

# Moody's Role In The Global Capital Markets

## About the Company

**Moody's Investors Service** is among the world's most respected and widely utilized sources for credit ratings, research and risk analysis. Moody's commitment and expertise contribute to stable, transparent and integrated financial markets, protecting the integrity of credit. In addition to our core ratings business, Moody's provides research data and analytic tools for assessing credit risk, and publishes market-leading credit opinions, deal research and commentary, serving more than 9,300 customer accounts at some 2,400 institutions around the globe.

Moody's independence and integrity have earned us the trust of capital market participants worldwide. Our ratings and analysis track debt covering more than:

- 100 sovereign nations
- 12,000 corporate issuers
- 29,000 public finance issuers
- 96,000 structured finance obligations

Credit ratings and research help investors analyze the credit risks associated with fixed-income securities. Such independent credit ratings and research also contribute to efficiencies in fixed-income markets and other obligations, such as

insurance policies and derivative transactions, by providing credible and independent assessments of credit risk.

Moody's default studies validate our predictive ratings. Our published research and investor briefings draw thousands of attendees each year and keep investors current with the rationale underlying our credit opinions.

In addition to its ratings services, Moody's publishes investor-oriented credit research, including in-depth research on major debt issuers, industry studies, special comments and credit opinion handbooks. While research, analysis and data are delivered through a number of channels, most of Moody's clients use [www.moody.com](http://www.moody.com) for access to such services in a real-time environment.

Moody's maintains offices in most of the world's major financial centers and employs approximately 3,000 people worldwide, including more than 1,000 analysts. The firm also has expanded into developing markets through joint ventures or affiliation agreements with local rating agencies.

Customers include a wide range of corporate and governmental issuers of securities as well as institutional investors, depositors, creditors, investment banks, commercial banks, and other financial intermediaries.



**Moody's Investors Service**

## About Moody's Corporation

Moody's is an essential component of the global capital markets. It provides credit ratings, research, tools and analysis that help to protect the integrity of credit. Moody's Corporation (NYSE: MCO) is the parent company of Moody's Investors Service, which provides credit ratings and research covering debt instruments and securities; Moody's KMV, a provider of quantitative credit analysis tools;

Moody's Economy.com, which provides economic research and data services; and Moody's Wall Street Analytics, a provider of software tools and analysis for the structured finance industry. The corporation, which reported revenue of \$2.0 billion in 2006, employs approximately 3,400 people worldwide and maintains a presence in 27 countries. Further information is available at [www.moody's.com](http://www.moody's.com).

## Moody's Since 1900

Relying on his assessment of the market's needs, John Moody & Company published *Moody's Manual of Industrial and Miscellaneous Securities in 1900*, the company's founding year. The manual provided information and statistics on stocks and bonds of financial institutions, government agencies, manufacturing, mining, utilities, and food companies.

Within two months the publication had sold out. By 1903, circulation had exploded and *Moody's Manual* was known from coast to coast. When the stock market crashed in 1907, Moody's company did not have adequate capital to survive, and he was forced to sell his manual business.

John Moody returned to the financial markets in 1909 with a new idea: instead of simply collecting information on the property, capitalization, and management of companies, he now offered investors an analysis of security values. His company would publish a book that analyzed the railroads and their outstanding securities.

It offered concise conclusions about their relative investment quality. Moody expressed his conclusions using letter rating symbols adopted from the mercantile and credit rating system that had been used by the credit-reporting firms since the late 1800s.

Moody had now entered the business of analyzing the stocks and bonds of America's railroads, and with this endeavor, he became the first to rate public market securities.

“ In the Spring of 1909 I brought out the first edition of [Moody's Analyses of Railroad Investments] ... which attempted to analyze railroad reports and rate their bond issues. While it raised a storm of opposition, not to mention ridicule ... it took hold with dealers and investment houses ... and long before 1914 it was a recognized authority and 'Moody's Ratings' had become an important factor in the bond trading and bond selling field. ”

-Founder John Moody, 1950

In 1913, he expanded his base of analyzed companies, launching his evaluation of industrial companies and utilities. One year later, on July 1, 1914, *Moody's Investors Service* was incorporated.

In recent years, the demand for professional credit risk analysis has grown explosively, in tandem with the remarkable growth and globalization of the capital markets. *Moody's* has actively responded to that need by building a multinational staff and a network of offices.

In complex and increasingly volatile markets, sophisticated credit analysis can be complicated. *Moody's* ratings and in-depth research services provide a sound basis for understanding and managing financial risk in the context of today's — and tomorrow's — market realities.

## Additional Information

If you would like additional information, please visit [www.moody's.com](http://www.moody's.com) or contact Moody's at one of the following locations:

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