MSCI SECOND QUARTER 2016

Earnings Presentation

July 28, 2016

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FORWARD-LOOKING STATEMENTS

- **Forward-Looking Statements – Safe Harbor Statements**
  - This earnings presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation, our full-year 2016 guidance and our long-term targets. These forward-looking statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these statements. In some cases, you can identify forward-looking statements by the use of words such as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential," or "continue," or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond our control and that could materially affect our actual results, levels of activity, performance or achievements. Other factors that could materially affect our actual results, levels of activity, performance or achievements can be found in MSCI's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed with the Securities and Exchange Commission ("SEC") on February 26, 2016, and in quarterly reports on Form 10-Q and current reports on Form 8-K filed with the SEC. If any of these risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from what MSCI projected. Any forward-looking statement in this earnings presentation reflects MSCI's current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to MSCI's operations, results of operations, growth strategy and liquidity. MSCI assumes no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise, except as required by law

OTHER INFORMATION

- **Non-GAAP Financial Measures and Operating Metrics**
  - MSCI Inc. has presented supplemental non-GAAP financial measures as part of this presentation. The non-GAAP financial measures presented in this presentation should not be considered as alternative measures for the most directly comparable GAAP financial measures. The non-GAAP financial measures presented in this presentation are used by management, in conjunction with other measures, to monitor the financial performance of the business, inform business decision making and forecast future results. A reconciliation that reconciles each non-GAAP financial measure with the most comparable GAAP measure is available in the appendix
  - Notes and definitions relating to non-GAAP financial measures (e.g., adjusted EBITDA, adjusted EBITDA expenses, adjusted net income, adjusted EPS, capex and free cash flow), operating metrics (e.g., Run Rate and Aggregate Retention Rate) and adjustments for the impact of foreign currency exchange rate fluctuations used in this earnings presentation are provided on slide 26
- **Other Information**
  - Percentage changes and totals in this earnings presentation may not sum due to rounding
  - Percentage changes are referenced to the comparable period in 2015 and exclude discontinued operations, unless otherwise noted
  - H1’16 refers to six months ended June 30, 2016 and H2’16 refers to six months ending December 31, 2016
  - Total subscription revenues include both recurring subscription and non-recurring revenues
  - Total sales include both recurring subscription sales and non-recurring sales
  - Foreign currency exchange rate fluctuations are calculated to be the difference between the current period results as reported compared to the current period results recalculated using the foreign currency exchange rates in effect for the comparable prior period
  - As a result of the sale of Institutional Shareholder Services Inc. (“ISS”) and the Center for Financial Research and Analysis, in Q1’14 MSCI began reporting its former Governance business as discontinued operations in its financial statements. Financial and operating metrics for prior periods have been updated to exclude the Governance business

Q2'16 HIGHLIGHTS - STRONG EXECUTION OF STRATEGY[1]

REVENUE GROWTH	• 7.4% total revenue growth
	• 8.6% increase in Index revenue
	  ◦ 11.0% increase in Index recurring subscription revenue
	  ◦ Higher non-recurring revenue
	• 4.5% growth in Analytics revenue
	• 14.0% increase in All Other on 19.6% growth in ESG revenue
	• Negligible impact from FX on total subscription revenue

OPERATIONAL EFFICIENCY	Expense Management • Operating expenses down 4.2% (down 2.6% ex FX); Adj. EBITDA expenses down 5.1% (down 3.4% ex FX) • FY 2016 Adj. EBITDA expenses now expected at, or slightly below, the low-end of previously announced range of \$600m – \$615m Tax Rate • Decrease of 250 bps, tax profile better aligned with global operating footprint
CAPITAL OPTIMIZATION	Capital Return • 1.6m shares repurchased at \$75.13 average price per share for total value of \$122.2m • 27.3% increase in regular quarterly dividend to \$0.28 / share; \$1.12 per share on an annualized basis • Total of \$1.9B returned to investors since 2012

Long-Term Shareholder Value Creation

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[1] Percentage and other changes refer to second quarter 2015 unless otherwise noted.

REFRESH ON MSCI'S STRATEGY

Mission

Leading Provider of Mission-Critical Investment Decision Support Tools

Research-Driven Innovation

Unique Position in the Investment Process

Data/Content
Applications
Services

Partnership with Clients

State of the Art Technology for Products and Services

ETF MARKET LEADERSHIP IN OUR STRATEGIC FOCUS AREAS

As a leading index provider to the equity ETF market globally, MSCI-Linked ETFs are:

Global Investing	#1 in assets and year-to-date net cash inflows linked to indexes with non-U.S. exposures
Factors	#1 in assets and year-to-date net cash inflows linked to minimum volatility indexes, including the #1 equity ETFs globally for year-to-date net cash inflows
ESG	#1 in number of equity ETFs linked to ESG-themed indexes, with 31 of 88

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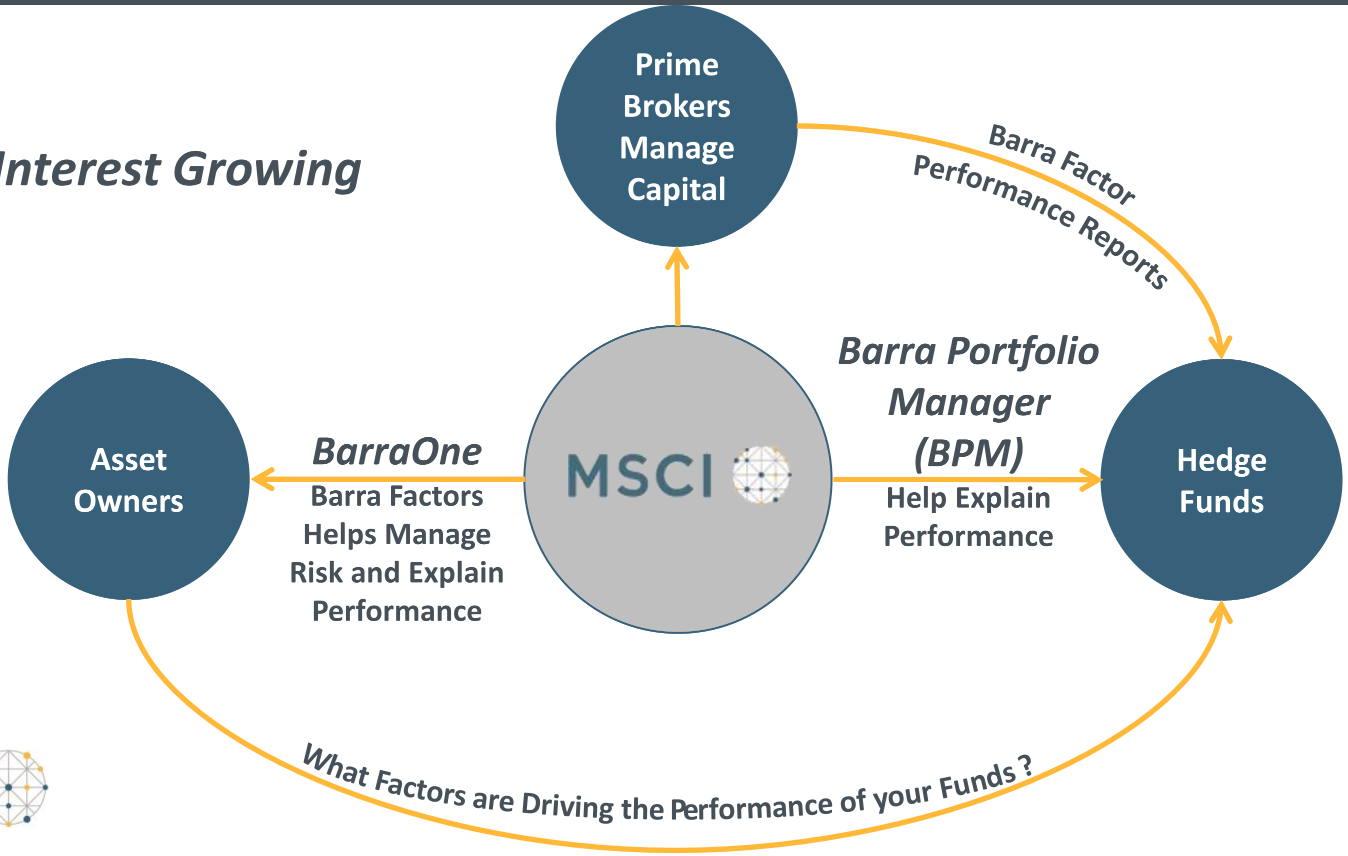
Data from Bloomberg as of June 30, 2016

