MSCI A Clear View of Risk and Return

Third Quarter 2012 Earnings Presentation

November 6, 2012

Forward-Looking Statements and Other Information

- Forward-Looking Statements – Safe Harbor Statements
  - This presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 actual results, levels of activity, performance or achievements. For a discussion of risk and uncertainties that could materially affect actual results, levels of activity, performance or achievements, please see the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and its other reports filed with the SEC. The forward-looking statements included in this presentation represent the Company's view as of the date of the presentation. The Company 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.
- Other Information
  - Percentage changes and totals in this Presentation may not sum due to rounding.
  - Percentage changes are referenced to the comparable period in 2011, unless otherwise noted.
  - Total sales equals recurring subscription sales and non-recurring sales.

Summary of Third Quarter 2012 Financial Results

- Operating revenues increased 4.6% to $235.4 million in third quarter 2012
- Net income declined by 3.0% to $48.3 million in third quarter 2012
- Adjusted EBITDA[1] grew by 4.3% to $108.1 million in third quarter 2012
- Third quarter 2012 Adjusted EBITDA[1] margin was stable at 45.9%
- Diluted EPS for third quarter 2012 fell 2.5% to $0.39
- Third quarter 2012 Adjusted EPS[2] was unchanged at $0.49

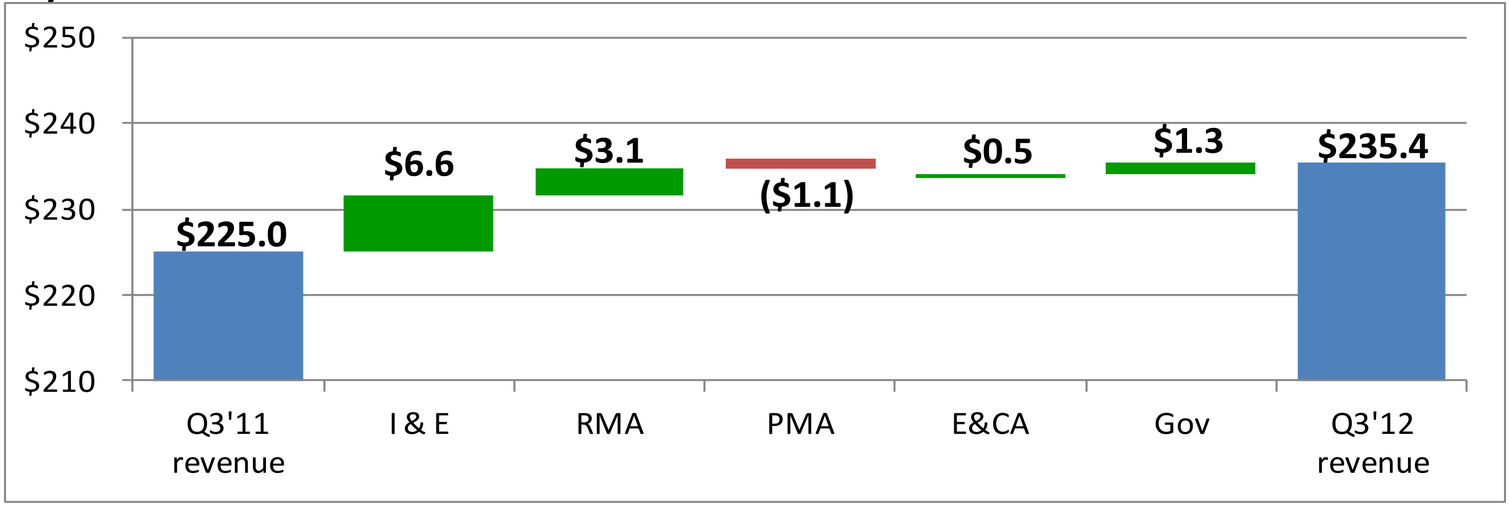
(1) Net income before provision for income taxes, depreciation and amortization, other net expense and income, the lease exit charge, non-recurring stock-based compensation and restructuring costs. Please see pages 17-19 for reconciliation.

(2) For the purposes of calculating Adjusted EPS, the after-tax impact of the lease exit charge, non-recurring stock-based compensation, amortization of intangible assets, debt repayment and refinancing expenses and restructuring costs are excluded from the calculation of EPS. Please see pages 17-19 for reconciliation.

