>
</tr>
<tr>
<td>2018E</td>
<td>~1,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2015 – 2017 CAGR

- China: 32%
- Rest of Asia: 32%
- Latin America: 24%
- EMEA: 16%
- US + Canada: 6%
- Total: 16%

1 Rated by Moody's Investors Service.
3 Moody’s Investors Service
Moody’s Investors Service: A Leading Provider of Credit Ratings, Research and Risk Analysis

- Proven ratings accuracy and deeply experienced analysts
- Expanded sales and marketing activities in Commercial Group
- Focus on research leadership
- Analytical and commercial outreach

Ratings Quality
Research & Insight
Value Proposition
Engagement & Service

MOODY'S INVESTORS SERVICE
# Illustrative Value of a Moody’s Rating

**Example: 10 year $500 million corporate bond**

<table>
<thead>
<tr>
<th>Unrated</th>
<th>Rated by Moody’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond</td>
<td>Bond</td>
</tr>
<tr>
<td>Interest rate</td>
<td>x 4.0%</td>
</tr>
<tr>
<td>Annual interest payments</td>
<td>x 4.0%</td>
</tr>
<tr>
<td>Tenor</td>
<td>x 10 years</td>
</tr>
<tr>
<td>Lifetime interest expense</td>
<td>$215,000,000</td>
</tr>
</tbody>
</table>

$15 million in total interest expense vs. lifetime cost of a rating

Note: Illustrative spread differential based on feedback from syndicate desks and FBR & Co. research on Moody’s Corporation (January 2014) which stated that obtaining a Moody’s rating typically saves approximately 30 basis points per year for investment grade issuers. Many factors go into the pricing of a bond.
Investing in Emerging Markets Growth

Revenue in emerging markets

- 2007: $81M
- 2017: $313M

MIS affiliate revenue in 2017

- MERIS$^1$
- Equilibrium$^2$
- KIS
- CCXI
- ICRA
- Midroog

- Wholly-owned
- Majority-owned
- Minority-owned

<table>
<thead>
<tr>
<th>Year</th>
<th>MIS Warsaw Office</th>
<th>MIS Shanghai Office</th>
<th>MIS Mumbai Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>(Increased stake to 50.1%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>(Acquired 100%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>(Increased stake to 100%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Trailing one quarter.
2. Trailing one month.

---

MOODY'S

March 6, 2018
Moody’s Investors Service Financial Profile

FY 2017 Revenue: $2.8 billion

- Recurring: 35%
- Transaction: 65%
- U.S.: 39%
- Non-U.S.: 61%

- 27% recurring revenue
- 35% recurring revenue
- 55% recurring revenue
- 35% recurring revenue

2018 Revenue Guidance as of February 9, 2018

- Global: mid-single-digit % range
- U.S.: low-single-digit % range
- Non-U.S.: high-single-digit % range
- Corporate Finance: high-single-digit % range
- Structured Finance: mid-single-digit % range
- Financial Institutions: mid-single-digit % range
- Public, Project & Infrastructure Finance: low-single-digit % range
4

Moody’s Analytics
Moody’s Analytics Provides Essential Insight
Serving Financial Markets

Research Data & Analytics
- Credit research, data & ratings feeds
- Global private company data
- Economic research, data & models
- Structured finance analytics & data

Enterprise Risk Solutions
- Credit risk & actuarial analytics
- Software that automates credit risk & actuarial activity
- Solutions that facilitate compliance with regulation & accounting standards
- Platforms that improve portfolio & capital strategy

Professional Services
- Outsourced research & consulting
- Professional certifications
- In-house training
- eLearning
Moody’s Analytics Financial Profile

FY 2017 Revenue: $1.4 billion

- Research, Data and Analytics: 58%
- Enterprise Risk Solutions: 31%
- Professional Services: 11%

- > 95% recurring revenue
- > 96% retention rate
- 69% recurring revenue
- Combination of one-off contracts and semi-recurring revenue