ANALYTICS – FACTORS FOR HEDGE FUNDS

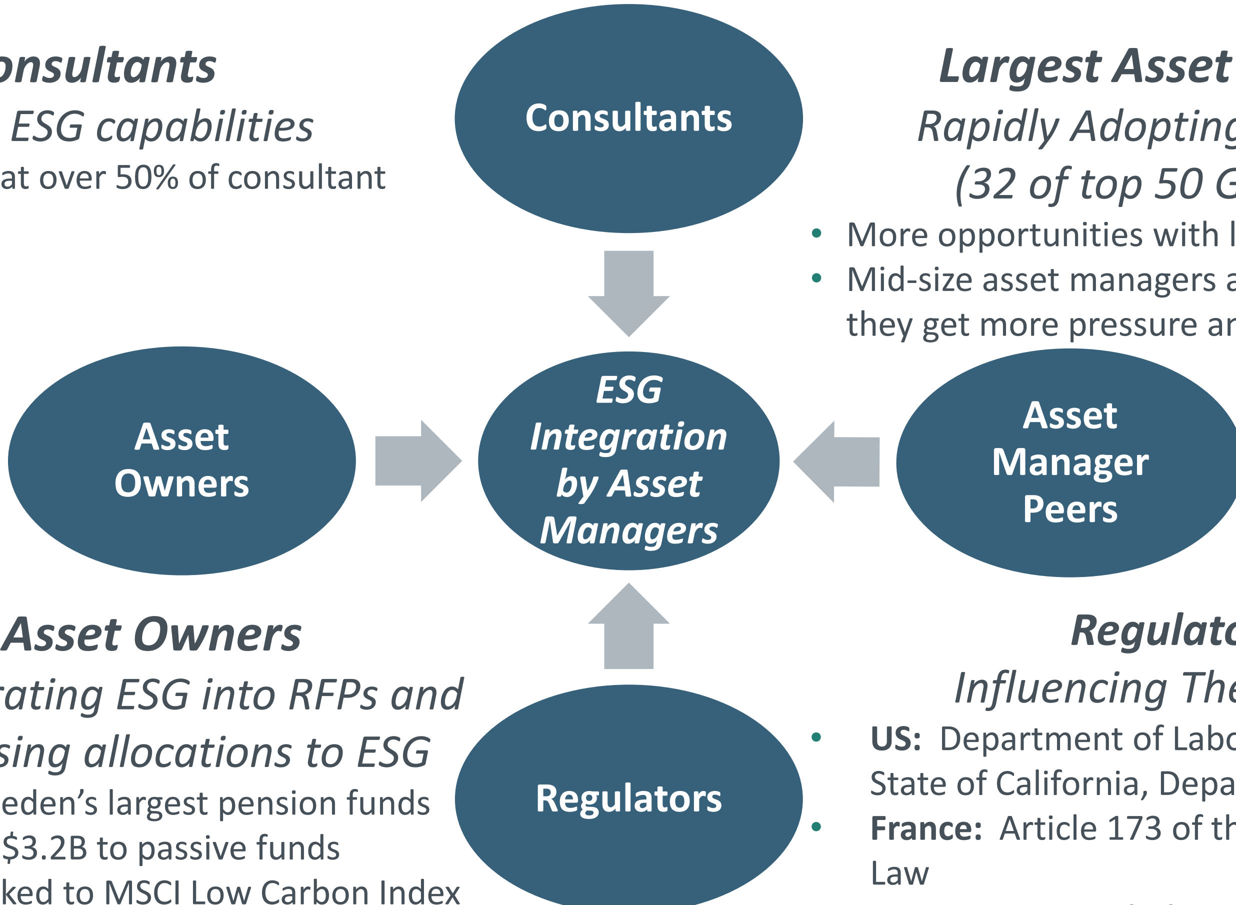
- ***Global investment community focus on factors growing***
  - ***Prime Brokers*** – factor summary reports for clients
    - Monitoring of quantitative hedge fund's risk as it relates to capital management – margin
  - ***Hedge Funds*** – being asked by investors for "factor" decomposition of performance – NOT just VaR
    - Beginning to manage portfolios based on factors
- ***Fundamental use case: Portfolio or Risk Managers need to understand their exposure and risk contributions so they can talk to investors and explain their alpha***

Factor "Network" Effect

Client Interest Growing



ESG – DRIVERS OF FUTURE GROWTH



Consultants

Adding ESG capabilities

- ESG a topic at over 50% of consultant meetings

Largest Asset Managers

Rapidly Adopting ESG Ratings (32 of top 50 Global AMs)

- More opportunities with largest asset managers
- Mid-size asset managers are starting to adopt as they get more pressure and follow the leaders

Asset Owners

Incorporating ESG into RFPs and increasing allocations to ESG

- One of Sweden's largest pension funds allocating $3.2B to passive funds benchmarked to MSCI Low Carbon Index family
- Large US pension fund allocating $2.5B to funds benchmarked to MSCI ACWI Low Carbon Target Index

Regulators

Influencing The Market

- **US:** Department of Labor Guidance and State of California, Department of Insurance
- **France:** Article 173 of the Energy Transition Law
- **European Commission:** Public Consultation on Long-Term and Sustainable Investment

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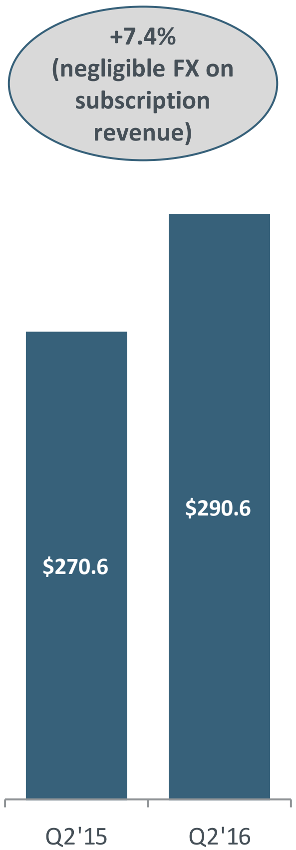
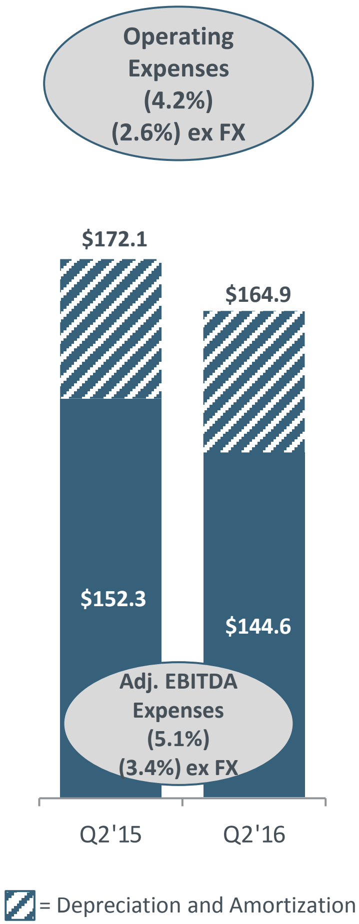
Q2’16 FINANCIAL SUMMARY

(US$ in millions, except for EPS)