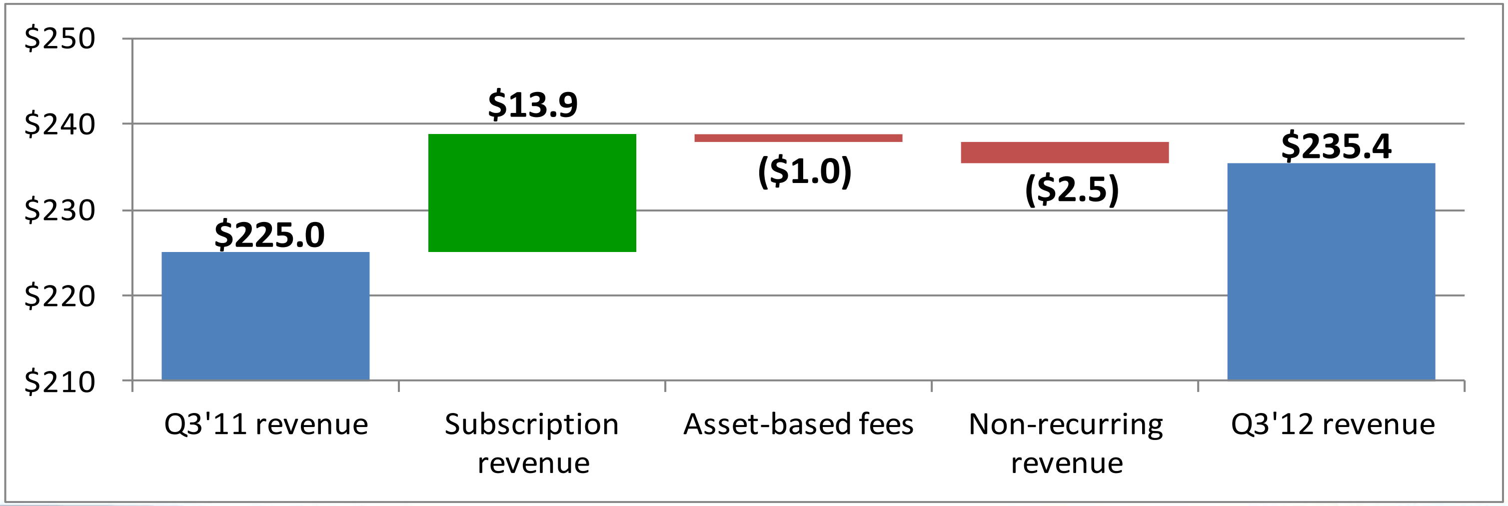
Breakdown of Q3’11 vs Q3’12 Revenue Growth

(Dollars in millions)

- By Product Line



- By Revenue Type

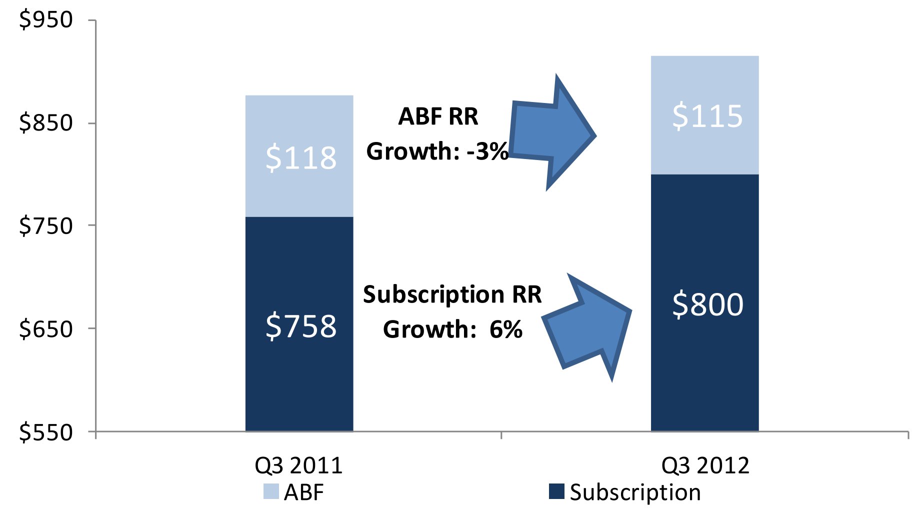


Summary of Third Quarter 2012 Operating Results

(Dollars in millions)

- Q3’12 run rate (RR) grew YoY by **4%** to **$915 million**
  - Subscription run rate grew by 6%
  - Asset-based fee (ABF) run rate fell by 3%, driven by lower run rate from Vanguard ETFs
- Total sales[1] of $31 million in Q3’12 - down 19% from Q3’11
- Q3’12 recurring subscription sales of $27 million down 14% from Q3’11
- Retention rates at 90% for Q3’12
- % of employees in EMCs up to 44% from 42% in Q2’12 and 38% in Q3’11

Total YoY Run Rate Growth of 4%



Total Sales[1] and Retention

	Q3'11	Q3'12	Diff.	YTD'11	YTD'12	Diff.
Rec Sub Sales	$ 32	$ 27	-14%	$ 97	$ 89	-8%
Non-rec sales ex ABF	$ 7	$ 4	-41%	$ 24	$ 18	-25%
Non-Rec ABF Sale	$ -	$ -	n/m	$ 4	$ -	n/m
Total Sales	$ 38	$ 31	-19%	$ 125	$ 107	-14%
Agg Retention	91%	90%	-1%	92%	91%	0%