2018 Revenue Guidance as of February 9, 2018

- Global: mid-twenties % range
- U.S.: low-double-digit % range
- Non-U.S.: mid-thirties % range
- Research, Data & Analytics: approximately 40%
- Enterprise Risk Solutions: low-single-digit % range
- Professional Services: high-single-digit % range

1 Excludes Bureau van Dijk.
2 Organic MA global revenue is expected to increase in the low-double-digit percent range and organic RD&A revenue is expected to increase in the mid-teens percent range.
Moody’s Analytics has Several Platforms for Growth

Added ~$900 Million in Revenue Since Inception

Note: Individual line of business revenues may not foot due to rounding.
Bureau van Dijk Acquisition

Bureau van Dijk aggregates, standardizes and distributes an extensive private company data set

» €3 billion acquisition closed on August 10, 2017

» Bureau van Dijk is a leading aggregator and distributor of private company business intelligence and data, serving over 6,000 unique institutions worldwide

» Extends MA’s reach beyond financial institutions and insurance

» Adds capacity to MA’s attractive RD&A business through extensive customer base and geographic footprint

» Combination anticipated to deliver significant synergies. Expect ~$45 million in annual revenue and expense synergies by 2019, increasing to ~$80 million by 2021¹

» Integration proceeding according to plan with focus on implementing controls appropriate for a unit of a listed U.S. company while delivering on strategy and business plan.

¹ Anticipated annual revenue and expense synergies, as of February 9, 2018.
² Based on IFRS.

Long History of Profitable Growth²

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (€ in millions)</th>
<th>EBITDA (€ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>€109</td>
<td>€48</td>
</tr>
<tr>
<td>2008</td>
<td>€139</td>
<td>€87</td>
</tr>
<tr>
<td>2009</td>
<td>€148</td>
<td>€87</td>
</tr>
<tr>
<td>2010</td>
<td>€156</td>
<td>€94</td>
</tr>
<tr>
<td>2011</td>
<td>€156</td>
<td>€92</td>
</tr>
<tr>
<td>2012</td>
<td>€168</td>
<td>€95</td>
</tr>
<tr>
<td>2013</td>
<td>€168</td>
<td>€95</td>
</tr>
<tr>
<td>2014</td>
<td>€168</td>
<td>€95</td>
</tr>
<tr>
<td>2015</td>
<td>€172</td>
<td>€96</td>
</tr>
<tr>
<td>2016</td>
<td>€172</td>
<td>€96</td>
</tr>
<tr>
<td>2017</td>
<td>€172</td>
<td>€96</td>
</tr>
</tbody>
</table>

Revenue CAGR = 9.8%
RD&A: Subscription Growth Driven by Retention, Upgrades and Pricing & New Sales

*Note: The sales growth attributions presented on this slide are related to RD&A subscription sales on a constant currency basis. Upgrades reflect amendments to existing customer contracts. New Sales reflect new contracts with new and existing customers.*
ERS Solutions Address Diverse Needs and Customers

Credit Risk & Actuarial Analytics
Helps risk managers assess and manage current and future exposures across all asset classes

Accounting Calculation & Reporting
Produces key calculations and reports required by many of the world’s accounting standards

Regulatory Calculation & Reporting
Generates key calculations and reports required by many of the world’s financial regulations

Credit Assessment & Origination
Automates financial spreading and credit scoring, decision making and monitoring

Portfolio & Capital Strategy
Helps firms to improve portfolio performance and meet regulatory and economic capital requirements

Asset & Liability Management
Integrates ALM, liquidity risk management, funds transfer pricing and regulatory reporting capabilities into a seamless enterprise platform

Banks
Insurers
Asset Managers
Corporates
ERS Business and Technology Drivers Shifting Mix to Higher Margin Product Sales

ERS: TTM Revenue

- **Services**
- **Products**

**ERS: TTM Revenue**

$ Millions

- $0
- $50
- $100
- $150
- $200
- $250
- $300
- $350
- $400

- **CAGR 13%**
- **CAGR (2%)**

**Business Drivers**

End user objectives are shifting to efficiency and business growth, while regulatory and accounting requirements continue to drive investment.

**Technology Drivers**

New technologies are giving rise to changing client requirements and expectations, opportunities for innovation and new sources of growth.