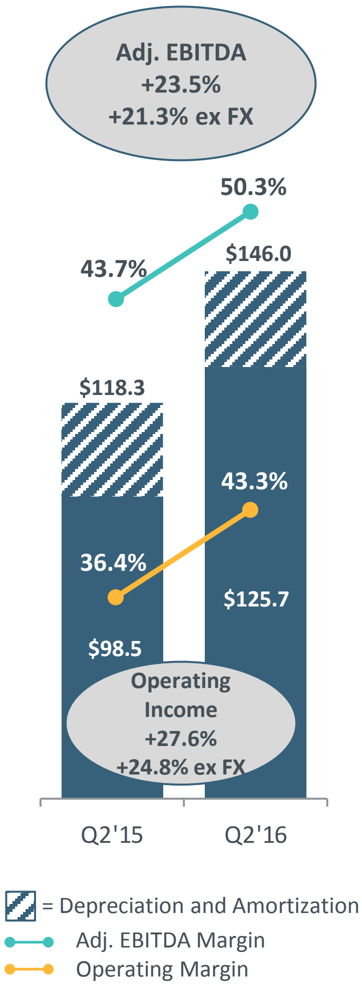
Operating Revenue



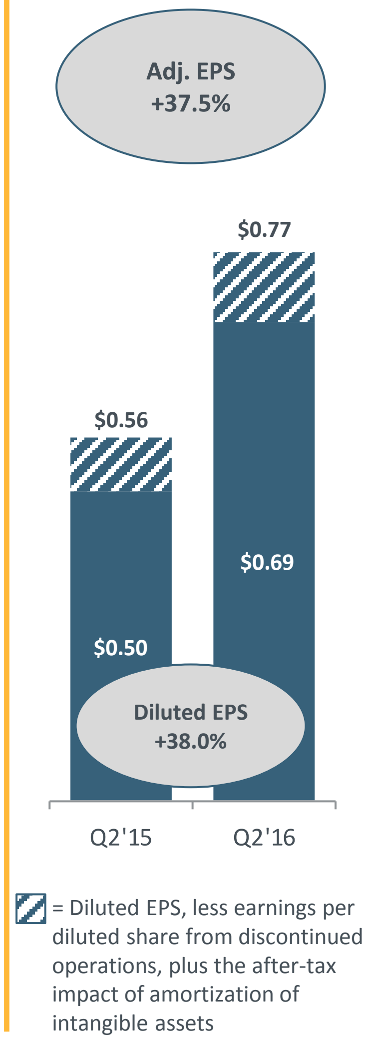
Operating Expenses



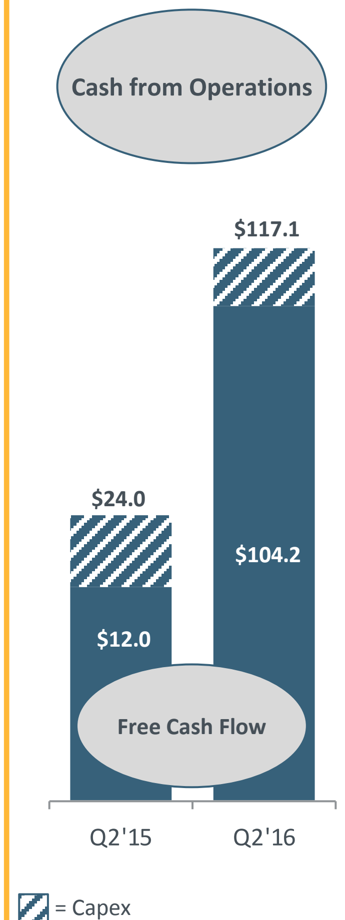
Operating Income



Earnings Per Share



Cash Generation



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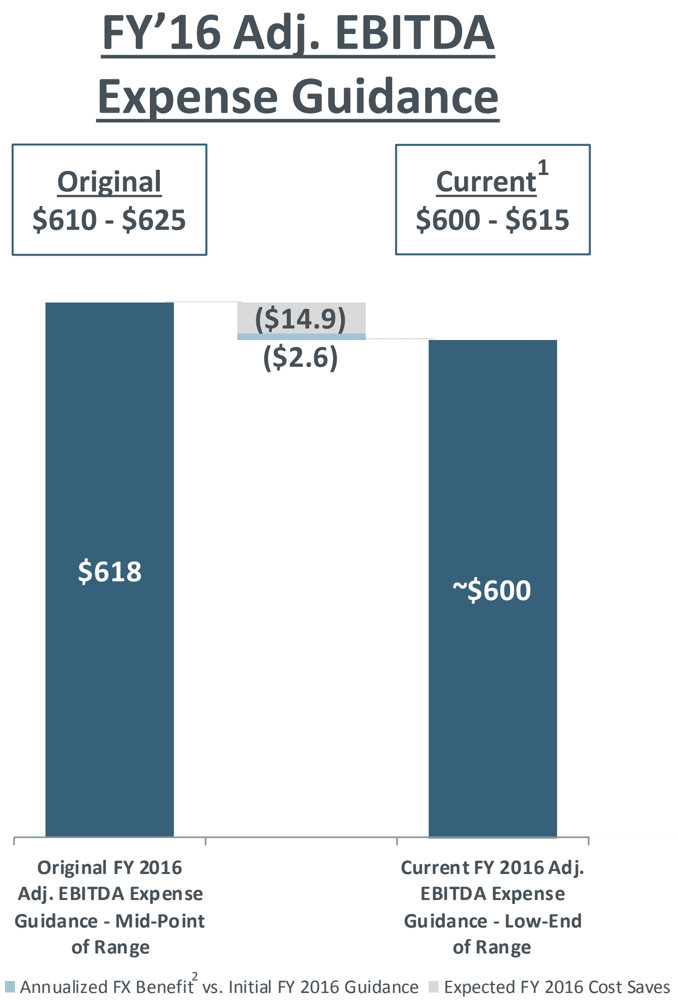
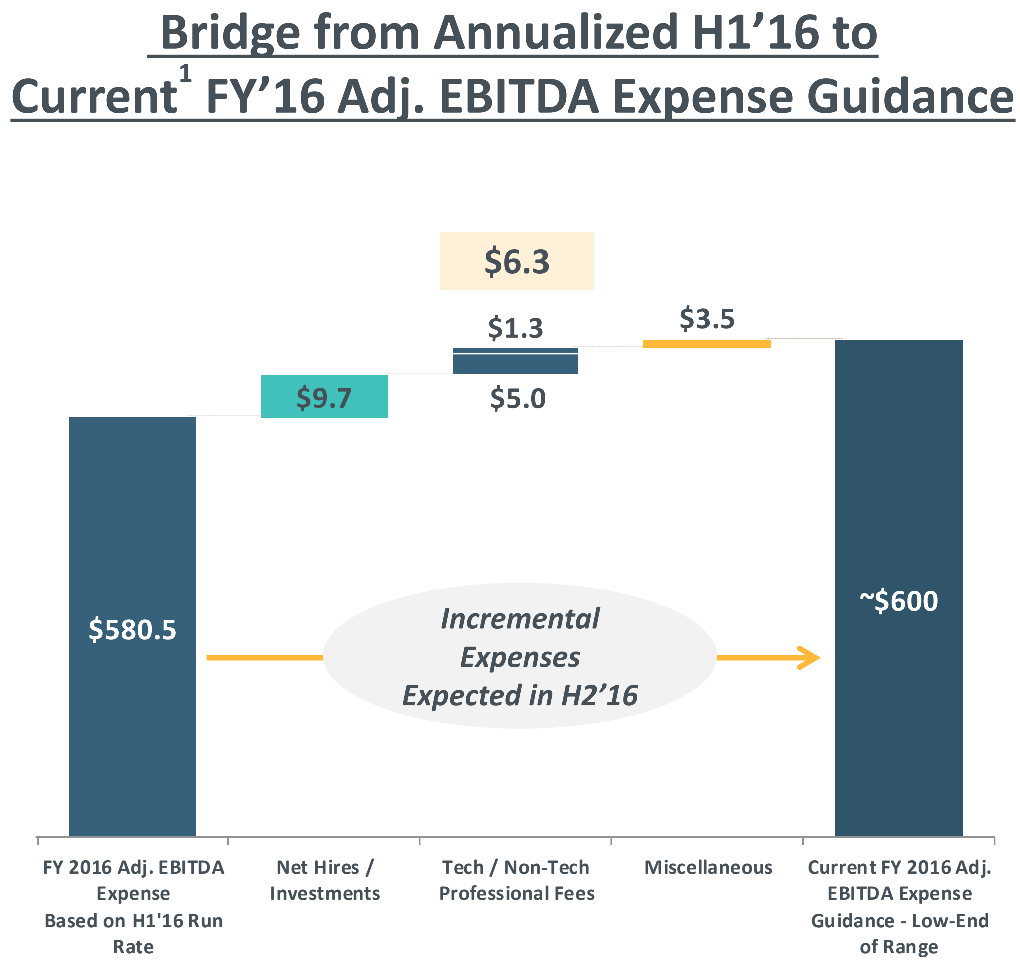
H1'16 ADJUSTED EBITDA EXPENSE PROGRESSION

(US$ in millions)