(1) Includes recurring subscription sales and non-recurring sales

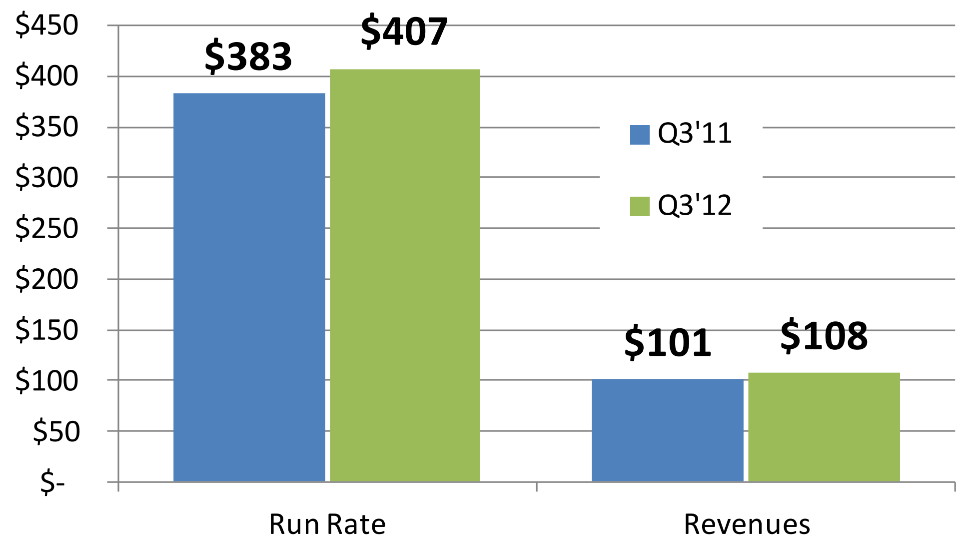
Index and ESG Products

(Dollars in millions)

Highlights:

- Q3’12 run rate grew by **6%** YoY to **$407 million**
  - Subscription run rate grew by 11%
  - Asset-based fee run rate declined by 3% YoY and by 11% sequentially, reflecting the removal of the Vanguard run rate
- Total sales of $13 million in Q3’12
- Retention rate was 94%

Index and ESG Run Rate and Revenue



Index and ESG Sales and Retention

	Q3'11	Q3'12	Diff.	YTD'11	YTD'12	Diff.
Total Sales ex ABF	$ 14	$ 13	-6%	$ 48	$ 42	-12%
Non-Rec. ABF Sale	$ -	$ -	n/m	$ 4	$ -	n/m
Total Sales	$ 14	$ 13	-6%	$ 52	$ 42	-19%
Agg. Retention	95%	94%	-1%	94%	94%	0%

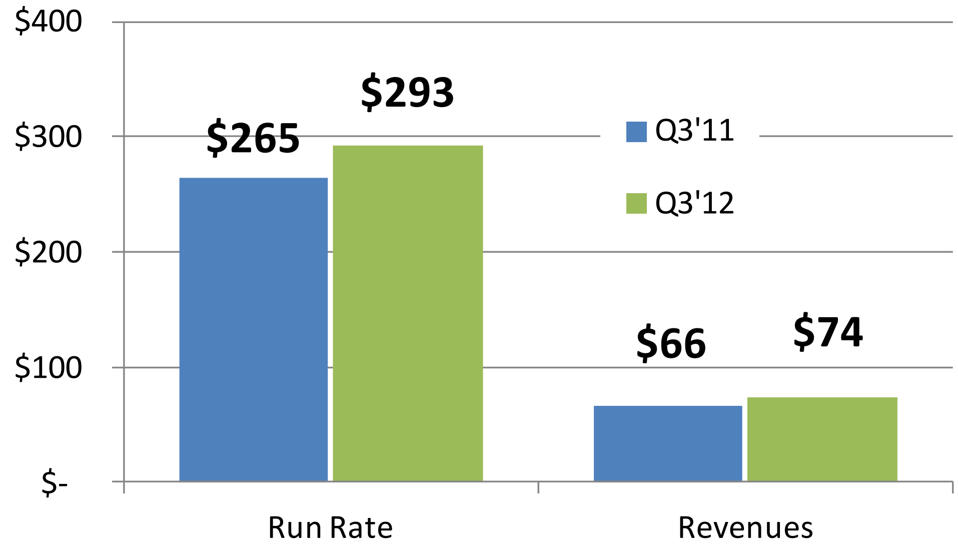
Index and ESG Subscription

(Dollars in millions)

Highlights:

- Q3'12 run rate grew by **11%** YoY to **$293 million**
- Total sales were $12 million in Q3'12
  - ESG products sales increased
  - Benchmark sales fueled by sales of emerging market and developed market modules
- Launched economic exposure indices

Index and ESG Subscription
Run Rate and Subscription Revenue



Index and ESG Subscription
Sales and Retention

	Q3'11	Q3'12	Diff.	YTD'11	YTD'12	Diff.
Total Sales	$ 13	$ 12	-7%	$ 47	$ 40	-14%
Agg. Retention	95%	94%	-1%	94%	94%	0%