1 Products revenue include subscriptions, license and maintenance.
### Professional Services: Extending the Brand Into New Markets and Deepening Customer Relationships

<table>
<thead>
<tr>
<th>Knowledge Process Outsourcing</th>
<th>Certificates, Designations &amp; Accreditations</th>
<th>Financial Services Training</th>
</tr>
</thead>
<tbody>
<tr>
<td>» Leading provider of research, analytics and business intelligence services that help global financial institutions improve processes, enhance profitability and drive revenues</td>
<td>» Exclusive provider of licensing courses and exams to meet regulatory standards set by the Investment Industry Regulatory Organization of Canada (IIROC)</td>
<td>» Artificial Intelligence-powered scalable personalized learning solutions</td>
</tr>
<tr>
<td>» Bespoke solutions delivered by client-dedicated analyst teams for over 180 clients</td>
<td>» Approved by Reserve Bank of India (RBI) to provide banking professionals with mandatory credit certifications</td>
<td>» Deliver targeted online training to address individual behavioral deficiencies</td>
</tr>
</tbody>
</table>
| » More than 2,600 employees, with client delivery centers in India, China, Sri Lanka and Costa Rica | » Partnered with National Institute of Securities Markets (NISM) to provide Indian securities professionals with advanced capital markets certifications | » Focus on developing markets:  
  - Africa  
  - Asia  
  - Middle East |
Conclusion
Why Invest in Moody’s?

» We strive to be the world’s most respected authority serving risk-sensitive financial markets

» We have had strong revenue and earnings growth, as well as cash flow conversion
  – 2013 – 2017 revenue CAGR of 9%
  – 2013 – 2017 adjusted diluted EPS\(^1\) CAGR of 15%
  – 2013 – 2017 free cash flow\(^1\) conversion rate of ~28%

» We are committed to returning capital to our shareholders
  – 2013 – 2017 returned $5.4 billion, or 114% of free cash flow, to shareholders via share repurchases and dividends

» We will selectively invest in strategic growth opportunities
  – Leverage brand to extend our relevance in financial markets
  – Expand our product offerings and geographic influence

\(^1\) Adjusted diluted EPS is an adjusted measure. See appendix for reconciliations from adjusted financial measures to U.S. GAAP.
Globally and locally acknowledged for award-winning tools to measure and manage risk.

Moody’s Investors Service

IFN
Best Islamic Rating Agency: 2015, 2017

Creditflux
Best CLO Rating Agency: 2016–2017

Global Capital
Multi-award winner, including best rating agency categories: 2015-2017

MENAIR
Best Rating Agency: 2017

Moody’s Analytics

Insurance Asset Management Awards 2017
Best Solvency II Tech Solutions Category Winner

Risk.net
Technology Vendor of the Year

RiskTech 100
Ranked 5 out of 100 Credit Risk Category Winner

Institutional Investor

#1 US Credit Rating Agency: 2015–2017

Multi-Award Winner, Including Best Ratings Agency: 2016

Most Influential Credit Rating Agency: 2013–2016

#1 Asia Credit Rating Agency: 2012–2016

Moody’s Analytics

AsiaRisk Technology Rankings 2017
#1 IFRS 9

#1 Asset and Liability Management

#1 Regulatory Capital Calculation and Management

#1 BSR’s Top 10

Best Credit Risk Solution Provider – RiskCalc™

Compliance Risk, Liquidity Risk, Enterprise Risk and Risk Technology Implementations of the Year

KangaNews Awards 2016

GIFA
Market Leadership Award, Islamic Financial Intelligence & Ratings: 2016

Best Islamic Finance Rating Agency: 2015

Moody’s

Crystal Ball Award Winner, 2012 Expectations category (2- and 3-Year Horizon)

Front-Line Customer Service Team of the Year - Financial Services Industries Award for Innovation in Customer Service - Financial Services Industries