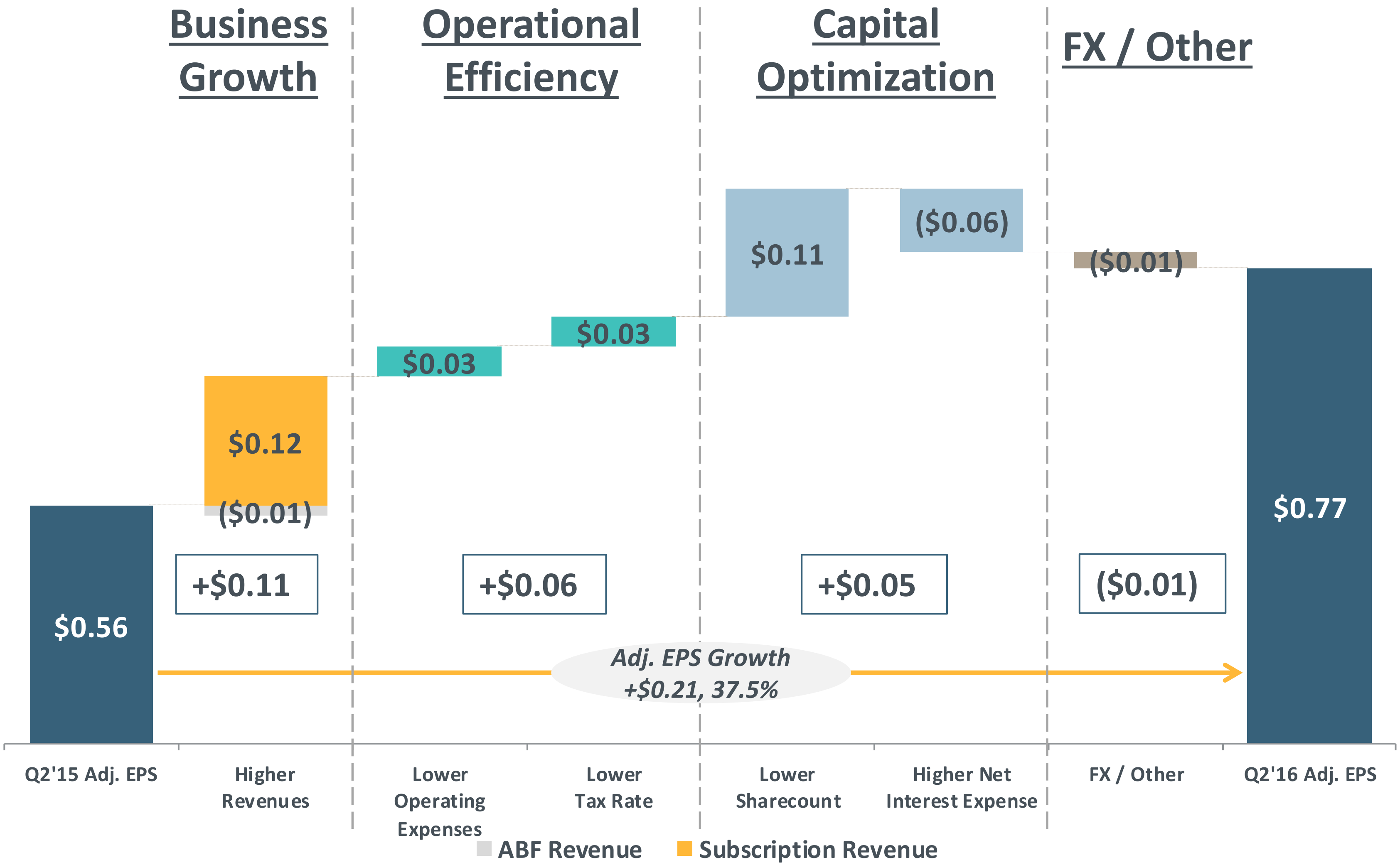


Smart Cost Management, Investment Increases in H2'16

[1] Full-year adj. EBITDA expense range of $600m - $615m previously announced in the first quarter 2016 earnings call.

[2] FX benefit based on avg. FX rates for H1'16 and 6/30/16 FX rates for H2'16, both periods compared to 12/31/15 FX rates.

Q2'16 VS. Q2'15 ADJUSTED EPS BRIDGE



Using All Levers to Deliver EPS Growth

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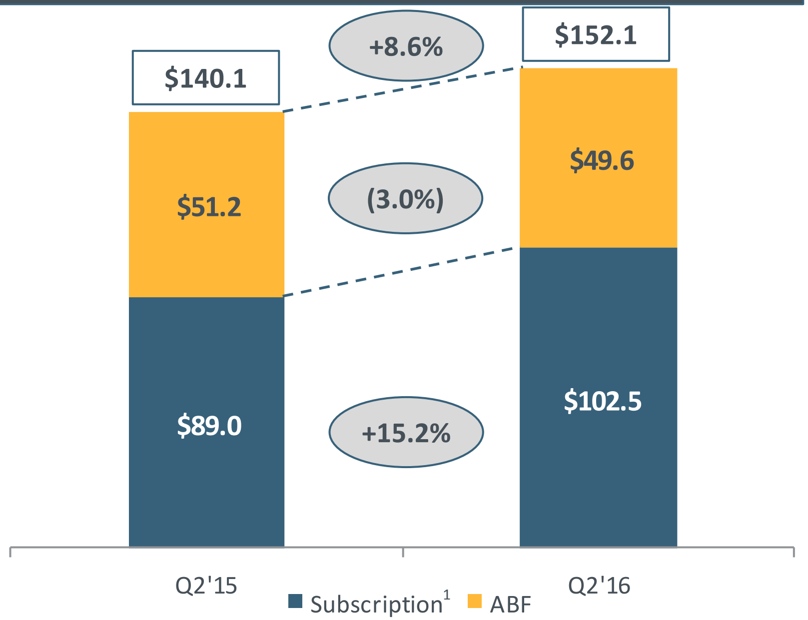
INDEX SEGMENT

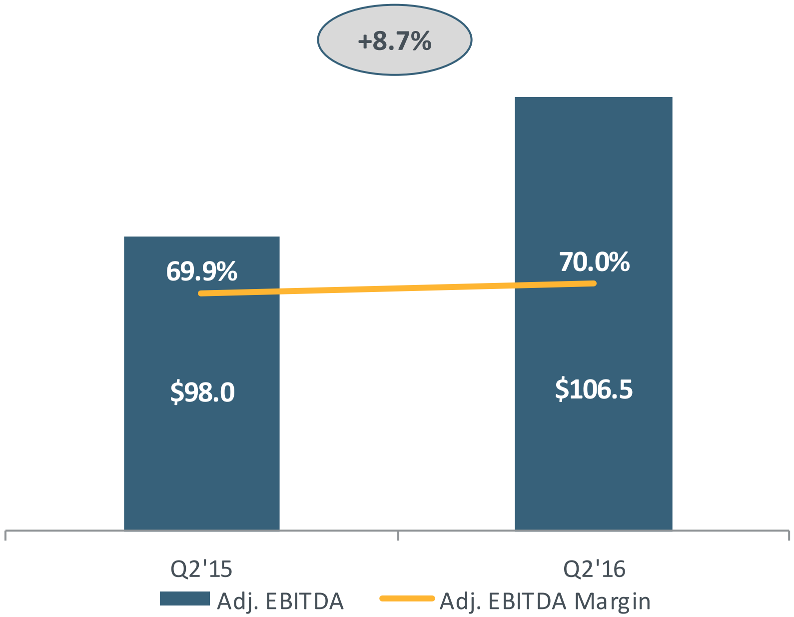
(US$ in millions)

Operating Revenue



- **11% recurring subscription revenue growth and higher non-recurring revenue**
- **Recurring subscription revenue driven by growth across core products, usage fees and custom, factor and thematic products**
- **Partially offset by lower ABF revenue**

Adj. EBITDA & Adj. EBITDA Margin (%)



- **Higher selling & marketing and research & development costs**
- **Margin up slightly to 70%**
- **Continuing to invest to drive future growth**

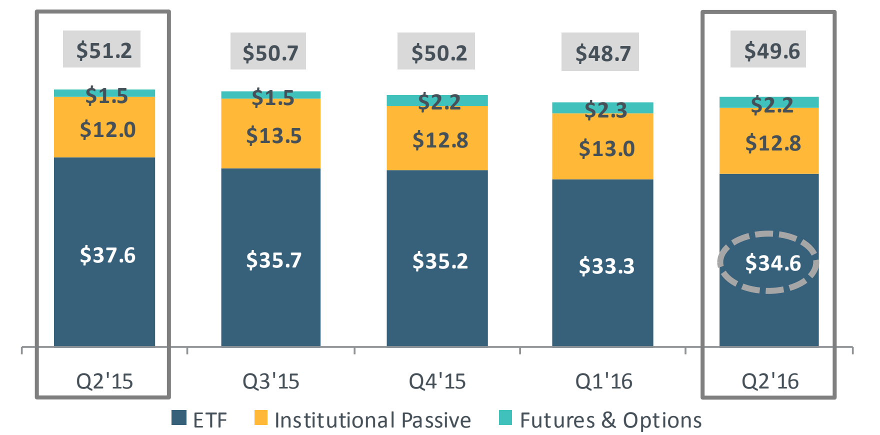
Strong Top-Line and Adjusted EBITDA Growth

[1] Subscription revenue includes recurring and non-recurring revenue.

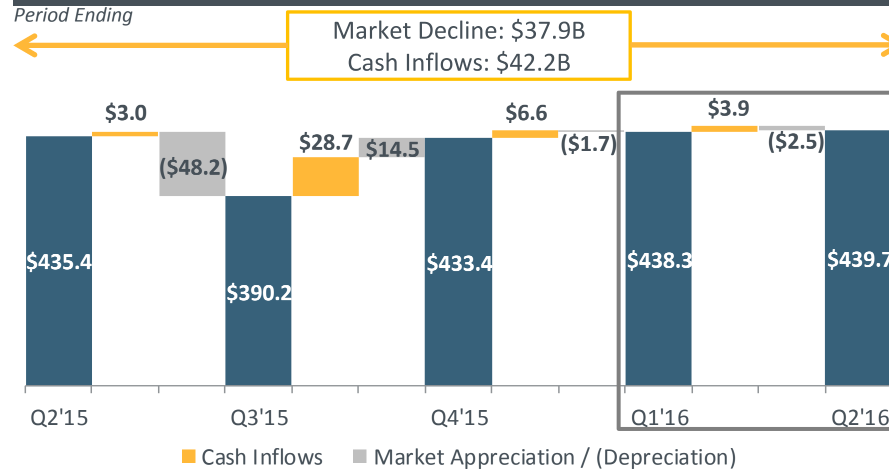
INDEX SEGMENT - ASSET-BASED FEE DETAIL

(US$ in millions, except AUM in billions)

