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with objective insight

Second Quarter 2014 Earnings Presentation

July 31, 2014

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 risks 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, 2013 and its other reports filed with the SEC. Any forward-looking statements included in this presentation reflect 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, except as required by law.

▪ Other Information

- Percentage changes and totals in this presentation may not sum due to rounding.
- Percentage changes are referenced to the comparable period in 2013, unless otherwise noted.
- Total sales include recurring subscription sales and non-recurring sales.
- Definitions of Run Rate and Retention Rate provided on page 15.
- Due to the Institutional Shareholder Services Inc. sale, results of our former Governance business are now reflected as discontinued operations in the financial statements of MSCI in the current quarter and for prior periods. The operating metrics for prior periods have also been updated to exclude the Governance business.
- We have historically reported the financial results and operating metrics for Energy and Commodity products on a standalone basis. Beginning with Q1'14, these results and metrics have been included in the risk management and analytics products. Prior periods have been updated accordingly.

Summary of Second Quarter 2014 Financial Results

■ Summary Financial Results

- Operating revenues increased 11% to \$254 million
- Income from continuing operations increased 1% to \$57 million
- Net Income rose 76% to \$108 million
- Adjusted EBITDA¹ was essentially unchanged from first quarter at \$106 million
- Diluted EPS from continuing operations increased \$0.02 to \$0.48 and Adjusted EPS² increased \$0.03 to \$0.55

■ Strong Operating Results

- Run Rate grew 12% to \$987 million – subscription Run Rate grew 8%
- Retention rates rose to 93%
- Positive Run Rate growth in all three product lines

■ Investment Plan Well Underway

- Total Adjusted EBITDA expenses³ rose 21% to \$148 million
- Additional investments planned for 2014 and 2015

■ Completed sale of ISS for net cash proceeds of \$363 million

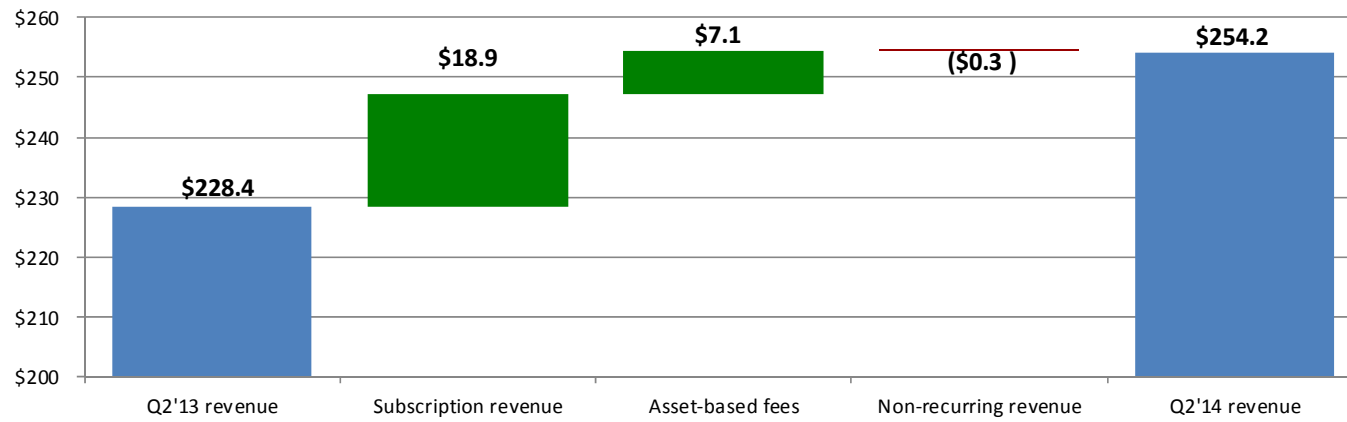
- Net gain of \$79 million in H1'14, of which \$48 million was recorded in Q2'14

¹ Net income before income from discontinued operations, net of income taxes, provision for income taxes, other expense (income), net, depreciation and amortization, and the lease exit charge. Please see page 17 for reconciliation. ² Adjusted EPS is calculated as diluted EPS before income from discontinued operations, net of income taxes, and the after-tax impact of the amortization of intangible assets and the lease exit charge. Please see page 16 for reconciliation. ³ Adjusted EBITDA expenses represent operating expenses, less depreciation and amortization and the lease exit charge. Please see page 18 for a reconciliation.

