

Moody's FinancialMetrics

A New Standard in Financial Data and Analytics

Moody's Financial Metrics™ is a web-based data and analytics platform providing fully-adjusted and as-reported financials and ratios for over 3,000 companies, as well as powerful projection and rating methodology templates. Designed for and used by Moody's Analysts, Moody's Financial Metrics gives a unique insight into fundamental credit analysis of corporations. Moody's Financial Metrics is an invaluable resource for screening for investment opportunities, monitoring financial performance, and conducting comprehensive credit analysis.

Fully-Adjusted Financials and Ratios

- Access company financials adjusted to reflect economic reality
- View detailed adjustments based on standard Moody's methodologies, including Pensions, Operating Leases, and Securitization
- Perform fundamental analysis using as-reported and fully-adjusted financials and ratios
- Make investment decisions using globally comparable complete financials

Powerful Analytics and Reports

- Run standard reports that highlight key ratios needed to understand corporate credit
- Generate peer analyses based on Moody's-defined sectors or create custom peer groups
- Create custom reports showing outliers and industry medians
- Save time with standard reports and a flexible data platform

Rating Transparency

- Anticipate rating changes by understanding Moody's industry-specific rating drivers
- Run stress scenarios with Moody's rating methodology templates
- Access standard reports designed and used by Moody's analysts in the rating process
- Run peer comparisons and identify outliers within rating categories

Key Ratios	12/31/07 (Annual) As Rep	Standard Adjust.					Total Adj.	12/31/07 (Annual) As Adj
		Pensions	Op Leases	Cap. Exp.	Stk. Comp.	LIFO	Non- Standard Adjustments	
EBITA Margin %	Pretax Income (5,359) + Interest expense 2,252 + Other Non-Recurring Expense 0 + Amortization 163 Revenues 154,379	223	333				322 545	(4,814) 1,040 3,252 3,791 3,791 163 = 2,431 154,379 154,379
EBIT / Interest Expense	Pretax Income (5,359) + Interest expense 2,252	223	333				322 545	(4,814) 3,252
FCF / D	12/31/07 (Annual) As Rep	Standard Adjust.					Total Adj.	12/31/07 (Annual) As Adj
		Pensions	Op Leases	Non-Standard Adjustments				
	Pretax Income (5,359) + Interest expense 2,252 + Other Non-Recurring Expenses 0 + Amortization 163 Revenues 154,379	223	333	322 545			(4,814) 1,040 3,252 3,791 3,791 163 = 2,431 154,379 154,379	
	+ Amortization 163						163	4.0%
EBIT / Avg. Book Capitalization	EBIT (3,107) Avg. ST Debt 12 + Avg. Gross LT Debt 26,247 + Avg. Total Equity (8,814) + Avg. Deferred Tax 812 + Avg. Minority Interest 0	929	333				4,113 5,375	2,268 = 7,268 0 34,629
		8,226	6,000	54 14,279			615 602	(8,299) (10)
				(19)	687	(54)		0
								6.5%