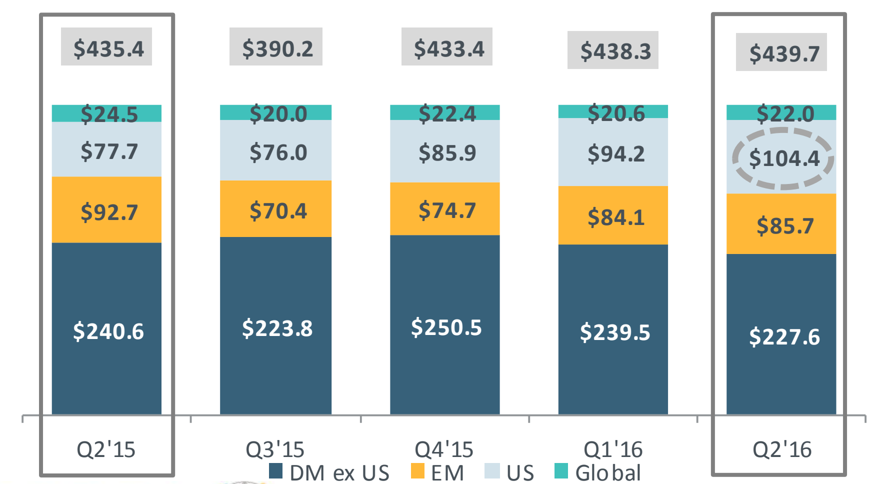
Quarterly Asset-Based Fee Revenue Trend



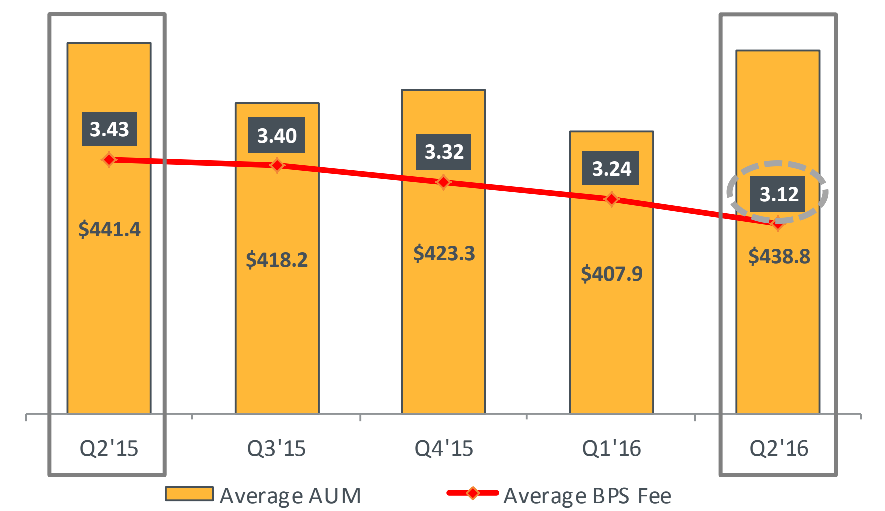
Quarterly AUM & Market Movement of MSCI-Linked ETFs



Quarter-End AUM by Market Exposure of MSCI-Linked ETFs



Quarterly Avg. AUM and Avg. BPS[1] of MSCI-Linked ETFs



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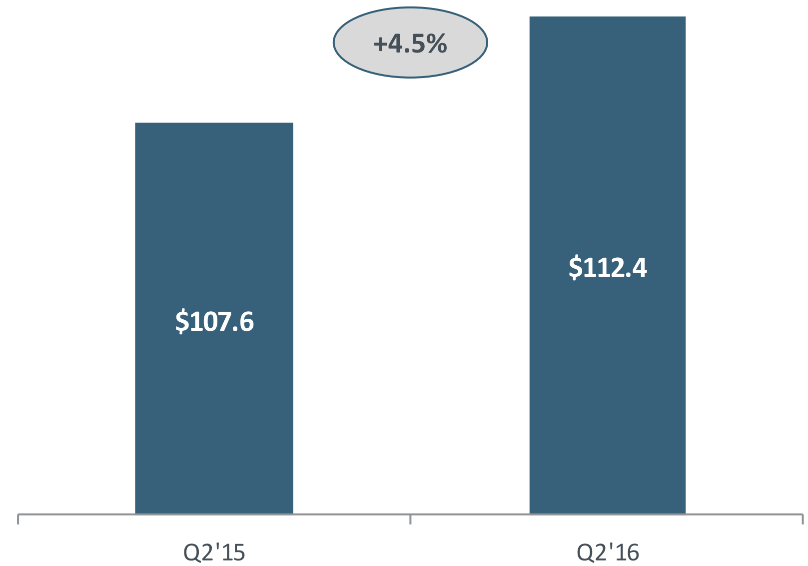
- *DM ex US = Developed Markets, excluding US*
- *EM = Emerging Markets*

[1] Average BPS fee based on Run Rate and period – end AUM.

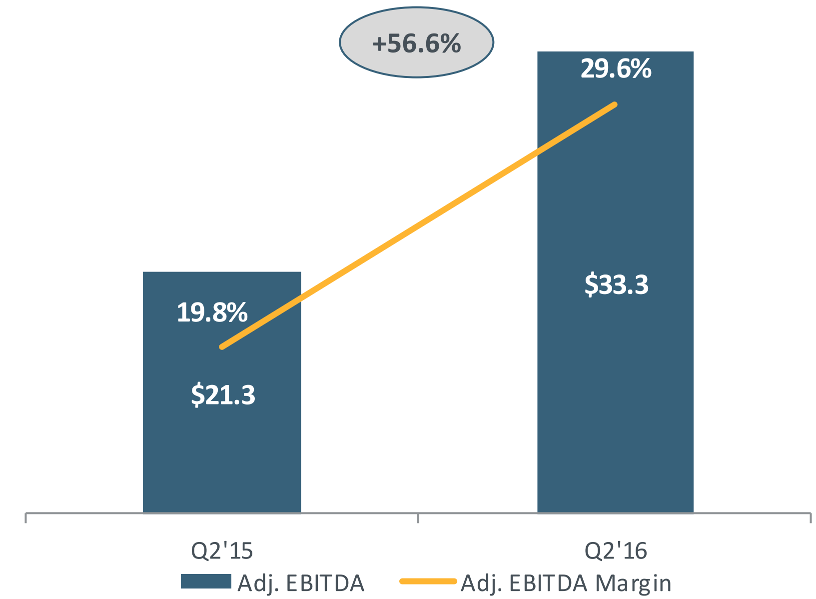
ANALYTICS SEGMENT

(US$ in millions)

Operating Revenue



Adj. EBITDA & Adj. EBITDA Margin (%)



- Risk management and operational efficiency use-cases driving Risk Manager revenue growth
- Investment differentiation use-case, driven by factor investing trend, contributing to equity model revenue growth

- Increased profitability while continuing to invest in new products
- Lower compensation and benefits on headcount reductions and lower severance
- Adjusted EBITDA margin expected to decline in H2'16 from Q2'16 levels due to investments

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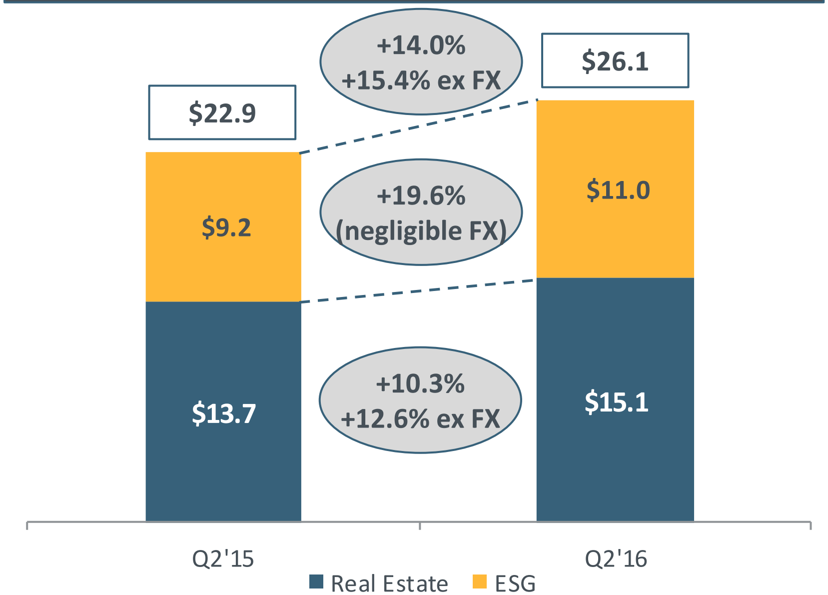
Continued Growth and Substantial Margin Expansion