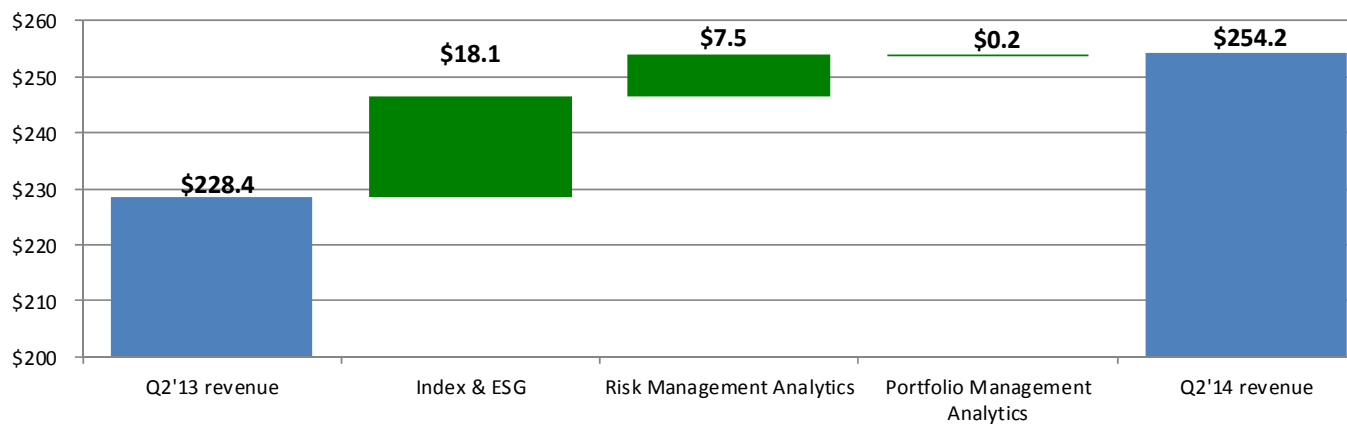
Breakdown of Q2'13 vs Q2'14 Revenue Growth

(Dollars in millions)

Year-over-Year Change in Revenues by Type



Year-over-Year Change in Revenues by Product

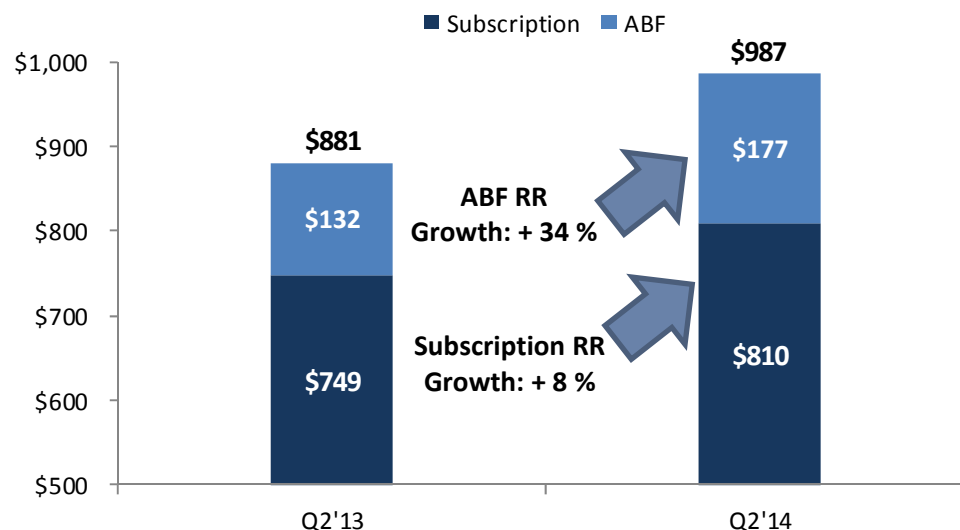


Summary of Second Quarter 2014 Operating Metrics

(Dollars in millions)

- Run Rate grew YoY by **12%** to **\$987 million**
 - Subscription Run Rate grew by 8%
 - Asset-based fee Run Rate growth of 34%
 - \$7 million currency benefit YoY but minimal sequential impact
- Total sales of \$35 million, **up 5%**
 - Sales growth in Index and ESG and PMA offset decline in RMA
- Recurring subscription sales **up 6%** from Q2'13
- Aggregate retention rate **improved to 93%** in Q2'14
 - Gains in PMA retention rate drove the increase

MSCI Total Run Rate



Total Sales and Retention

	Q2'13	Q2'14	% Chg	H1'13	H1'14	% Chg
Recurring Subscription Sales	\$ 28	\$ 29	6%	\$ 53	\$ 60	12%
Non-Recurring Sales	6	6	-1%	11	10	-3%
Total Sales	\$ 33	\$ 35	5%	\$ 64	\$ 70	9%
Aggregate Retention	92%	93%	1%	92%	93%	1%



