

# MOODY'S

## INVESTORS SERVICE



## Moody's Role In The Global Capital Markets

### Moody's Investors Service

Moody's Investors Service is a leading provider of credit ratings, research, and risk analysis. Moody's commitment and expertise contributes to transparent and integrated financial markets.

The firm's ratings and analysis track debt covering more than:

- » 110 sovereign nations
- » 13,000 corporate issuers
- » 26,000 public finance issuers
- » 109,000 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.

### Moody's Analytics

Moody's Analytics is a leading provider of research, data, analytic tools and related services to debt capital markets and credit risk management professionals worldwide. The company's products and services provide the means to assess and manage the credit risk of individual exposures as well as portfolios; price and value holdings of debt instruments; analyze macroeconomic trends; and enhance customers' risk management skills and practices.

### About Moody's Corporation

Moody's is an essential component of the global capital markets, providing credit ratings, research, tools and analysis that contribute to transparent and integrated financial markets. 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, and Moody's Analytics, which encompasses the growing array of Moody's non-ratings businesses including risk management software for financial institutions, quantitative credit analysis tools, economic research and data services, data and analytical tools for the structured finance market, and training and other professional services. The Corporation, which reported revenue of \$1.8 billion in 2008, employs approximately 3,900 people worldwide and maintains a presence in 29 countries. Further information is available at [www.moody.com](http://www.moody.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 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.

"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



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