ALL OTHER SEGMENT

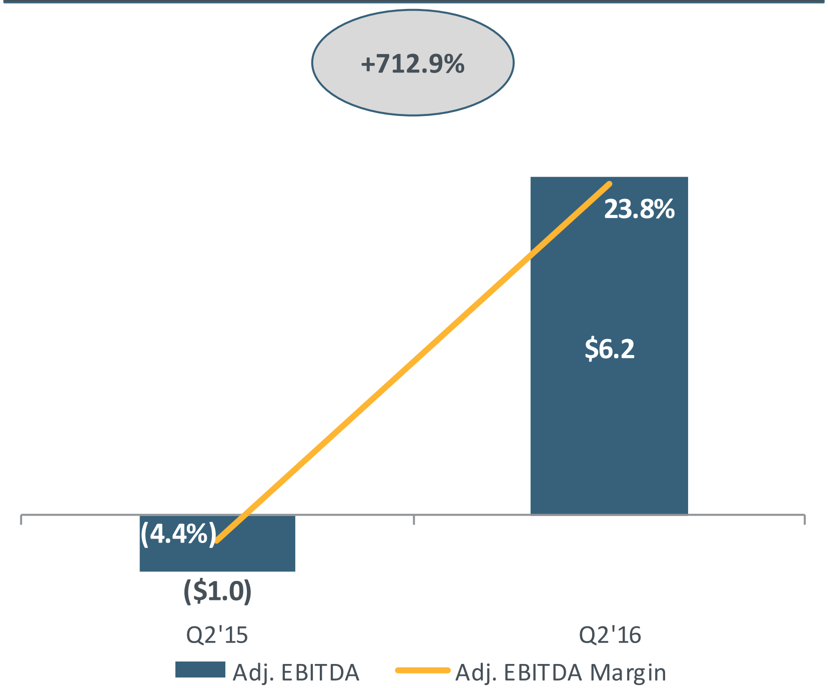
(US$ in millions)

Operating Revenue



- 19.6% increase in ESG revenue on increase in ESG Ratings driven by increasing adoption by asset managers
- 10.3% increase in Real Estate revenue. YoY increase primarily reflects impact of accelerated delivery of PAS reports from Q2'15 to Q1'15 and higher market information product revenue in Q2'16

Adj. EBITDA & Adj. EBITDA Margin (%)



- Margin expansion driven by increase in ESG revenue and lower headcount in Real Estate
- Continued investment in ESG and Real Estate

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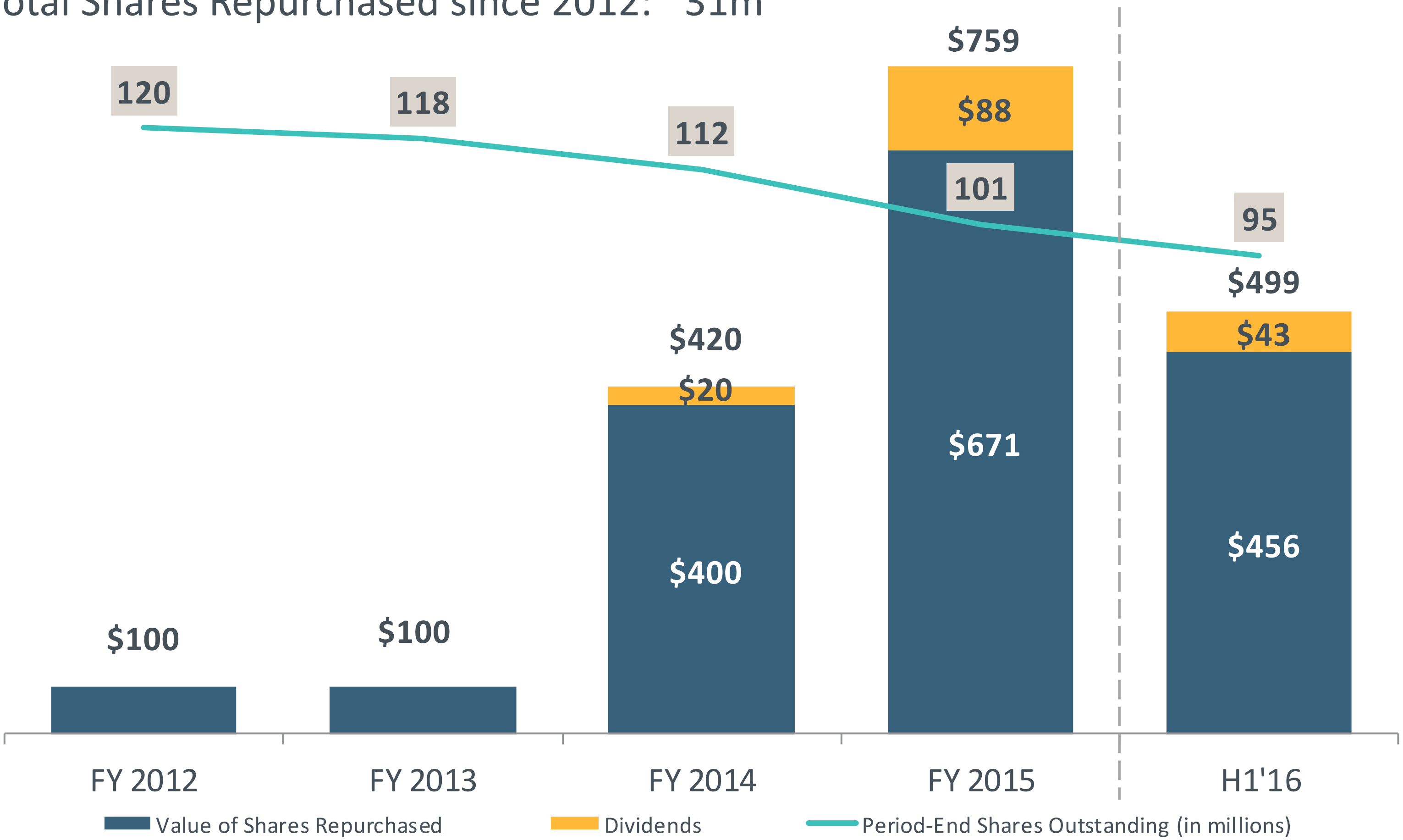
Growing Top-Line and Real Estate Product Turnaround

STRONG TRACK RECORD OF RETURNING CAPITAL

(US$ in millions)

Total Capital Returned since 2012: $1.9B
Total Shares Repurchased since 2012: ~31m



Substantial Capital Returned

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BALANCE SHEET AND LIQUIDITY

(US$ in millions)

		As of June 30, 2016
Cash & Cash Equivalents		**$404.6**
Cash & Cash Equivalents in the US[1]	$248.6	
Cash & Cash Equivalents held outside of the US	$156.0	
Total Debt[2]		**$1,600.0**
5.25% $800 mil senior unsecured notes due 11/2024	$800.0	
5.75% $800 mil senior unsecured notes due 8/2025	$800.0	
$200 mil unsecured revolving credit facility terminating 11/2019	$0.0	
Net Debt		**$1,195.4**
Total Debt / Adj. EBITDA		**3.0x**
Net Debt / Adj. EBITDA		**2.2x**
Credit Ratings (S&P / Moody's)		**BB+ / Ba2**

***Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.**

- 1.6m shares repurchased in Q2'16 at average price of $75.13 per share for a total value of $122.2m
- Dividend pay-out of 28.8% in Q2'16
  - Board approved 27.3% increase in dividend to $0.28 per share; $1.12 per share on an annualized basis
- Gross leverage at low-end of 3.0x – 3.5x range
  - Board authorized exploration of financing options to increase leverage ratio

Strong Balance Sheet

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[1] Includes approximately $125m - $150m in minimum cash balances, which the company seeks to maintain for general operating purposes.

[2] Excludes deferred financing fees of $19.5m as of June 30, 2016.

FY 2016 GUIDANCE

(US$ in millions)

Expense Guidance

	Original	Current[1]
Operating Expenses	**$690 - $707**	**$680 - $697**
Adj. EBITDA Expenses	**$610 - $625**	**$600 - $615***

FY 2016 expenses now expected to be at, or slightly below, the low-end of guidance range

- Interest expense expected to be approximately $92m assuming no additional financings
- Capital expenditures expected to be in the range of $40m - $50m
- Full-year 2016 net cash provided by operating activities is expected to be in the range of $320m - $350m. Free cash flow expected to be in the range of $270m - $310m
- Effective tax rate expected to be in the range of 33% - 34%
- Target gross leverage ratio in the range of 3.0x - 3.5x (total debt to TTM adj. EBITDA)
- Dividend pay-out in the range of 30% - 40% of adj. EPS

The guidance provided above assumes, among other things, that MSCI maintains its current debt levels. On July 27, 2016, the Board of Directors authorized the Company to explore financing options that would increase the Company's leverage ratio and interest expense. Any potential financing is subject to market and other conditions, and there can be no assurance that MSCI will be able to obtain financing on terms and conditions authorized by the Board of Directors, or assurance as to the timing of any financing.