Index and ESG Products

(Dollars in millions)

Second Quarter Highlights:

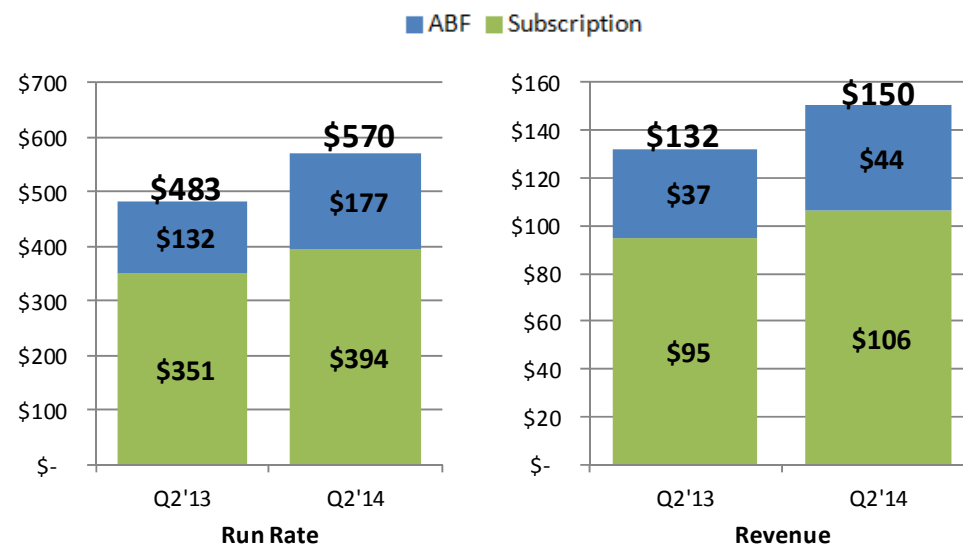
- Revenues grew **14%** to **\$150 million**
 - Subscription revenues grew by 12%
 - Seasonally strong revenues from real estate products – expected to decline in Q3'14

- Run Rate grew by **18% YoY** to **\$570 million**
 - Subscription Run Rate grew by **12%**
 - Asset-based fee Run Rate rose **34%**
 - ESG growth continues to be strong
 - Growth consistent across regions

- Total sales growth of **14%**
 - Driven by index benchmark products

- Aggregate Retention Rate strong at **94%** in Q2'14

Index and ESG Run Rate and Revenues



Index and ESG Sales and Retention

	Q2'13	Q2'14	% Chg	H1'13	H1'14	% Chg
Total Sales	\$18	\$21	14%	\$35	\$40	14%
Aggregate Retention	94%	94%	0%	95%	95%	0%

Asset-Based Fees

Second Quarter Highlights:

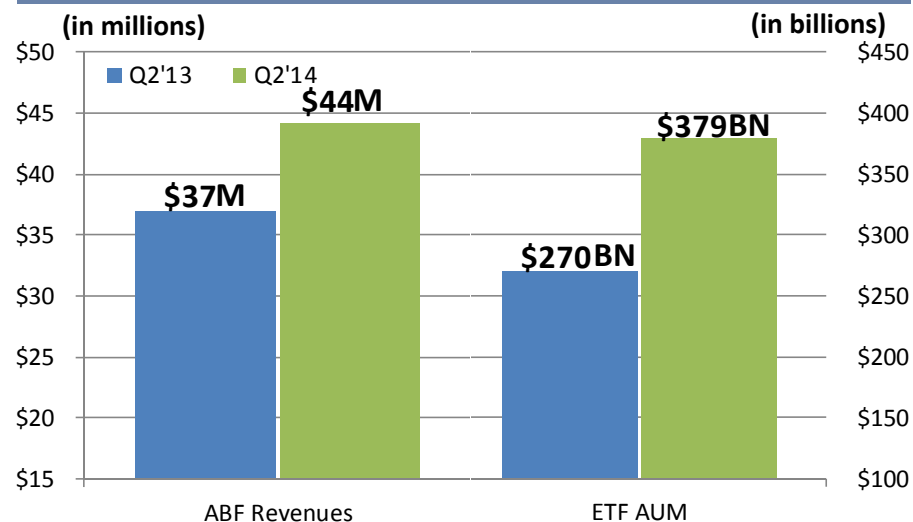
- Revenues grew **19%** to **\$44 million**
 - Benefited from strong inflows into ETFs and increases in non-ETF passive funds

- Asset-based fee Run Rate rose **34%** to **\$177 million**, and rose **9%** from Q1'14
 - 3.5 average basis point fee at quarter-end