MOODY'S RATING METHODOLOGY: PHARMACEUTICALS							
Select company	Abbott Laboratories						
Current Rating	A1						
Outlook	Stable						
Indicated Rating	Aa3						
Gap	+1						
	Sub Factor	Indicated Rating	Numerical Equiv	Weight	Score		
PRODUCT PORTFOLIO	Revenue (USD Billion)	\$31,958 →	Aaa	18 x	6.67%	=	1.20
	# of Blockbusters	5 →	Aa	15 x	6.67%	=	1.00
	# of Therapeutic Categories	10 →	Aaa	18 x	6.67%	=	1.20
	Concentration (Top 3 Products)	20.3% →	Aaa	18 x	6.67%	=	1.20
PIPELINE VS. PATENTS	Concentration (Top 5 Products)	27.8% →	Aaa	18 x	6.67%	=	1.20
	Exposure to Scheduled Patents, Next 3 Yrs	9.0% →	Aaa	18 x	6.67%	=	1.20
BALANCE SHEET & CASH FLOW	Exposure to Scheduled Patents, Next 3 Yrs	15.4% →	Aaa	18 x	6.67%	=	1.20
	Quality of Pipeline: Peak Sales % of Current Sales	11.2% →	Ba	6 x	6.67%	=	0.40
PROFIT & RETURN	Capital Structure (Debt / Capital)	44.4% →	Ba	6 x	6.67%	=	0.40
	Cash Coverage of Debt	32.9% →	Ba	6 x	6.67%	=	0.40
CASH FLOW	EBIT Margin %	23.4% →	Aa	15 x	6.67%	=	1.00
	ROE	23.3% →	Aaa	18 x	6.67%	=	1.20
LITIGATION & CONTINGENCIES	Operating Cash Flow / Debt	38.2% →	Baa	9 x	6.67%	=	0.60
	Free Cash Flow / Debt	13.0% →	Ba	6 x	6.67%	=	0.40
	Exposure % of Equity	8.9% →	Aa	15 x	6.67%	=	1.00
			Aa3	100.0%			13.50



Moody's Financial Metrics™ — Tools to Enhance Your Fundamental Analysis

Peer Comparisons

- Use fully-adjusted financials for meaningful peer analysis
- Calculate peer group statistics: ratios, financials and ratings
- Create custom peer groups or use Moody's-defined industry peers
- Highlight outliers on key metrics
- Download data to Excel for further analysis

Peer Comparison Report: By Reporting Period - Latest Available Year
Outliers: 1.00 Std Dev from Mean
Currency: U.S. Dollar in Thousands View Exchange Rates
Adjustment Type: As Reported/Restated

Latest Available Year: Go Export

Name	Long Term Rating - Current	Short Term Rating - Current	EBITDA Margin %	EBITDA / Interest Expense	Debt / Book Capitalization	CFO / Debt	FCF / Debt	Adjusted Cash and Investments / Debt
Abbott Laboratories	A1	P-1	22.55%	9.85x	40.72%	42.44%	12.84%	32.31%
Allergan, Inc.	A3	P-2	22.35%	12.33x	29.15%	48.62%	36.19%	71.04%
Amgen Inc.	A3	P-2	31.05%	13.98x	37.85%	48.32%	36.99%	63.98%
AstraZeneca PLC	A1	P-1	32.88%	9.16x	44.23%	49.55%	21.05%	38.71%
Biogen Idec Inc.	Baa3		29.84%	22.43x	22.43%	37.62%	41.58%	131.21%
Bristol-Myers Squibb Company	A2	P-1	22.24%	10.20x	27.26%	80.27%	1.55%	25.48%
Chugai Pharmaceutical Co., Ltd.	A1		19.48%	385.59x	30.03%	17,650.29%	5,296.20%	31,603.30%
Daiichi Sankyo Company, Limited	Aa3		19.63%	3,349.38x	30.03%	81,201.22%	8,006.21%	607,246.46%
Eli Lilly and Company	A2		25.52%	25.52x	45.58%	17.70%	-4.23%	33.36%
Elan Corporation, plc	B3		-1.04%	1.04x	-9.49%	-10.97%	-40.96%	
Eli Lilly and Company	Aa3	P-1	23.99%	19.58x	26.41%	102.94%	44.33%	108.01%
Genentech, Inc.	A1	P-1	35.77%	61.32x	20.13%	107.63%	75.07%	202.10%
GlaxoSmithKline plc	A1	P-1	35.53%	23.74x	49.47%	58.28%	10.86%	31.96%
Johnson & Johnson	Aaa	P-1	23.61%	48.73x	17.55%	159.89%	80.08%	97.69%

Outliers: ■ Better ■ Worse

Adjustment Details

- Understand how Moody's adjusts the financials for each company to reflect economic reality — e.g., Pensions, Operating Leases, and Securitizations
- View worksheets with step-by-step adjustment details
- View the effects of adjustments on as-reported financials for each company