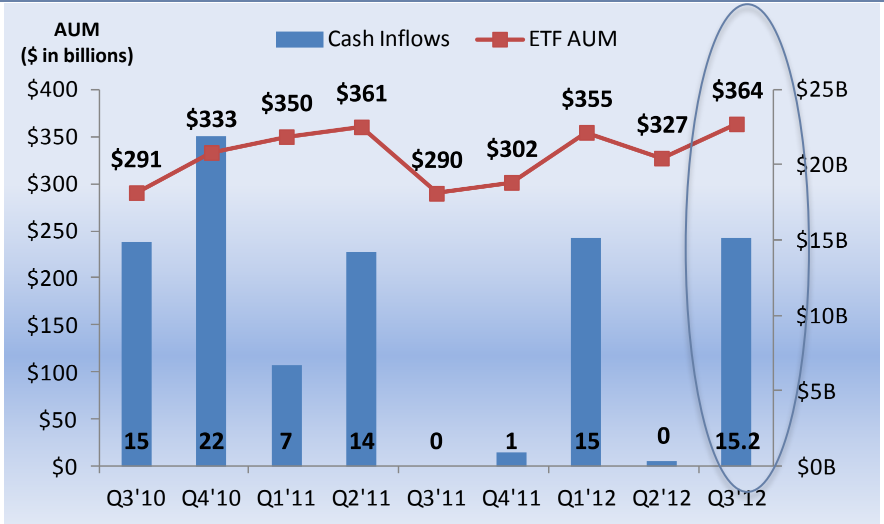
MSCI-linked ETFs

Highlights:

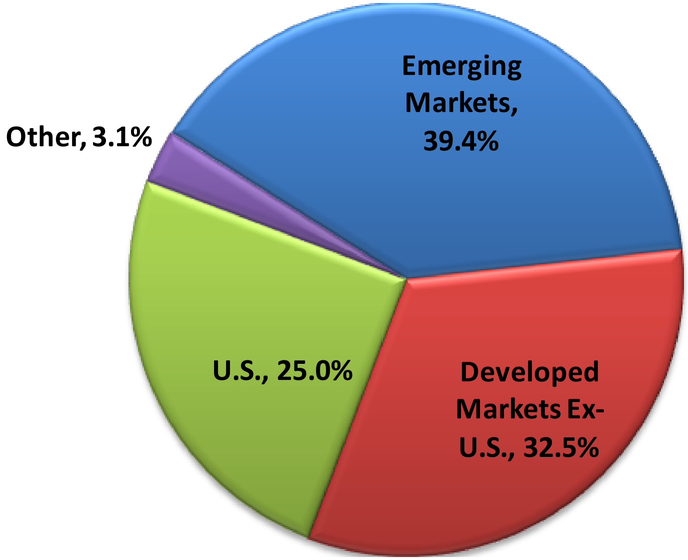
- Total ABF run rate declined by **3%** YoY and **11%** sequentially to **$115 million** on the back of the Vanguard loss
- Total AUM increased by 25% YoY and by 11% sequentially to $364 billion at the end of Q3'12
- Total AUM was $233 billion ex-Vanguard
- Net cash inflows of $15 billion in Q3'12 to MSCI-linked ETFs
- Average basis point fee excluding Vanguard was 3.7 basis points

Source: Bloomberg

Total AUM Linked to MSCI Indices of $364bn



MSCI-Linked ETF AUM by Market Exposure



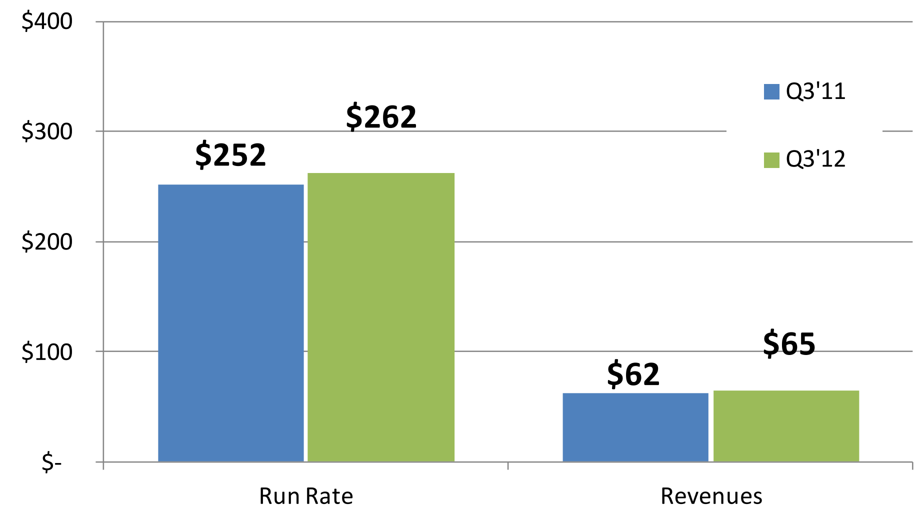
Risk Management Analytics

(Dollars in millions)

Highlights:

- Q3’12 run rate grew by **4%** YoY to **$262 million**
- Total sales of $9 million in Q3’12
  - ➢Stronger sales to asset managers were offset by declines in sales to other client types
  - ➢Consolidation among European asset managers negatively affected cancels
- Retention rates at 89% for Q3’12 and 91% for YTD’12

Risk Management Analytics
Run Rate and Revenue



Risk Management Analytics
Sales and Retention

	Q3'11	Q3'12	Diff.	YTD'11	YTD'12	Diff.
Total Sales	$ 13	$ 9	-26%	$ 35	$ 30	-12%
Agg. Retention	92%	89%	-4%	93%	91%	-2%