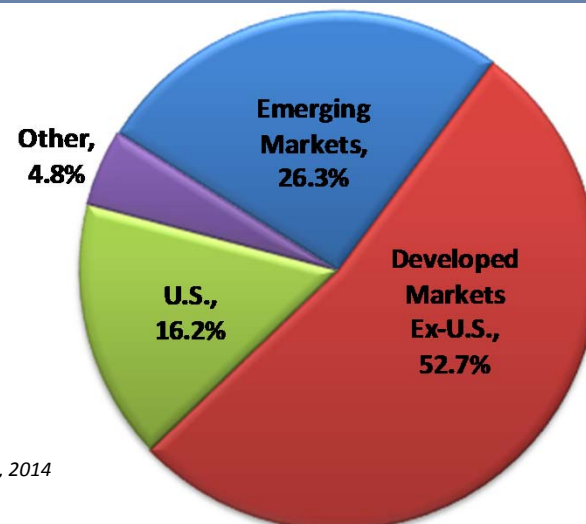
- Total ETF AUM increased by 40% to **\$379 billion** at the end of Q2'14
 - \$109 billion change comprised of inflows of **\$61 billion** and market appreciation of \$48 billion

- **75** ETFs¹ based on MSCI indexes launched in H1'14
 - Greater than one third of total industry launches
 - **31** new launches in Q2'14

ABF Revenues versus ETF AUM



MSCI-Linked ETF AUM by Market Exposure



AUM of \$379 billion as of June 30, 2014
Source: Bloomberg



¹ Defined as each share class of an exchange traded fund, as identified by a separate Bloomberg ticker. Only primary listings, and not cross-listings are counted.

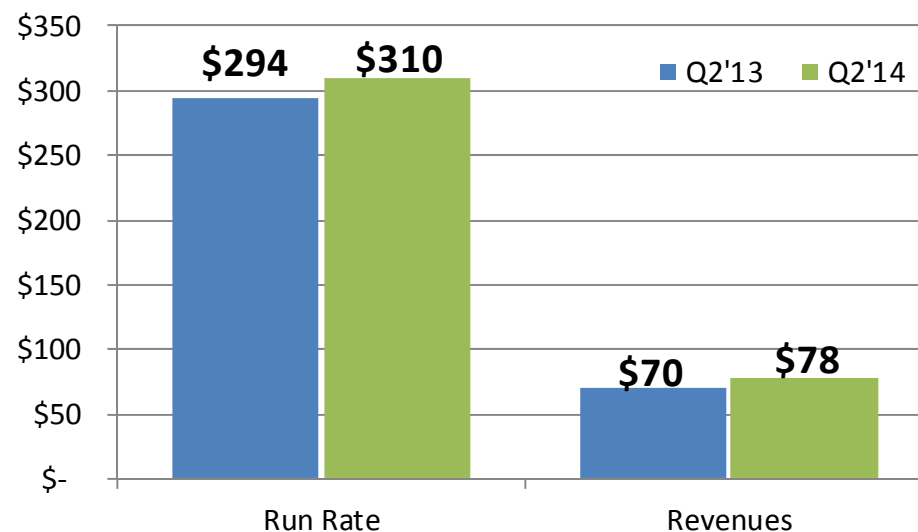
Risk Management Analytics

(Dollars in millions)

Second Quarter Highlights:

- Revenues grew by **11%** to **\$78 million**
 - Revenue growth aided by timing of new contract implementations
- Run Rate grew by **5% YoY** to **\$310 million**
 - Growth strongest with asset owners and asset managers
- Total sales of **\$10 million** in Q2'14, down **18%** from Q2'13
 - Total sales up slightly for H1'14
- Aggregate Retention Rate remained strong at **92%** for Q2'14

Risk Management Analytics Run Rate and Revenues



Risk Management Analytics Sales and Retention

	Q2'13	Q2'14	% Chg	H1'13	H1'14	% Chg
Total Sales	\$12	\$10	-18%	\$23	\$23	1%
Aggregate Retention	92%	92%	0%	93%	91%	-2%