#1 Enterprise-Wide Stress Testing

#1 Risk Capital Calculation

Best Solvency II solution and Best ESG solution

moodys.com/awards
Appendix
Corporate Finance: Revenue and Issuance

Revenue¹: Mix by Quarter

Revenue¹: Mix by Year

Issuance³: Mix by Quarter

Issuance³: Mix by Year

1 Historical data has been adjusted to conform with current information and excludes intercompany revenue.
2 Other includes: monitoring, commercial paper, medium term notes, and ICRA.
3 Sources: Moody’s Analytics, Dealogic; U.S. and Non-U.S. Speculative-Grade Bank Loans represent only Moody’s rated speculative-grade bank loans. Non-U.S. Speculative-Grade Bank Loan Origination data available starting 2016. Note: Debt issuance categories do not directly correspond to Moody’s revenue categorization.
Corporate Finance: Revenue Diversification

Revenue¹: Distribution by Geography

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Non-U.S.</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>38%</td>
<td>62%</td>
</tr>
<tr>
<td>FY14</td>
<td>38%</td>
<td>62%</td>
</tr>
<tr>
<td>FY15</td>
<td>32%</td>
<td>68%</td>
</tr>
<tr>
<td>FY16</td>
<td>32%</td>
<td>68%</td>
</tr>
<tr>
<td>FY17</td>
<td>35%</td>
<td>65%</td>
</tr>
</tbody>
</table>

Revenue¹: Distribution by Recurring vs. Transaction

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Recurring</th>
<th>Transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>27%</td>
<td>73%</td>
</tr>
<tr>
<td>FY14</td>
<td>30%</td>
<td>70%</td>
</tr>
<tr>
<td>FY15</td>
<td>31%</td>
<td>69%</td>
</tr>
<tr>
<td>FY16</td>
<td>32%</td>
<td>68%</td>
</tr>
<tr>
<td>FY17</td>
<td>27%</td>
<td>73%</td>
</tr>
</tbody>
</table>

Revenue¹: Distribution by Product

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Other ²</th>
<th>Investment Grade</th>
<th>Speculative Grade</th>
<th>Bank Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>36%</td>
<td>23%</td>
<td>19%</td>
<td>21%</td>
</tr>
<tr>
<td>FY14</td>
<td>38%</td>
<td>20%</td>
<td>21%</td>
<td>22%</td>
</tr>
<tr>
<td>FY15</td>
<td>39%</td>
<td>27%</td>
<td>23%</td>
<td>18%</td>
</tr>
<tr>
<td>FY16</td>
<td>38%</td>
<td>23%</td>
<td>22%</td>
<td>18%</td>
</tr>
<tr>
<td>FY17</td>
<td>34%</td>
<td>18%</td>
<td>19%</td>
<td>22%</td>
</tr>
</tbody>
</table>

¹ Historical data has been adjusted to conform with current information and excludes intercompany revenue.
² Other includes: monitoring, commercial paper, medium term notes, and ICRA.
Percentages have been rounded and may not total to 100%.
Structured Finance: Revenue and Issuance

**Revenue¹: Mix by Quarter**

1. Historical data has been adjusted to conform with current information and excludes intercompany revenue.

2. Sources: AB Alert, CM Alert, Moody’s Corporation. Debt issuance categories do not directly correspond to Moody’s revenue categorization.

Notes: ABS (Asset Backed Securitization) includes asset-backed commercial paper and long-term asset-backed securities. RMBS (Residential Mortgage Backed Securitization) includes covered bonds. CREF (Commercial Real Estate Finance) includes commercial mortgage-backed securities, real estate finance, commercial real estate CDOs, and real estate investment trusts (REITs). Structured Credit includes CLOs and CDOs.
Structured Finance: Revenue Diversification

Revenue¹: Distribution by Geography

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-U.S.</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>36%</td>
<td>64%</td>
</tr>
<tr>
<td>FY14</td>
<td>34%</td>
<td>66%</td>
</tr>
<tr>
<td>FY15</td>
<td>31%</td>
<td>69%</td>
</tr>
<tr>
<td>FY16</td>
<td>33%</td>
<td>67%</td>
</tr>
<tr>
<td>FY17</td>
<td>31%</td>
<td>69%</td>
</tr>
</tbody>
</table>

