

# Moody's Corporation

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## Moody's ups FY forecast as Q3 earnings rise 41%

Ratings agency Moody's (NYSE:MCO) Friday posted a 41 per cent rise in third-quarter earnings as it also raised its full-year earnings forecast, benefiting from a stronger corporate debt market.

"Moody's achieved double-digit revenue growth in all lines of businesses at Moody's Investors Service in the third quarter, with particularly strong performance in corporate finance. Moody's also had continued strong growth in all areas of Moody's Analytics," said Moody's president and CEO Raymond McDaniel.

"Based on third quarter performance, we are raising our full-year 2012 EPS guidance to a range of \$2.95 to \$3.05, or \$2.89 to \$2.99 excluding a legacy tax benefit."

The latest full-year forecast is up 7 per cent from a range of \$2.76 to \$2.86 it forecast on September 12.

Estimates have climbed as analysts saw more high yield - or junk - bonds come to market. Fees that rating agencies receive from issuers of these bonds tend to be higher than fees from investment grade companies.

For its latest quarter, Moody's said net income rose to \$183.9 million, or 81 cents per share, from \$130.7 million, or 57 cents per share, a year earlier. On an adjusted basis, the company earned 75 cents per share, beating the average analyst estimate of 63 cents, according to Thomson Reuters.

The company said adjusted operating income rose 36 per cent from a year earlier.

For the latest quarter, corporate ratings revenue increased 71 per cent from a year earlier, when the European debt crisis cast a shadow over the capital markets.

The company grew revenue by double digits in the U.S. and internationally. Revenue from Moody's Analytics, the smaller unit that offers research and risk management, rose about 20 per cent. The revenue gains were partly driven by acquisitions that Moody's made in late 2011.

**Price:** 271.88

**Market Cap:** \$51.03 billion

### Share Information

**Code:** MCO

**Listing:** NYSE

52 week	High	Low
	305.89	164.28

**Sector:** Business & education services

**Website:** v3.moody.com

### Company Synopsis:

*Moody's Corporation is a provider of credit ratings; credit and economic related research, data and analytical tools; risk management software, and quantitative credit risk measures, credit portfolio management solutions and training services. The Company operates in two segments: MIS and Moody's Analytics.*

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