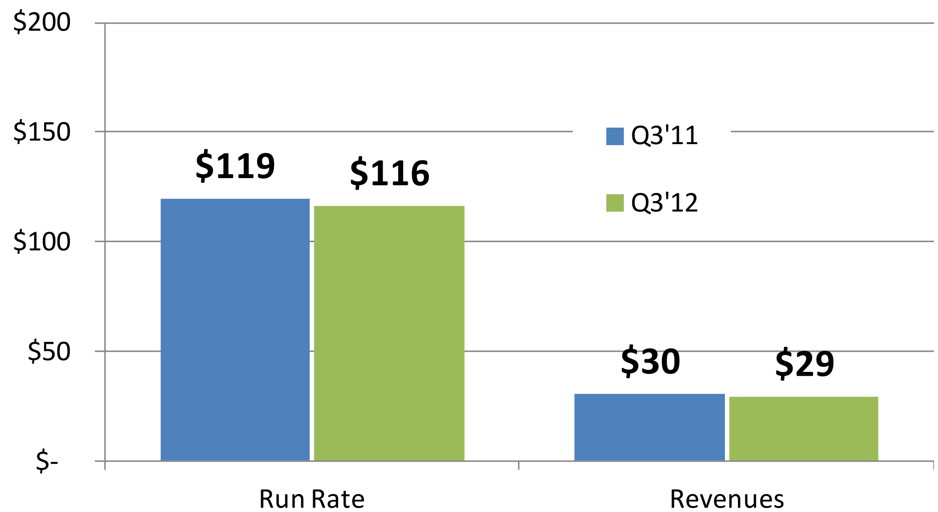
Portfolio Management Analytics

(Dollars in millions)

Highlights:

- Q3’12 run rate declined by **3%** YoY to **$116 million**
- New European market stochastic model released in Q3
- Total sales of $3 million in Q3’12
  - Selling environment remains competitive
  - New products driving increasing percentage of total sales
- Retention rates dipped to 85% in Q3’12

Portfolio Management Analytics Run Rate and Revenue



Portfolio Management Analytics Sales and Retention

	Q3'11	Q3'12	Diff.	YTD'11	YTD'12	Diff.
Total Sales	$ 4	$ 3	-37%	$ 12	$ 10	-20%
Agg. Retention	87%	85%	-2%	89%	87%	-2%

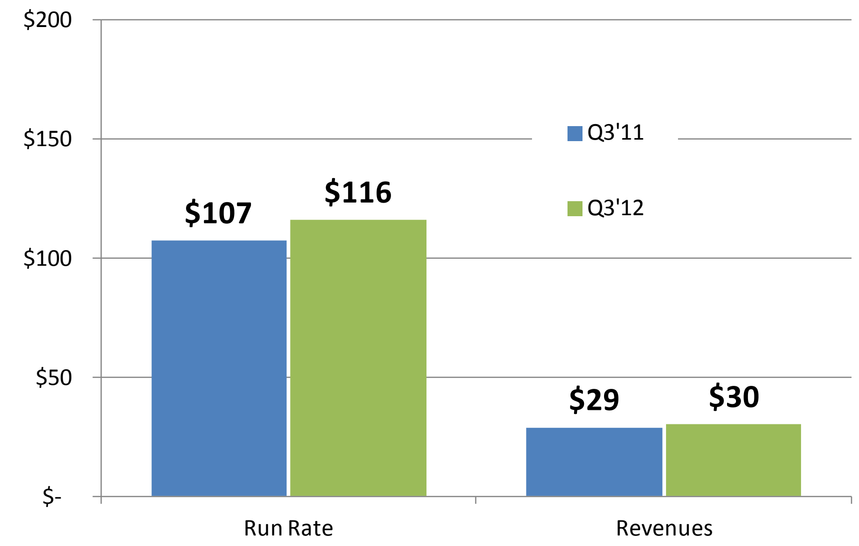
Governance

(Dollars in millions)

Highlights:

- Q3'12 run rate grew by **8%** YoY to **$116 million**
- Total sales for Q3'12 were $6 million
  - Sales of executive compensation data and analytics tool remain strong but at seasonal low
  - Institutional proxy research and voting sales steady despite competitive market
- Retention rates increased to a very strong 91% for Q3'12 and YTD'12

