



Moody's Corporation

Assumptions	
Beta	0.50
MRP	5.50%
R _f	4.50%
Tax rate	38.50%
WACC	7.15%

	Historical				Projected					
	2002	2003	2004	2005	2006E	2007E	2008E	2009E	2010E	Terminal
Revenue	\$1,023,300	\$1,246,600	\$1,438,300	\$1,731,600	\$1,998,266	\$2,229,066	\$2,422,159	\$2,579,524	\$2,705,215	\$2,813,424
growth		22%	15%	20%	15%	12%	9%	6%	5%	4%
Operating Expenses	285,300	347,300	375,400	467,532	559,515	624,139	678,205	722,267	757,460	787,759
% of revenue	28%	28%	26%	27%	28%	28%	28%	28%	28%	28%
SG&A	175,300	203,600	242,400	289,268	339,705	378,941	411,767	438,519	459,887	478,282
% of revenue	17%	16%	17%	17%	17%	17%	17%	17%	17%	17%
EBITDA	562,700	695,700	820,500	974,800	1,099,047	1,225,986	1,332,187	1,418,738	1,487,868	1,547,383
% of revenue	55%	56%	57%	56%	55%	55%	55%	55%	55%	55%
Depreciation & Amortization	24,600	32,600	34,100	35,200	26,977	30,092	32,699	34,824	36,520	42,201
% of CapEx	137%	225%	157%	142%	90%	90%	90%	90%	90%	100%
EBIT	538,100	663,100	786,400	939,600	1,072,070	1,195,894	1,299,488	1,383,914	1,451,348	1,505,182
% of revenue	53%	53%	55%	54%	54%	54%	54%	54%	54%	54%
tax rate	38%	38%	38%	39%	40%	40%	40%	40%	40%	40%
EBIT(1-t)	333,622	411,122	487,568	577,854	643,242	717,536	779,693	830,349	870,809	903,109
plus: D&A	24,600	32,600	34,100	35,200	26,977	30,092	32,699	34,824	36,520	42,201
less: CapEx	17,900	14,500	21,700	24,800	29,974	33,436	36,332	38,693	40,578	42,201
% of revenue	2%	1%	2%	1%	2%	2%	2%	2%	2%	2%
less : Δ NWC		48,700	32,700	(11,220)	16,551	9,232	7,724	6,295	5,028	4,328
FCFF		\$380,522	\$467,268	\$599,474	\$623,694	\$704,961	\$768,336	\$820,185	\$861,723	\$898,781
PV Factor					93%	87%	81%	76%	71%	
PV					\$582,060	\$613,984	\$624,510	\$622,152	\$610,026	

\$29,646,913

Value of CFs	3,052,733
Terminal Value	20,987,476
Total	24,040,209
add: Cash	486,000
less: Debt	568,900
Shares Outstanding	295,400
Share Value	\$ 81.10

Upside Potential 25%