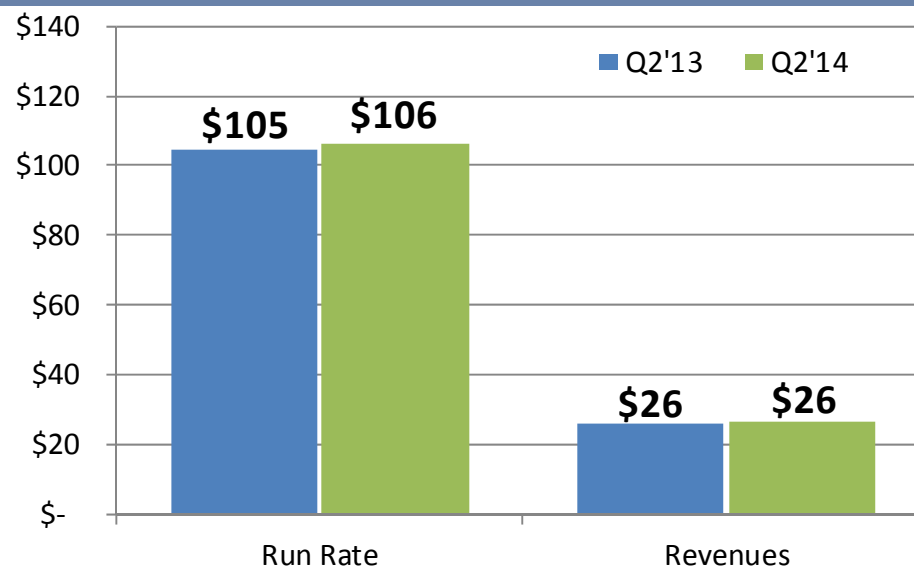
Portfolio Management Analytics

(Dollars in millions)

Second Quarter Highlights:

- Revenues grew **1%** to **\$26 million**
- Run Rate grew by **2% YoY** to **\$106 million**
- Total sales of **\$4 million**, up **44%** from prior year
 - Strongest sales quarter since 2011
 - New products driving sales growth
- Aggregate Retention Rate improved to **95%** in Q2'14 from **87%**
 - Highest quarterly retention rate on record
 - Driven by enhancements to legacy products, increasing pipeline of new products and increased focus on service

Portfolio Management Analytics Run Rate and Revenues



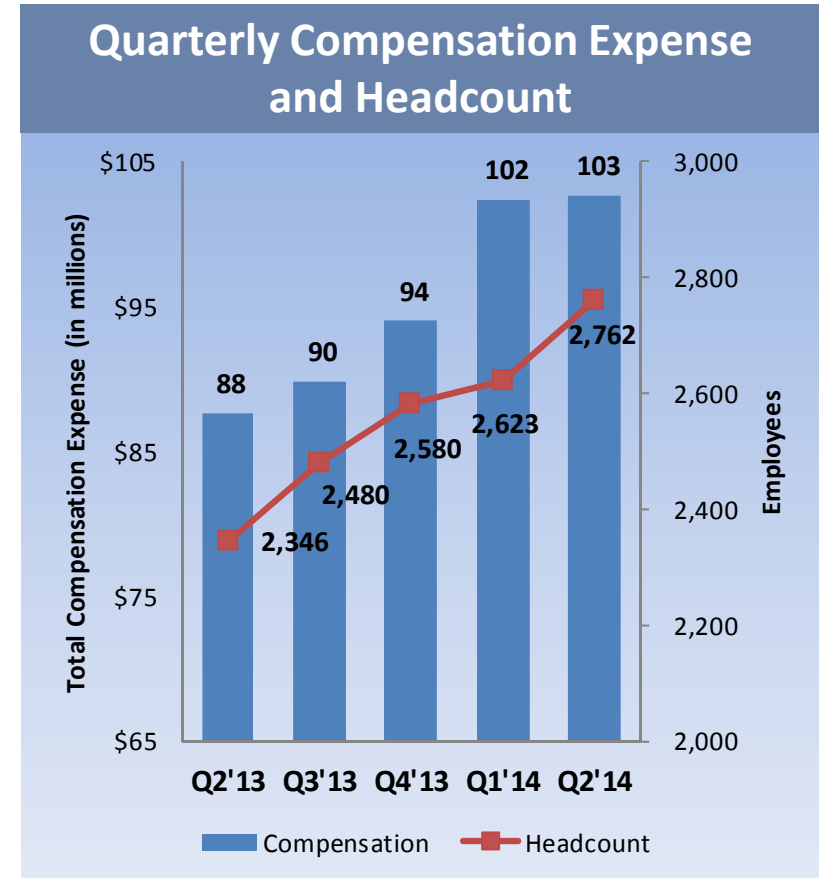
Portfolio Management Analytics Sales and Retention

	Q2'13	Q2'14	% Chg	H1'13	H1'14	% Chg
Total Sales	\$3	\$4	44%	\$6	\$7	15%
Aggregate Retention	87%	95%	9%	84%	93%	11%
Core Retention	88%	96%	9%	85%	95%	12%

Compensation Expense

(Dollars in millions)