Governance Run Rate and Revenue



Governance Sales and Retention

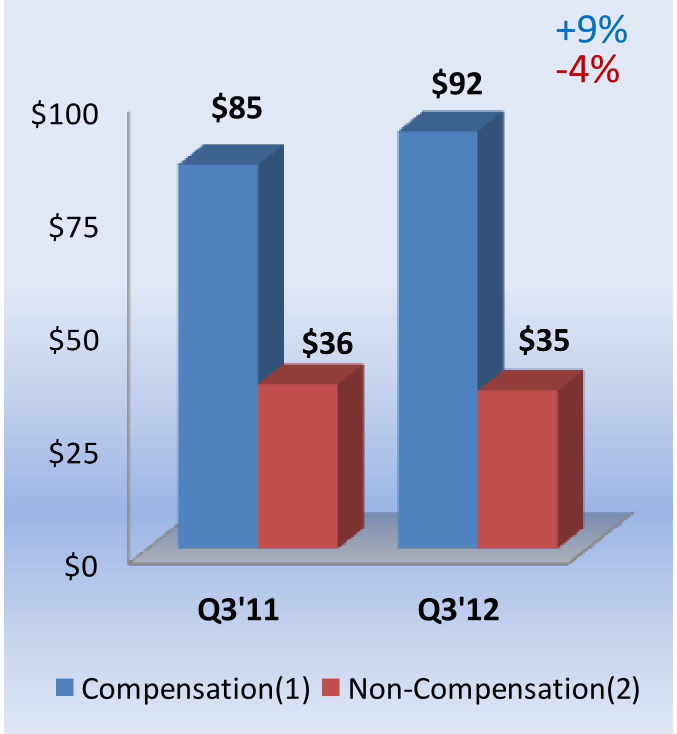
	Q3'11	Q3'12	Diff.	YTD'11	YTD'12	Diff.
Total Sales	$ 7	$ 6	-11%	$ 24	$ 24	-1%
Agg. Retention	86%	91%	5%	87%	91%	4%

Compensation and Non-Compensation EBITDA Expense

(Dollars in millions)

- Comp[1] and Non-comp expenses[2] increased 5% to $127 million
  - Compensation expense rose 9%
    - 9% increase in average headcount vs. Q3’11
    - Shift from 38% of employee base in EMCs in Q3’11 to 44% in Q3’12
    - Severance costs of $4 million included in compensation expenses
  - Non-compensation costs down 4% as a result of strong expense management

Comp and Non-Comp Expenses[1,2]

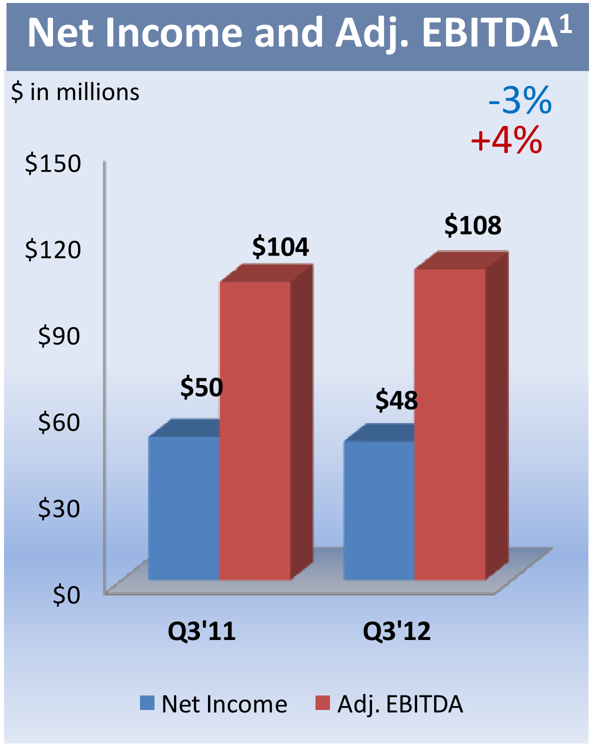


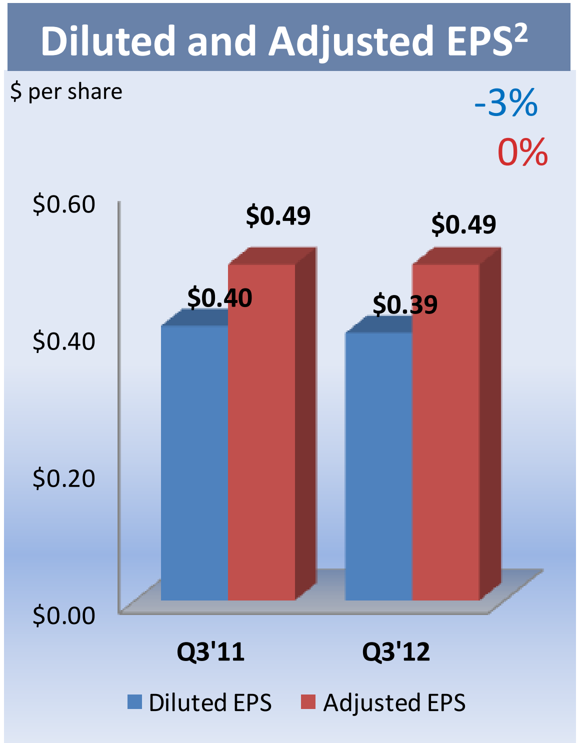
(1)Compensation expense excludes non-recurring stock-based compensation. Please see pages 17-19 for reconciliation to operating expenses.

(2) Non-compensation excludes the lease exit charge, depreciation, amortization and restructuring costs. Please see pages 17-19 for reconciliation to operating expenses.

Summary of Profitability Metrics: Net Income, EPS and Adjusted EBITDA[1]

- Net Income fell 3%
  - Q3'11 benefited from non-recurring tax benefit of $4.2 million
  - Interest expense declined $6 million
- Adjusted EBITDA[1] was $108 million
- Diluted EPS declined 1 cent to $0.39
- Adjusted EPS[2] was flat at $0.49





(1) Net income before provision for income taxes, depreciation and amortization, other net expense and income, the lease exit charge, non-recurring stock-based compensation and restructuring costs. Please see pages 17-19 for reconciliation.