TTM = trailing twelve months

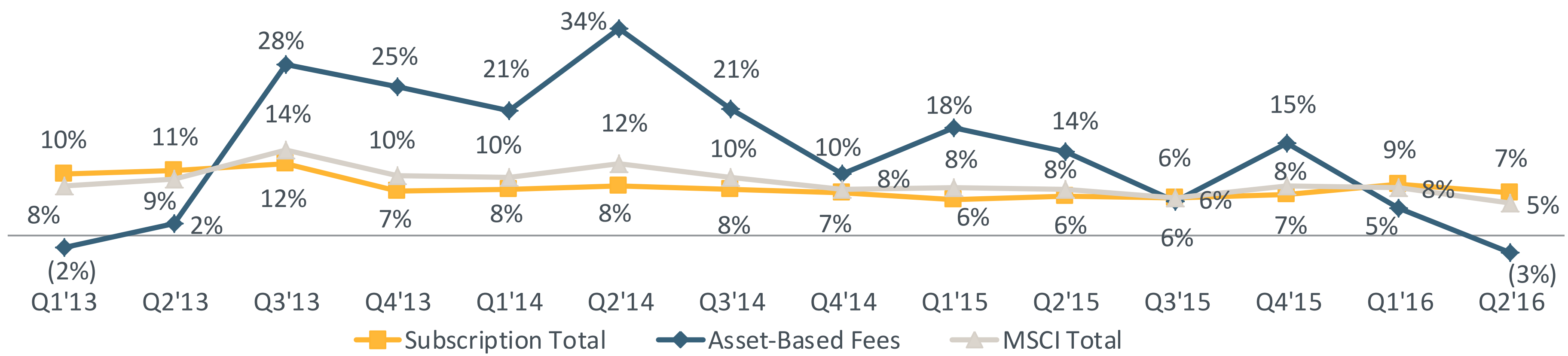
[1] Full-year adj. EBITDA expense range of $600m - $615m previously announced in the first quarter 2016 earnings call.

APPENDIX

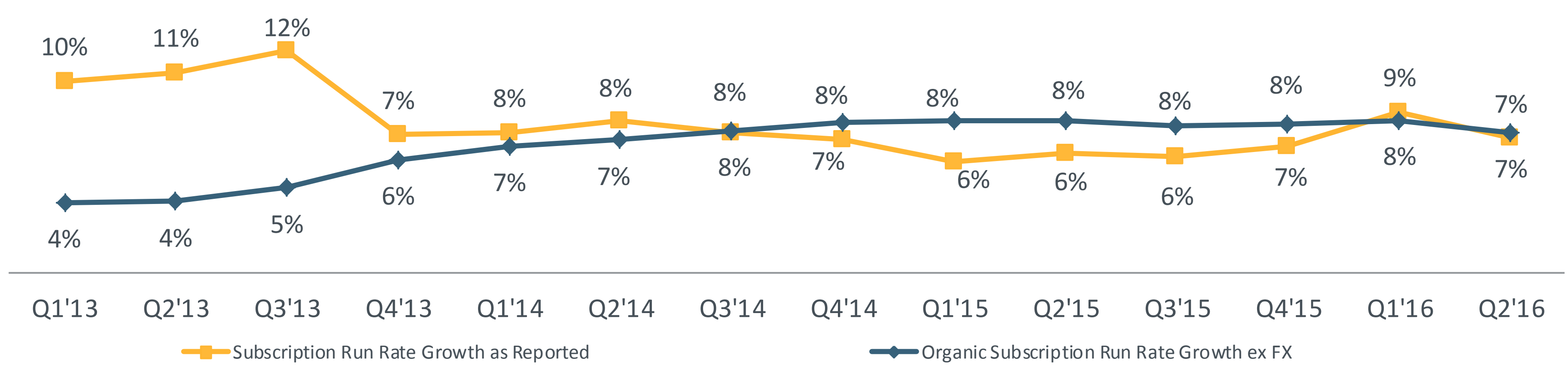
Supplemental Disclosures & Reconciliation of Non-GAAP Measures to GAAP Measures

Q1'13 – Q2'16 YoY RUN RATE GROWTH TREND

YoY Run Rate Growth as Reported (Including Impact of FX and Acquisitions)



YoY Subscription Run Rate Growth as Reported vs. Growth ex FX Impact and Acquisitions



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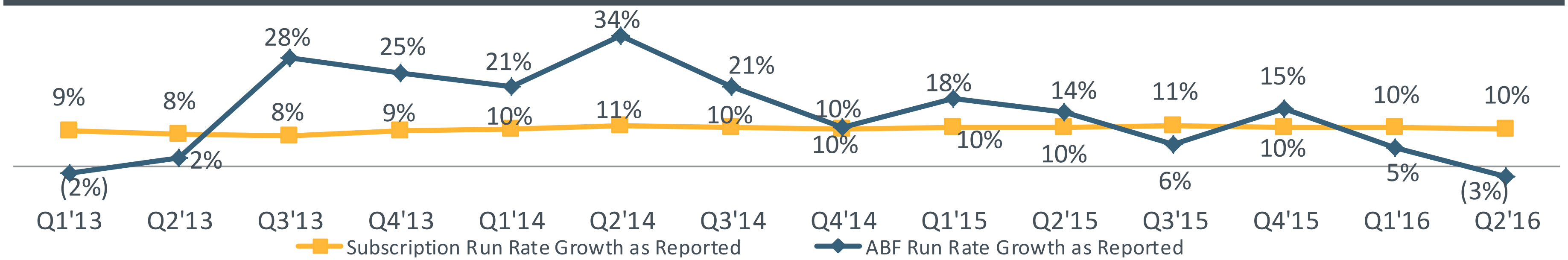
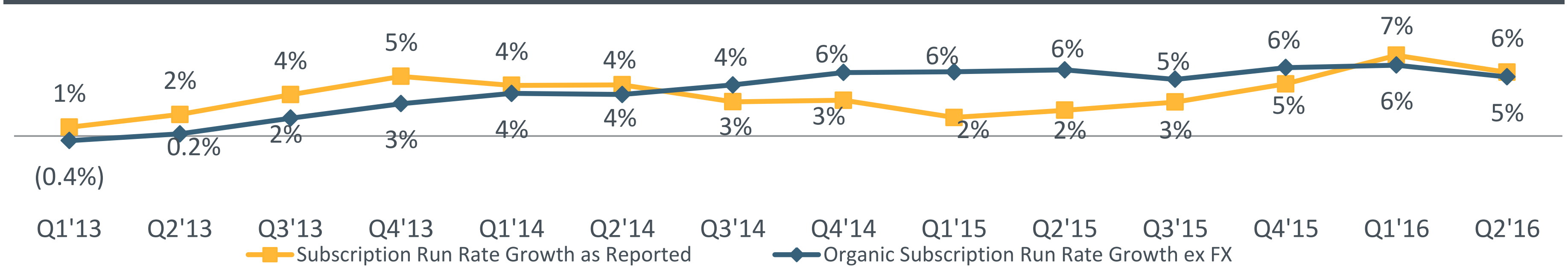
Q1’13 – Q2’16 YoY SEGMENT RUN RATE GROWTH TREND

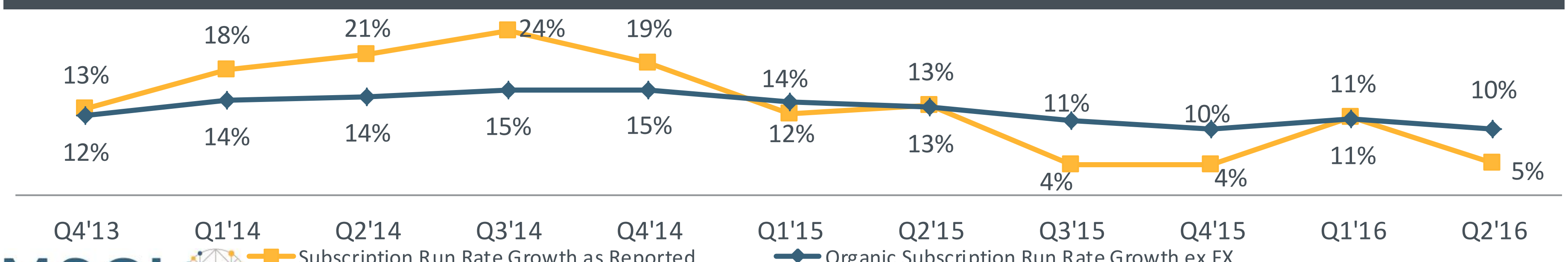
Index



Analytics



All Other



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RECONCILIATION OF ADJUSTED EBITDA TO NET INCOME

	Three Months Ended			Six Months Ended	
In thousands	**Jun. 30, 2016**	**Jun. 30, 2015**	**Mar. 31, 2016**	**Jun. 30, 2016**	**Jun. 30, 2015**
Index adjusted EBITDA	$ 106,518	$ 98,017	$ 100,049	$ 206,567	$ 191,070
Analytics adjusted EBITDA	33,302	21,264	30,360	63,662	35,344
All Other adjusted EBITDA	6,207	(1,010)	2,740	8,947	(492)
Consolidated adjusted EBITDA	**146,027**	**118,271**	**133,149**	**279,176**	**225,922**
Amortization of intangible assets	11,943	11,695	11,840	23,783	23,397
Depreciation and amortization of property, equipment and leasehold improvements	8,393	8,065	8,168	16,561	15,272
Operating income	**125,691**	**98,511**	**113,141**	**238,832**	**187,253**
Other expense (income), net	25,147	11,095	22,364	47,511	22,177
Provision for income taxes	33,587	31,399	30,410	63,997	59,435
Income from continuing operations	**66,957**	**56,017**	**60,367**	**127,324**	**105,641**
Income (loss) from discontinued operations, net of income taxes	-	-	-	-	(5,797)
Net income	**$ 66,957**	**$ 56,017**	**$ 60,367**	**$ 127,324**	**$ 99,844**