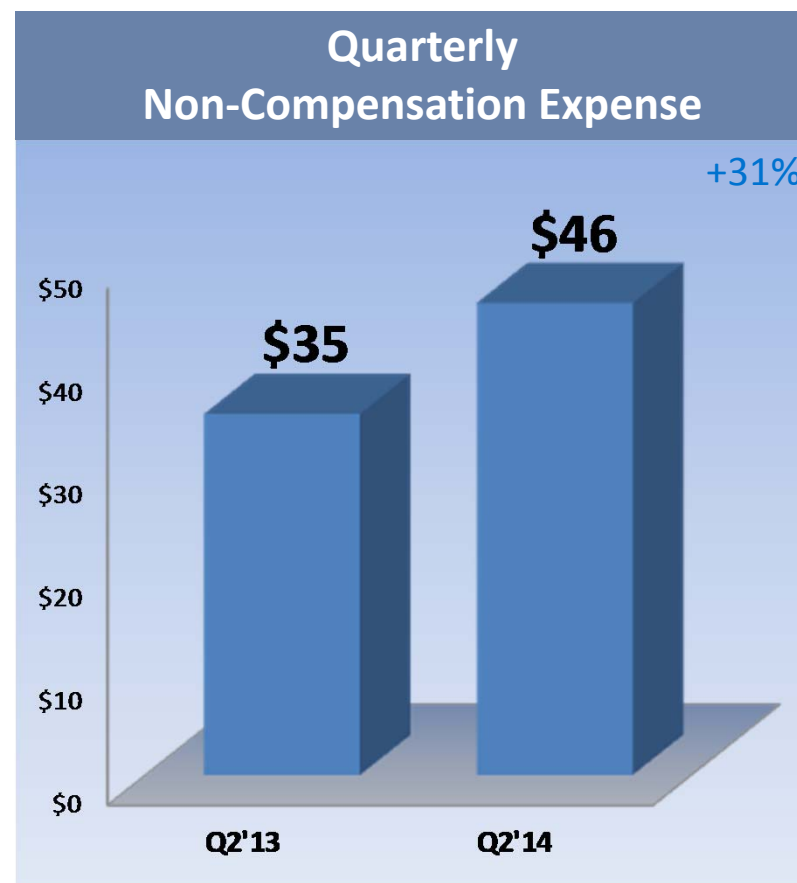
- Higher compensation expense driven by higher headcount
 - Headcount rose **18%** versus Q2'13 to 2,762
 - Headcount rose **5%** versus Q1'14
- Continued growth in number of employees in lower cost emerging markets
 - EMC % rose to **49%** from **43%** in Q2'13
- Additional hiring planned for second half 2014 and 2015



Non-Compensation Expense

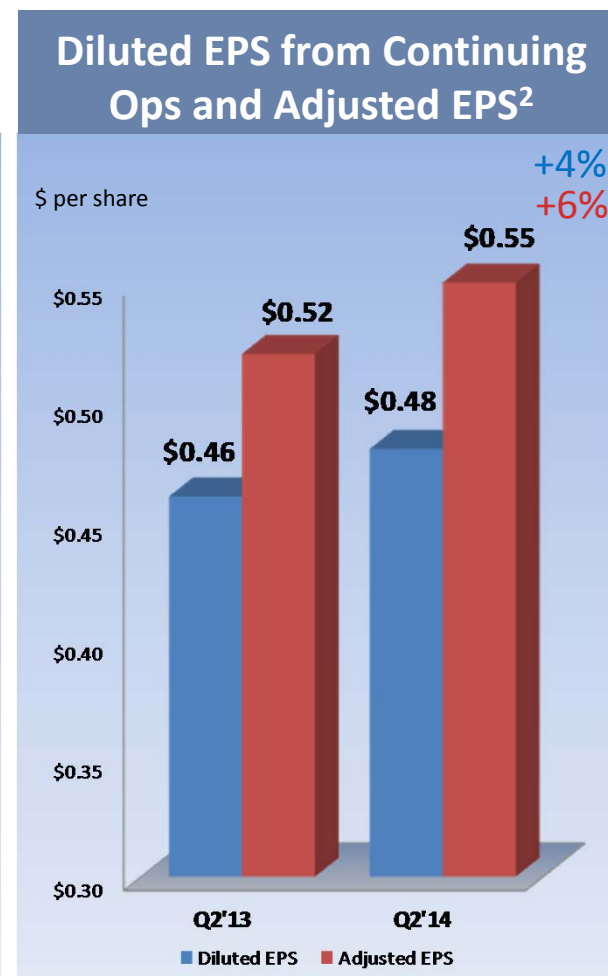
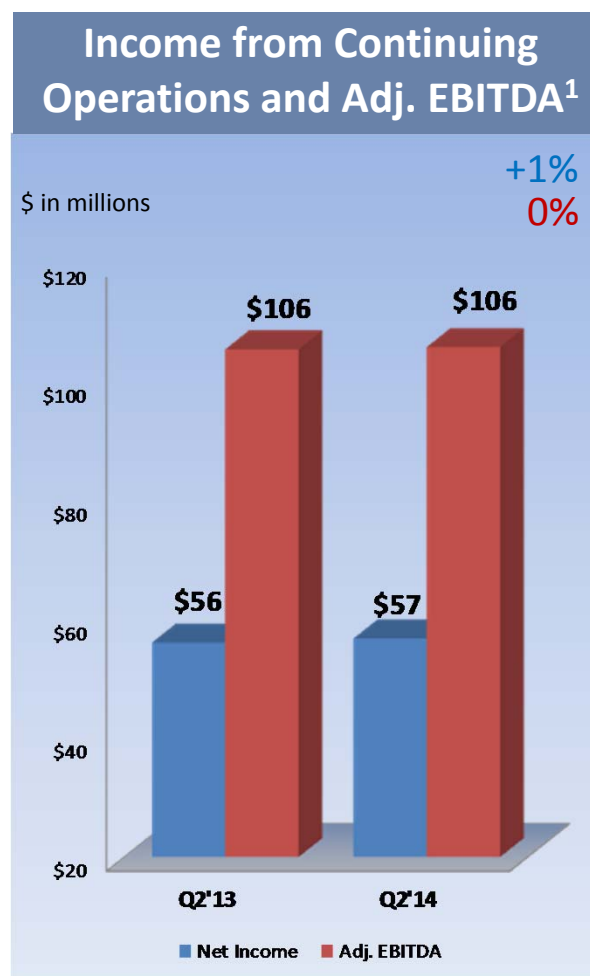
(Dollars in millions)