(2) For the purpose of calculating Adjusted EPS, the after-tax impact of the lease exit charge, non-recurring stock-based compensation, amortization of intangible assets, debt repayment expenses and restructuring costs are excluded from the calculation of EPS; see pages 17-19 for reconciliation.

Summary Balance Sheet

In thousands	As of September 30, 2012		As of December 31, 2011	
Cash and cash equivalents	$	340,458	$	252,211
Short-term investments		93,885		140,490
Trade receivables, net of allowances		124,309		180,566
Deferred revenue	$	323,503	$	289,217
Current maturities of long-term debt		43,082		10,339
Long-term debt, net of current maturities		822,401		1,066,548

Total Cash & Investments

$434M

Total Debt

$865M

IPD Company Overview and Financial Highlights

IPD Group Ltd. (“IPD”) Overview

IPD Highlights:

Founded in 1985

Headquartered in London with ~320 employees globally

Database covering over 60,000 properties valued at nearly $2 trillion

Complementary Products:

Investment performance benchmarking, performance analysis, market indices, risk management tools and market research for real estate

Complementary Clients:

Investment managers and insurance, pension and private investment companies; governments, banks, industrials and retailers; consultants, advisors, researchers, universities, central banks, investment banks, clearing banks and stockbrokers

Complementary Footprint:

Real estate coverage in 5 continents and 20 markets, measuring 1,500 funds globally

Financial Highlights

	($mm)	(£mm)
Purchase Price[1]:	$124.6	£77.9
Summary Financials:		
2011 Revenues[2]:	47.7	29.7
June 2012 YTD Revenues[2]:	26.4	16.7
Purchase Price Financing:	100% from existing cash	
Expected Closing:	Fourth Quarter 2012	

Notes:

[1] Purchase price shown in U.S. dollars assumes a GBP / USD exchange rate of 1.60. Purchase price excludes certain employee retention payments and expenses.

[2] Revenues shown in U.S. dollars based on average exchange rates over the applicable periods.

Use of Non-GAAP Financial Measures

- MSCI has presented supplemental non-GAAP financial measures as part of this presentation. A reconciliation is provided that reconciles each non-GAAP financial measure with the most comparable GAAP measure. The presentation of non-GAAP financial measures should not be considered as alternative measures for the most directly comparable GAAP financial measures. These measures are used by management to monitor the financial performance of the business, inform business decision making and forecast future results.
- Adjusted EBITDA is defined as net income before provision for income taxes, other net expense and income, depreciation and amortization, the lease exit charge, non-recurring stock-based compensation expense and restructuring costs .
- Adjusted Net Income and Adjusted EPS are defined as net income and EPS, respectively, before provision for the lease exit charge, non-recurring stock-based compensation expenses, amortization of intangible assets, restructuring costs and the accelerated amortization or write off of deferred financing and debt discount costs as a result of debt repayment (debt repayment and refinancing expenses), as well as for any related tax effects.
- We believe that adjustments related to the lease exit charge, restructuring costs and debt repayment and refinancing expenses are useful to management and investors because it allows for an evaluation of MSCI's underlying operating performance. Additionally, we believe that adjusting for non-recurring stock-based compensation expenses, debt repayment and refinancing expenses and depreciation and amortization may help investors compare our performance to that of other companies in our industry as we do not believe that other companies in our industry have as significant a portion of their operating expenses represented by these items. 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, Adjusted net income and Adjusted EPS are not defined in the same manner by all companies and may not be comparable to other similarly titled measures of other companies.

Reconciliation of Adjusted Net Income and Adjusted EPS

(Dollars in thousands, except per share figures)

In thousands	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	Three Months Ended June 30, 2012	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
GAAP - Net Income	$ 48,274	$ 49,787	$ 37,546	$ 129,786	$ 128,968
Plus: Non-recurring stock-based compensation	626	1,290	192	1,400	6,775
Plus: Amortization of intangible assets	15,959	16,422	15,959	47,877	49,537
Plus: Debt repayment and refinancing expenses	-	-	20,639	20,639	6,404
Plus: Lease exit charge	3,327	-	-	3,327	-
Plus: Restructuring costs	-	(1,002)	(22)	(51)	3,469
Less: Income tax effect	(7,280)	(5,585)	(12,775)	(25,954)	(23,450)
Adjusted net income	**$ 60,906**	**$ 60,912**	**$ 61,539**	**$ 177,024**	**$ 171,703**
GAAP - EPS	**$ 0.39**	**$ 0.40**	**$ 0.30**	$ 1.05	$ 1.05
Plus: Non-recurring stock-based compensation	$ 0.01	$ 0.01	$ -	$ 0.01	$ 0.05
Plus: Amortization of intangible assets	$ 0.13	$ 0.13	$ 0.13	$ 0.39	$ 0.40
Plus: Debt repayment and refinancing expenses	$ -	$ -	$ 0.17	$ 0.17	$ 0.05
Plus: Lease exit charge	$ 0.03	$ -	$ -	$ 0.03	$ -
Plus: Restructuring costs	$ -	$ (0.01)	$ -	$ (0.00)	$ 0.03
Less: Income tax effect	$ (0.07)	$ (0.04)	$ (0.10)	$ (0.22)	$ (0.19)
Adjusted EPS	**$ 0.49**	**$ 0.49**	**$ 0.50**	**$ 1.43**	**$ 1.39**