Revenue¹: Distribution by Recurring vs. Transaction

<table>
<thead>
<tr>
<th>Year</th>
<th>Recurring</th>
<th>Transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>FY14</td>
<td>38%</td>
<td>62%</td>
</tr>
<tr>
<td>FY15</td>
<td>36%</td>
<td>64%</td>
</tr>
<tr>
<td>FY16</td>
<td>38%</td>
<td>62%</td>
</tr>
<tr>
<td>FY17</td>
<td>35%</td>
<td>65%</td>
</tr>
</tbody>
</table>

Revenue¹: Distribution by Product

<table>
<thead>
<tr>
<th>Year</th>
<th>ABS</th>
<th>RMBS</th>
<th>CREF</th>
<th>Structured Credit</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>25%</td>
<td>30%</td>
<td>19%</td>
<td>26%</td>
<td>0%</td>
</tr>
<tr>
<td>FY14</td>
<td>32%</td>
<td>28%</td>
<td>18%</td>
<td>22%</td>
<td>0%</td>
</tr>
<tr>
<td>FY15</td>
<td>31%</td>
<td>31%</td>
<td>18%</td>
<td>20%</td>
<td>0%</td>
</tr>
<tr>
<td>FY16</td>
<td>28%</td>
<td>31%</td>
<td>19%</td>
<td>22%</td>
<td>0%</td>
</tr>
<tr>
<td>FY17</td>
<td>33%</td>
<td>29%</td>
<td>18%</td>
<td>19%</td>
<td>0%</td>
</tr>
</tbody>
</table>

¹ Historical data has been adjusted to conform with current information and excludes intercompany revenue. Percentages have been rounded and may not total to 100%.

Notes: ABS (Asset Backed Securitization) includes asset-backed commercial paper and long-term asset-backed securities. RMBS (Residential Mortgage Backed Securitization) includes covered bonds. CREF (Commercial Real Estate Finance) includes commercial mortgage-backed securities, real estate finance, commercial real estate CDOs, and real estate investment trusts (REITs). Structured Credit includes CLOs and CDOs.
Financial Institutions: Revenue and Issuance

Revenue¹: Mix by Quarter

Revenue¹: Mix by Year

Issuance²: Mix by Quarter

Issuance²: Mix by Year

¹ Historical data has been adjusted to conform with current information and excludes intercompany revenue.
² Sources: Moody's Analytics, Dealogic. Note: Debt issuance categories do not directly correspond to Moody’s revenue categorization.
Financial Institutions: Revenue Diversification

1 Historical data has been adjusted to conform with current information and excludes intercompany revenue. Percentages have been rounded and may not total to 100%.
Public, Project and Infrastructure: Revenue and Issuance

Revenue¹: Mix by Quarter

Issuance²: Mix by Quarter

Revenue¹: Mix by Year

Issuance²: Mix by Year

1 Historical data has been adjusted to conform with current information and excludes intercompany revenue.

2 Global Rated Project & Infrastructure Finance available starting in 2016 and represents Moody’s rated issuance.

Sources: Thomson SDC, Moody’s Corporation. Note: Debt issuance categories do not directly correspond to Moody’s revenue categorization.
Public, Project and Infrastructure: Revenue Diversification

Revenue\(^1\): Distribution by Geography

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-U.S.</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>FY14</td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>FY15</td>
<td>65%</td>
<td>35%</td>
</tr>
<tr>
<td>FY16</td>
<td>67%</td>
<td>33%</td>
</tr>
<tr>
<td>FY17</td>
<td>62%</td>
<td>38%</td>
</tr>
</tbody>
</table>

Revenue\(^1\): Distribution by Recurring vs. Transaction

<table>
<thead>
<tr>
<th>Year</th>
<th>Recurring</th>
<th>Transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>FY14</td>
<td>42%</td>
<td>58%</td>
</tr>
<tr>
<td>FY15</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>FY16</td>
<td>37%</td>
<td>63%</td>
</tr>
<tr>
<td>FY17</td>
<td>35%</td>
<td>65%</td>
</tr>
</tbody>
</table>