- Non-Compensation expense rose **31%** YoY
- Increase in IT expenses linked to investment program
 - IT costs increased to support additional functionality and storage capacity
- Higher occupancy costs driven by additional headcount
- Professional services and recruiting costs also contributed to the increase



Summary of Profitability Metrics from Continuing Operations

- Income from continuing operations increased 1%
- Diluted EPS from continuing operations increased 4% to \$0.48
- Net Income rose 76% to \$108 million
- Adjusted EBITDA¹ remained constant at \$106 million
- Adjusted EPS² increased 6% to \$0.55
- Q2'14 tax rate from continuing operations of 32.4%
- 4% decrease in diluted weighted average shares outstanding



⁽¹⁾ Net income before income from discontinued operations, net of income taxes, provision for income taxes, other expense (income), net, depreciation and amortization and the lease exit charge. Please see page 17 for reconciliation.

⁽²⁾ Adjusted EPS is calculated as diluted EPS before income from discontinued operations, net of income taxes, and the after-tax impact of the amortization of intangible assets and the lease exit charge. Please see page 16 for reconciliation.

Select Balance Sheet and Cash Flow Items

(Dollars in millions)

	As of	
	June 30, 2014	December 31, 2013
Total cash and cash equivalents	\$683	\$358
Current maturities of long-term debt	\$20	\$20
Long-term debt, net of current maturities	\$778	\$788
Total	\$798	\$808

	Q2'14	H1'14
Net Cash from Operations	\$69	\$94
Select Non-Operating Cash Inflows / (Outflows)		
Proceeds from ISS sale, net of \$5 million of cash provided	\$363	\$363
Capital expenditures (including software development costs)	(\$12)	(\$22)
Debt repayment	(\$5)	(\$10)

Key Guidance Updated

- 2014 Adjusted EBITDA expenses¹ projected to be in the range of \$595-\$605 million
- Cash Flow from Operations projected to be \$275-\$325 million in 2014
- 2014 Capital expenditures projected to be \$50-\$55 million
- Full Year 2014 tax rate expected to be in the range of 36%

¹ Adjusted EBITDA expenses represent operating expenses, less depreciation and amortization and the lease exit charge. Please see page 18 for a reconciliation.