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RECONCILIATION OF ADJUSTED NET INCOME AND ADJUSTED EPS TO NET INCOME AND EPS

	Three Months Ended			Six Months Ended	
In thousands, except per share data	**Jun. 30, 2016**	**Jun. 30, 2015**	**Mar. 31, 2016**	**Jun. 30, 2016**	**Jun. 30, 2015**
Net income	$ 66,957	$ 56,017	$ 60,367	$ 127,324	$ 99,844
Less: Income (loss) from discontinued operations, net of income taxes	-	-	-	-	(5,797)
Income from continuing operations	66,957	56,017	60,367	127,324	105,641
Plus: Amortization of intangible assets	11,943	11,695	11,840	23,783	23,397
Less: Income tax effect	(4,001)	(4,201)	(3,966)	(7,967)	(8,423)
Adjusted net income	**$ 74,899**	**$ 63,511**	**$ 68,241**	**$ 143,140**	**$ 120,615**
Diluted EPS	$ 0.69	$ 0.50	$ 0.60	$ 1.29	$ 0.88
Less: Earnings per diluted common share from discontinued operations	-	-	-	-	(0.05)
Earnings per diluted common share from continuing operations	0.69	0.50	0.60	1.29	0.93
Plus: Amortization of intangible assets	0.12	0.10	0.12	0.24	0.21
Less: Income tax effect	(0.04)	(0.04)	(0.04)	(0.08)	(0.08)
Adjusted EPS	**$ 0.77**	**$ 0.56**	**$ 0.68**	**$ 1.45**	**$ 1.06**

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RECONCILIATION OF ADJUSTED EBITDA EXPENSES TO OPERATING EXPENSES

	Three Months Ended			Six Months Ended		Full Year
In thousands	**Jun. 30, 2016**	**Jun. 30, 2015**	**Mar. 31, 2016**	**Jun. 30, 2016**	**Jun. 30, 2015**	**2016 Outlook**
Index adjusted EBITDA expenses	$ 45,599	$ 42,114	$ 44,564	$ 90,163	$ 82,615	
Analytics adjusted EBITDA expenses	79,091	86,306	79,903	158,994	179,071	
All Other adjusted EBITDA expenses	19,879	23,889	21,212	41,091	45,741	
Consolidated adjusted EBITDA expenses	**144,569**	**152,309**	**145,679**	**290,248**	**307,427**	**$600,000 - $615,000**
Amortization of intangible assets	11,943	11,695	11,840	23,783	23,397	80,000
Depreciation and amortization of property, equipment and leasehold improvements	8,393	8,065	8,168	16,561	15,272	- 82,000
Total operating expenses	**$ 164,905**	**$ 172,069**	**$ 165,687**	**$ 330,592**	**$ 346,096**	**$680,000 - $697,000**

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RECONCILIATION OF FREE CASH FLOW TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	Three Months Ended			Six Months Ended		Full Year
In thousands	Jun. 30, 2016	Jun. 30, 2015	Mar. 31, 2016	Jun. 30, 2016	Jun. 30, 2015	2016 Outlook
Net cash provided by operating activities	$ 117,077	$ 24,026	$ 33,030	$150,107	$ 90,709	$ 320,000 - $ 350,000
Capital expenditures	(10,142)	(10,616)	(3,135)	(13,277)	(15,550)	
Capitalized software development costs	(2,763)	(1,401)	(2,325)	(5,088)	(2,787)	
Capex	(12,905)	(12,017)	(5,460)	(18,365)	(18,337)	(50,000 - 40,000)
Free cash flow	**$ 104,172**	**$ 12,009**	**$ 27,570**	**$131,742**	**$ 72,372**	**$ 270,000 - $ 310,000**

USE OF NON-GAAP FINANCIAL MEASURES AND OPERATING METRICS

- MSCI Inc. has presented supplemental non-GAAP financial measures as part of this earnings presentation. A reconciliation is provided that reconciles each non-GAAP financial measure with the most comparable GAAP measure. The non-GAAP financial measures presented in this earnings presentation should not be considered as alternative measures for the most directly comparable GAAP financial measures. The non-GAAP financial measures presented in this earnings presentation are used by management, in conjunction with other measures, to monitor the financial performance of the business, inform business decision making and forecast future results
- "Adjusted EBITDA" is defined as net income before income (loss) from discontinued operations, net of income taxes, plus provision for income taxes, other expense (income), net, depreciation and amortization of property, equipment and leasehold improvements, amortization of intangible assets and, at times, certain other transactions or adjustments
- "Adjusted EBITDA expenses" is defined as operating expenses less depreciation and amortization of property, equipment and leasehold improvements and amortization of intangible assets
- "Adjusted net income" and "adjusted EPS" are defined as net income and EPS, respectively, before income from discontinued operations, net of income taxes and the after-tax impact of the amortization of intangible assets
- "Capex" is defined as capital expenditures plus capitalized software development costs
- "Free cash flow" is defined as net cash provided by operating activities, less capex
- We believe adjusted EBITDA and adjusted EBITDA expenses are meaningful measures of the operating performance of the Company because they adjust for one-time, unusual or non-recurring items as well as eliminating the accounting effects of capital spending and acquisitions that do not directly affect what management considers to be our core operating performance
- We believe that free cash flow is useful to investors because it relates the operating cash flow of the Company to the capital that is spent to continue and improve business operations, such as investment in the Company's existing businesses. Further, free cash flow indicates our ability to strengthen the Company's balance sheet, repay our debt obligations, pay cash dividends and repurchase shares of our common stock
- We believe that the non-GAAP financial measures presented in this earnings release facilitate meaningful period-to-period comparisons and provide a baseline for the evaluation of future results
- Adjusted EBITDA expenses, adjusted EBITDA, adjusted net income, adjusted EPS and free cash flow are not defined in the same manner by all companies and may not be comparable to similarly-titled non-GAAP financial measures of other companies
- The Run Rate at a particular point in time primarily represents the forward-looking revenues for the next 12 months from then-current subscriptions and investment product licenses we provide to our clients under renewable contracts or agreements assuming all contracts or agreements that come up for renewal are renewed and assuming then-current currency exchange rates. For any license where fees are linked to an investment product's assets or trading volume, the Run Rate calculation reflects, for ETFs, the market value on the last trading day of the period, for futures and options, the most recent quarterly volumes and for non-ETF funds, the most recent client reported assets under such license or subscription. The Run Rate does not include fees associated with "one-time" and other non-recurring transactions. In addition, we remove from the Run Rate the fees associated with any subscription or investment product license agreement with respect to which we have received a notice of termination or non-renewal during the period and determined that such notice evidences the client's final decision to terminate or not renew the applicable subscription or agreement, even though such notice is not effective until a later date
- Organic subscription Run Rate growth ex FX is defined as the period over period Run Rate growth, excluding the impact of changes in foreign currency and the first year impact of any acquisitions. Changes in foreign currency are calculated by applying the end of period currency exchange rate from the comparable prior period to current period foreign currency denominated Run Rate. This metric also excludes the impact on the growth in subscription Run Rate of the acquisitions of IPD, InvestorForce, and GMI for their respective first year of operations as part of MSCI. As of first quarter 2016, there are no acquisitions which are excluded from subscription Run Rate
- The Aggregate Retention Rate for a period is calculated by annualizing the cancellations for which we have received a notice of termination or for which we believe there is an intention to not renew during the period and we believe that such notice or intention evidences the client's final decision to terminate or not renew the applicable agreement, even though such notice is not effective until a later date. This annualized cancellation figure is then divided by the subscription Run Rate at the beginning of the year to calculate a cancellation rate. This cancellation rate is then subtracted from 100% to derive the annualized Aggregate Retention Rate for the period. The Aggregate Retention Rate is computed on a product-by-product basis. Therefore, if a client reduces the number of products to which it subscribes or switches between our products, we treat it as a cancellation. In addition, we treat any reduction in fees resulting from renegotiated contracts as a cancellation in the calculation to the extent of the reduction

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