Adjustment: Pensions - Worksheet (A)
Financial Statement Period Ended: December 31, 2007
Amount in USD '000

Step 1 - Pension Disclosure Information (Common Input for Both Underfunded and Unfunded Plans)

Projected Benefit Obligation (End of Year) (a)

Fair Value of Plan Assets (End of Year) (b)

Net Periodic Pension Benefit Cost (Income) (c)

	Debit	Credit
Service Cost	2301700	
Interest Cost	2301900	
Actual Return on P	2302100	
Employer Contribu	1194000	
Pension Asset Rec	2301700	
Pension Liability R		7,141,000
		(7,141,000)

Purpose: To record under funded pension balance as debt

Step 2 - Leases - Worksheet (B)
Financial Statement Period Ended: December 31, 2007
Amount in USD '000

Step 1 - Use Multiple to Calculate Capitalized Lease Obligation

3000000 Current Year Rent Expense (a) *

Multiple of Rent to be used to calculate debt (b)

Multiple x Rent Expense (c) (a x b)

Step 2 - Use Minimum Lease Commitments to Calculate Present Value

3000000 Incremental LT Borrowing Interest Rate (a) *

Year 1 (next fiscal year) (b)

Year 2 (c)

Purpose: To properly reflect present value of lease commitments

Projection Scenarios

- Model scenarios based on as-reported or fully-adjusted financials
- Create pro-forma M&A transactions
- Incorporate detailed debt schedules into forecast assumptions
- Generate custom reports that incorporate projected financials and ratios

INCOME STATEMENT	Projection Method	Projection (Unadjusted)			
		Fiscal 12/31/08	Fiscal 12/31/09	Fiscal 12/31/10	Fiscal 12/31/11
Net Sales/Revenue	<input type="text" value="2.0%"/>	24,802,643	25,397,906	25,969,359	26,488,746
% Change of sales	<input type="text" value="2.0%"/>	2.0%	2.4%	2.3%	2.0%
Cost of Goods/Products/Services Sold	<input type="text" value="22.39%"/>	5,552,271	5,714,529	5,843,106	5,959,988
COGS % of sales	<input type="text" value="22.39%"/>	22.39%	22.50%	22.50%	22.50%
Gross Profit		19,250,371	19,683,377	20,126,253	20,528,778
	<input type="text" value="77.61%"/>	77.61%	77.50%	77.50%	77.50%
Operating Expenses		12,110,468	12,190,995	12,465,292	12,714,598
	<input type="text" value="48.0%"/>	48.0%	48.0%	48.0%	48.0%
Operating Profit		7,139,903	7,492,382	7,660,961	7,814,180
	<input type="text" value="36.0%"/>	36.0%	36.0%	36.0%	36.0%
Other Income (Exp)		202,253	207,108	211,767	218,003
Income Before Tax		7,342,156	7,699,490	7,872,728	8,032,183
Income Tax Expense		0	0	0	0
Income After Tax		7,342,156	7,699,490	7,872,728	8,032,183
Interest Expense		0	0	0	0
Income Before Interest		7,342,156	7,699,490	7,872,728	8,032,183
Income After Interest		7,342,156	7,699,490	7,872,728	8,032,183
EBITDA		12,110,468	12,190,995	12,465,292	12,714,598
EBITDA Margin %		48.8%	48.0%	48.0%	48.0%
EBITDA		12,110,468	12,190,995	12,465,292	12,714,598
EBITDA Margin %		48.8%	48.0%	48.0%	48.0%
Interest Expense		0	0	0	0
Interest Expense % of Average Total Debt		0.0%	0.0%	0.0%	0.0%

Information

To learn more, visit www.moody'sFM.com, email clientservices@moody's.com or contact Moody's at one of the locations listed below:

New York	+212-553-1653	Hong Kong	+852-3551-3077
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