Use of Non-GAAP Financial Measures and Operating Metrics

- 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 income from discontinued operations, net of income taxes, provision for income taxes, other expense (income), net, depreciation and amortization and the lease exit charge.
- 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 provision for amortization of intangible assets and the lease exit charge.
- Adjusted EBITDA expenses represent operating expenses, less depreciation and amortization and the lease exit charge.
- We believe that adjusting for 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. Additionally, we believe that adjusting for income from discontinued operations, net of income tax, provides investors with a meaningful trend of results for our continuing operations. Finally, we believe that adjusting for one time and non-recurring expenses such as the lease exit charge is useful to management and investors because it allows for an evaluation of MSCI's underlying operating performance. We believe that the non-GAAP financial measures presented in this earnings presentation facilitate meaningful period-to-period comparisons and provide a baseline for the evaluation of future results.
- Adjusted EBITDA, Adjusted EBITDA expenses, 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.
- The Run Rate at a particular point in time represents the forward-looking revenues for the next 12 months from all subscriptions and investment product licenses we currently 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 ETF fees, the market value on the last trading day of the period, and for non-ETF funds and futures and options, the most recent periodic fee earned 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.
- The Aggregate Retention Rates for a period are calculated by annualizing the cancellations for which we have received a notice of termination or 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. For the calculation of the Core Retention Rate, the same methodology is used except the cancellations in the period are reduced by the amount of product swaps.

Reconciliation to Adjusted Net Income and Adjusted EPS

In thousands, except per share data	Three Months Ended			Six Months Ended	
	June 30, 2014	June 30, 2013	March 31, 2014	June 30, 2014	June 30, 2013
Net Income	\$ 107,660	\$ 61,053	\$ 80,399	\$ 188,059	\$ 119,990
Less: Income from discontinued operations, net of income taxes	\$ (50,857)	\$ (4,912)	\$ (33,253)	\$ (84,110)	\$ (10,891)
Income from continuing operations	\$ 56,803	\$ 56,141	\$ 47,146	\$ 103,949	\$ 109,099
Plus: Amortization of intangible assets	11,442	11,222	11,270	22,712	22,388
Plus: Lease exit charge	-	(365)	-	-	(365)
Less: Income tax effect	(3,689)	(3,629)	(4,044)	(7,733)	(6,825)
Adjusted net income	\$ 64,556	\$ 63,369	\$ 54,372	\$ 118,928	\$ 124,297
Diluted EPS	\$ 0.91	\$ 0.50	\$ 0.68	\$ 1.59	\$ 0.98
Less: Earnings per diluted common share from discontinued operations	(0.43)	(0.04)	(0.28)	(0.71)	(0.09)
Earnings per diluted common share from continuing operations	0.48	0.46	0.40	0.88	0.89
Plus: Amortization of intangible assets	0.10	0.09	0.09	0.19	0.18
Plus: Lease exit charge	-	-	-	-	-
Less: Income tax effect	(0.03)	(0.03)	(0.03)	(0.06)	(0.05)
Adjusted EPS	\$ 0.55	\$ 0.52	\$ 0.46	\$ 1.01	\$ 1.02

Reconciliation to Adjusted EBITDA

In thousands	Three Months Ended			Six Months Ended	
	June 30, 2014	June 30, 2013	March 31, 2014	June 30, 2014	June 30, 2013
Net Income	\$ 107,660	\$ 61,053	\$ 80,399	\$ 188,059	\$ 119,990
Less: Income from discontinued operations, net of income taxes	\$ (50,857)	\$ (4,912)	\$ (33,253)	\$ (84,110)	\$ (10,891)
Income from continuing operations	\$ 56,803	\$ 56,141	\$ 47,146	\$ 103,949	\$ 109,099
Plus: Provision for income taxes	27,280	27,763	26,385	53,665	48,995
Plus: Other expense (income), net	4,448	5,985	5,974	10,422	14,686
Operating income	\$ 88,531	\$ 89,889	\$ 79,505	\$ 168,036	\$ 172,780
Plus: Depreciation and amortization of property, equipment and leasehold improvements	5,921	4,774	5,828	11,749	9,371
Plus: Amortization of intangible assets	11,442	11,222	11,270	22,712	22,388
Plus: Lease exit charge	-	(365)	-	-	(365)
Adjusted EBITDA	\$ 105,894	\$ 105,520	\$ 96,603	\$ 202,497	\$ 204,174

Reconciliation to Adjusted EBITDA Expenses

In thousands	Three Months Ended			Six Months Ended		Full Year
	June 30, 2014	June 30, 2013	March 31, 2014	June 30, 2014	June 30, 2013	2014 Outlook
Total operating expenses	\$ 165,695	\$ 138,534	\$ 160,183	\$ 325,878	\$ 275,112	\$665,000 - \$677,000
Less: Depreciation and amortization of property, equipment and leasehold improvements, and Amortization of intangible assets	17,363	15,996	17,098	34,461	31,759	70,000 - 72,000
Less: Lease exit charge	-	(365)	-	-	(365)	-
Adjusted EBITDA expenses	\$ 148,332	\$ 122,903	\$ 143,085	\$ 291,417	\$ 243,718	\$595,000 - \$605,000