Reconciliation of Adjusted EBITDA to Net Income

(Dollars in thousands)

In thousands		Three Months Ended September 30, 2012			Three Months Ended September 30, 2011		
		Performance and Risk	Governance	Total	Performance and Risk	Governance	Total
Net Income				$ 48,274			$ 49,787
Plus:	Provision for income taxes			27,320			20,512
Plus:	Other expense (income), net			7,935			11,946
Operating income		**$ 80,472**	**$ 3,057**	**$ 83,529**	**$ 78,957**	**$ 3,288**	**$ 82,245**
Plus:	Non-recurring stock-based compensation	572	54	626	1,246	44	1,290
Plus:	Depreciation and amortization	3,755	878	4,633	3,529	1,140	4,669
Plus:	Amortization of intangible assets	12,638	3,321	15,959	13,072	3,350	16,422
Plus:	Lease exit charge	2,925	402	3,327	-	-	-
Plus:	Restructuring costs	-	-	-	(818)	(184)	(1,002)
Adjusted EBITDA		**$ 100,362**	**$ 7,712**	**$ 108,074**	**$ 95,986**	**$ 7,638**	**$ 103,624**

In thousands		Nine Months Ended September 30, 2012			Nine Months Ended September 30, 2011		
		Performance and Risk	Governance	Total	Performance and Risk	Governance	Total
Net Income				$ 129,786			$ 128,968
Plus:	Provision for income taxes			71,308			64,317
Plus:	Other expense (income), net			50,535			47,080
Operating income		**$ 243,927**	**$ 7,702**	**$ 251,629**	**$ 231,458**	**$ 8,907**	**$ 240,365**
Plus:	Non-recurring stock-based compensation	1,269	131	1,400	6,432	343	6,775
Plus:	Depreciation and amortization	11,137	2,574	13,711	11,549	3,398	14,947
Plus:	Amortization of intangible assets	37,916	9,961	47,877	39,487	10,050	49,537
Plus:	Lease exit charge	2,925	402	3,327	-	-	-
Plus:	Restructuring costs	(32)	(19)	(51)	1,570	1,899	3,469
Adjusted EBITDA		**$ 297,142**	**$ 20,751**	**$ 317,893**	**$ 290,496**	**$ 24,597**	**$ 315,093**

Reconciliation of Operating Expenses

(Dollars in thousands)

	Three Months Ended			% Change from	
In thousands	September 30, 2012	September 30, 2011	June 30, 2012	September 30, 2011	June 30, 2012
Cost of services					
Compensation	$ 50,111	$ 50,114	$ 55,492	(0.0%)	(9.7%)
Non-recurring stock based compensation	267	470	94	(43.2%)	184.0%
Total compensation	$ 50,378	$ 50,584	$ 55,586	(0.4%)	(9.4%)
Non-compensation	16,448	18,384	17,657	(10.5%)	(6.8%)
Lease exit charge[1]	1,524	-	-	n/m	n/m
Total non-compensation	17,972	18,384	17,657	(2.2%)	1.8%
Total cost of services	$ 68,350	$ 68,968	$ 73,243	(0.9%)	(6.7%)
Selling, general and administrative					
Compensation	$ 42,296	$ 34,874	$ 38,025	21.3%	11.2%
Non-recurring stock based compensation	359	820	98	(56.2%)	266.3%
Total compensation	$ 42,655	$ 35,694	$ 38,123	19.5%	11.9%
Non-compensation	18,515	18,030	19,479	2.7%	(4.9%)
Lease exit charge[1]	1,803	-	-	n/m	n/m
Total non-compensation	20,318	18,030	19,479	12.7%	4.3%
Total selling, general and administrative	$ 62,973	$ 53,724	$ 57,602	17.2%	9.3%
Restructuring costs	-	(1,002)	(22)	n/m	n/m
Amortization of intangibles	15,959	16,422	15,959	(2.8%)	0.0%
Depreciation and amortization	4,633	4,669	4,662	(0.8%)	(0.6%)
Total operating expenses	$ 151,915	$ 142,781	$ 151,444	6.4%	0.3%

Compensation	$ 92,407	$ 84,988	$ 93,517	8.7%	(1.2%)
Non-recurring stock-based compensation	626	1,290	192	(51.5%)	226.0%
Non-compensation expenses	34,963	36,414	37,136	(4.0%)	(5.9%)
Lease exit charge[1]	3,327	-	-	n/m	n/m
Restructuring costs	-	(1,002)	(22)	n/m	n/m
Amortization of intangibles	15,959	16,422	15,959	(2.8%)	0.0%
Depreciation and amortization	4,633	4,669	4,662	(0.8%)	(0.6%)
Total operating expenses	$ 151,915	$ 142,781	$ 151,444	6.4%	0.3%

[1]The third quarter 2012 included $3.3 million associated with a lease exit charge resulting from the consolidation of our New York offices.