Revenue\(^1\): Distribution by Product

<table>
<thead>
<tr>
<th>Year</th>
<th>Public Finance and Sovereign</th>
<th>Project &amp; Infrastructure Finance</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>49%</td>
<td>51%</td>
<td>0%</td>
</tr>
<tr>
<td>FY14</td>
<td>51%</td>
<td>49%</td>
<td>0%</td>
</tr>
<tr>
<td>FY15</td>
<td>46%</td>
<td>54%</td>
<td>0%</td>
</tr>
<tr>
<td>FY16</td>
<td>46%</td>
<td>54%</td>
<td>0%</td>
</tr>
<tr>
<td>FY17</td>
<td>49%</td>
<td>51%</td>
<td>0%</td>
</tr>
</tbody>
</table>

1 Historical data has been adjusted to conform with current information and excludes intercompany revenue. Percentages have been rounded and may not total to 100%.
Moody’s Analytics: Financial Overview

1 Historical data has been adjusted to conform with current information and excludes intercompany revenue. Percentages have been rounded and may not total to 100%.
Moody’s Corporate Speculative Grade Credit Cycle Gauge

<table>
<thead>
<tr>
<th></th>
<th>North America</th>
<th></th>
<th></th>
<th>Europe</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Latest Metric</td>
<td>1-Year Ago</td>
<td>Long-Term Average</td>
<td>Record Worst</td>
<td>Latest Metric</td>
<td>1-Year Ago</td>
</tr>
<tr>
<td>Liquidity Stress Index</td>
<td>2.7%</td>
<td>6.2%</td>
<td>6.6%</td>
<td>20.8%</td>
<td>7.8%</td>
<td>12.1%</td>
</tr>
<tr>
<td>B3-Neg / Lower</td>
<td>204</td>
<td>252</td>
<td>195</td>
<td>291</td>
<td>43</td>
<td>60</td>
</tr>
<tr>
<td>% B3-Neg / Lower</td>
<td>13.7%</td>
<td>17.3%</td>
<td>15.1%</td>
<td>26%</td>
<td>9.6%</td>
<td>13.8%</td>
</tr>
<tr>
<td>3-Year Refunding Index</td>
<td>4.1x</td>
<td>3.7x</td>
<td>6.2x</td>
<td>1.5x</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Downgrade / Upgrade Ratio²</td>
<td>0.9x</td>
<td>0.6x</td>
<td>3.5x</td>
<td>11.7x</td>
<td>0.7x</td>
<td>2.0x</td>
</tr>
<tr>
<td>Covenant Quality Score</td>
<td>4.44</td>
<td>4.15</td>
<td>4.06</td>
<td>4.52</td>
<td>3.56</td>
<td>3.36</td>
</tr>
<tr>
<td>Default Rate (forecast)</td>
<td>2.0%</td>
<td>3.2%</td>
<td>4.7%</td>
<td>15.0%</td>
<td>1.5%</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

3 Trailing twelve months (TTM) ended January 31, 2018.
Source: Moody’s Investors Service.
Revenue Growth by Quarter: MCO, MIS and MA

Year-over-Year % Change

- U.S. debt ceiling standoff
- Fears Euro debt crisis may spread to Italy & Spain
- Crimean crisis
- Oil prices crash
- Euro / Greece standoff
- Global macro concerns

Revenue Growth by Quarter:

- MCO
- MIS
- MA

<table>
<thead>
<tr>
<th>Quarter</th>
<th>MCO</th>
<th>MIS</th>
<th>MA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2'11</td>
<td>-2%</td>
<td>50%</td>
<td>0%</td>
</tr>
<tr>
<td>Q3'11</td>
<td>3%</td>
<td>-20%</td>
<td>-10%</td>
</tr>
<tr>
<td>Q4'11</td>
<td>-10%</td>
<td>-5%</td>
<td>0%</td>
</tr>
<tr>
<td>Q1'12</td>
<td>10%</td>
<td>15%</td>
<td>5%</td>
</tr>
<tr>
<td>Q2'12</td>
<td>16%</td>
<td>19%</td>
<td>6%</td>
</tr>
<tr>
<td>Q3'12</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Q4'12</td>
<td>5%</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td>Q1'13</td>
<td>7%</td>
<td>1%</td>
<td>23%</td>
</tr>
<tr>
<td>Q2'13</td>
<td>1%</td>
<td>12%</td>
<td>23%</td>
</tr>
<tr>
<td>Q3'13</td>
<td>5%</td>
<td>-2%</td>
<td>19%</td>
</tr>
<tr>
<td>Q4'13</td>
<td>2%</td>
<td>11%</td>
<td>24%</td>
</tr>
<tr>
<td>Q1'14</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Q2'14</td>
<td>1%</td>
<td>11%</td>
<td>19%</td>
</tr>
<tr>
<td>Q3'14</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Q4'14</td>
<td>2%</td>
<td>(6%)</td>
<td>(13%)</td>
</tr>
<tr>
<td>Q1'15</td>
<td>(2%)</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Q2'15</td>
<td>(6%)</td>
<td>(13%)</td>
<td>(2%)</td>
</tr>
<tr>
<td>Q3'15</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Q4'15</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Q1'16</td>
<td>1%</td>
<td>11%</td>
<td>19%</td>
</tr>
<tr>
<td>Q2'16</td>
<td>1%</td>
<td>11%</td>
<td>19%</td>
</tr>
<tr>
<td>Q3'16</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Q4'16</td>
<td>1%</td>
<td>11%</td>
<td>19%</td>
</tr>
<tr>
<td>Q1'17</td>
<td>1%</td>
<td>11%</td>
<td>19%</td>
</tr>
<tr>
<td>Q2'17</td>
<td>1%</td>
<td>11%</td>
<td>19%</td>
</tr>
<tr>
<td>Q3'17</td>
<td>1%</td>
<td>11%</td>
<td>19%</td>
</tr>
<tr>
<td>Q4'17</td>
<td>1%</td>
<td>11%</td>
<td>19%</td>
</tr>
</tbody>
</table>
MIS’s Recurring Revenue¹ Provides Stability

Drivers of MIS recurring revenue include growth in monitoring fees and select elements of pricing
Recurring revenue averages ~35% of total MIS revenue
2017 recurring revenue up 4% over 2016

1 MIS recurring revenue is typically billed annually and recognized ratably over 12 months. Recurring revenue can also be billed upfront and recognized over the life of the security.
Moody’s Global Presence

**Americas**
- Argentina
- Brazil
- Canada
- Costa Rica
- Mexico
- Panama
- Peru
- United States

**Europe, Middle East & Africa**
- Austria
- Belgium
- Cyprus
- Czech Republic
- Denmark
- France
- Germany
- Ireland
- Israel
- Italy
- Netherlands
- Poland
- Portugal
- Russia
- Slovakia
- South Africa
- Spain
- Sweden
- Switzerland
- UAE
- United Kingdom

<table>
<thead>
<tr>
<th>Year</th>
<th>U.S. Employees</th>
<th>Non-U.S. Employees</th>
<th>Total Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>3,591</td>
<td>8,305</td>
<td>11,896</td>
</tr>
<tr>
<td>2016</td>
<td>3,387</td>
<td>7,230</td>
<td>10,617</td>
</tr>
</tbody>
</table>

1. As of December 31, 2017.
# Reconciliation of Adjusted Financial Measures to GAAP

Adjusted Operating Income and Adjusted Operating Margin Reconciliation

<table>
<thead>
<tr>
<th>(in $ millions)</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>As Reported Operating Income</td>
<td>$1,077.4</td>
<td>$1,234.6</td>
<td>$1,439.1</td>
<td>$1,473.4</td>
<td>$638.7</td>
<td>$1,809.1</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>39.5%</td>
<td>41.5%</td>
<td>43.2%</td>
<td>42.3%</td>
<td>17.7%</td>
<td>43.0%</td>
</tr>
<tr>
<td>Add Adjustment:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>93.5</td>
<td>93.4</td>
<td>95.6</td>
<td>113.5</td>
<td>126.7</td>
<td>158.3</td>
</tr>
<tr>
<td>Acquisition-Related Expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>22.5</td>
</tr>
<tr>
<td>Restructuring</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12.0</td>
<td>-</td>
</tr>
<tr>
<td>Goodwill Impairment Charge</td>
<td>12.2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Settlement Charge</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>863.8</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted Operating Income</td>
<td>$1,183.1</td>
<td>$1,328.0</td>
<td>$1,534.7</td>
<td>$1,586.9</td>
<td>$1,641.2</td>
<td>$1,989.9</td>
</tr>
<tr>
<td>Adjusted Operating Margin</td>
<td>43.3%</td>
<td>44.7%</td>
<td>46.0%</td>
<td>45.5%</td>
<td>45.5%</td>
<td>47.3%</td>
</tr>
</tbody>
</table>

Moody’s Corporation Operating Margin Guidance Reconciliation

<table>
<thead>
<tr>
<th>Projected Operating Margin - GAAP</th>
<th>2018F(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected impact from Depreciation &amp; Amortization</td>
<td>Approximately 4.0%</td>
</tr>
<tr>
<td>Projected impact from Acquisition-Related Expenses</td>
<td>Approximately 0.5%</td>
</tr>
<tr>
<td>Projected Adjusted Operating Margin</td>
<td>Approximately 48%</td>
</tr>
</tbody>
</table>

Free Cash Flow Reconciliation

<table>
<thead>
<tr>
<th>(in $ millions)</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018F(^{1})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash flows from operating activities</td>
<td>$965.6</td>
<td>$1,017.3</td>
<td>$1,198.1</td>
<td>$1,259.2</td>
<td>$747.5</td>
<td>~$1,700</td>
</tr>
<tr>
<td>Less: Capital expenditures</td>
<td>42.3</td>
<td>74.6</td>
<td>89.0</td>
<td>115.2</td>
<td>90.6</td>
<td>~$120</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$923.3</td>
<td>$942.7</td>
<td>$1,109.1</td>
<td>$1,144.0</td>
<td>$656.9</td>
<td>~$1,600</td>
</tr>
</tbody>
</table>

1  Guidance as of February 9, 2018.
# Reconciliation of Adjusted Financial Measures to GAAP (cont.)

Moody's Corporation Diluted EPS Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018F¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diluted EPS - GAAP</td>
<td>$3.60</td>
<td>$4.61</td>
<td>$4.63</td>
<td>$1.36</td>
<td>$5.15</td>
<td>$7.20 - $7.40</td>
</tr>
<tr>
<td>Legacy Tax</td>
<td>(0.09)</td>
<td>(0.03)</td>
<td>(0.03)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impact of Litigation Settlement</td>
<td>0.14</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$3.59</td>
<td>-</td>
</tr>
<tr>
<td>ICRA Gain</td>
<td>-</td>
<td>(0.37)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FX Gain due to Subsidiary Liquidation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>- ($0.18)</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Restructuring</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$0.04</td>
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<tr>
<td>CCXI Gain</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>($0.31)</td>
</tr>
<tr>
<td>Acquisition-Related Expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$0.10</td>
</tr>
<tr>
<td>Purchase Price Hedge Gain</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>($0.37)</td>
</tr>
<tr>
<td>Net Acquisition-Related Intangible Amortization Expenses</td>
<td>$0.09</td>
<td>$0.10</td>
<td>$0.11</td>
<td>$0.13</td>
<td>$0.23</td>
<td>~$0.40</td>
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<tr>
<td>Transition tax related to U.S. tax reform</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$1.28</td>
<td>-</td>
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<tr>
<td>Net Impact of U.S./European tax change on deferred taxes</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>($0.01)</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted Diluted EPS</td>
<td>$3.74</td>
<td>$4.31</td>
<td>$4.71</td>
<td>$4.94</td>
<td>$6.07</td>
<td>$7.65 - $7.85</td>
</tr>
</tbody>
</table>

Note: Table may not sum to total due to rounding.
1 Guidance as of February 9, 2018.
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