

MSCI FIRST QUARTER 2015

Earnings Presentation

April 30, 2015

FORWARD-LOOKING STATEMENTS AND OTHER INFORMATION

▪ Forward-Looking Statements – Safe Harbor Statements

- This earnings presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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, 2014 filed with the Securities and Exchange Commission (“SEC”) on February 27, 2015, as amended, 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

- Percentage changes and totals in this earnings presentation may not sum due to rounding.
- Percentage changes are referenced to the comparable period in 2014, unless otherwise noted.
- Total sales include recurring Subscription sales and non-recurring sales.
- 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 also been updated to exclude the Governance business.
- Notes and definitions relating to non-GAAP financial measures and operating metrics used in this presentation, as well as definitions of Run Rate, Retention Rate and Organic Subscription Run Rate Growth ex FX, are provided on page 32.
- In this earnings presentation MSCI refers to its two primary product areas as Performance and Analytics. Performance consists of the product line previously referred to as Index, Real Estate and ESG. Analytics consists of the product lines previously referred to as Risk Management Analytics and Portfolio Management Analytics.

Q1'15 OVERVIEW¹

■ Solid Execution and Financial Performance

- 10% increase in operating revenues, 13% increase in Performance² Subscription revenues
- Margin expansion achieved in Q1'15; Adj. EBITDA margin of 41%
- 9% increase in Subscription Run Rate (excluding impact of FX)
- Continued strong Aggregate Retention Rates

■ Investment Program Update

- A leading index provider to ETF market - Record ETF AUM linked to MSCI Indexes driven by record cash inflows
- Factor indexes continue to build traction - Run Rate growth of 55%
- Strong growth in Index Subscription combined with record retention
- Sustainability related (ESG) revenue up 49% and Run Rate up 46% (including GMI)
- Reorganization of Analytics

LEADING INDICATORS OF GROWTH

KEY METRICS	Q1'15	Q1'14	Y-o-Y Growth %
<i>Drivers of Higher Performance Subscription Revenue</i>			
Policy Benchmark Mandates Won	58	54	7%
New Index Families Launched	4	1	300%
Total ESG Clients	802	593	35%
<i>Drivers of Higher Flows / Volumes Leading to Higher Revenue</i>			
MSCI-Linked Equity ETFs Launched	56	31	81%
Active & Passive Assets Tied To Factor Indexes	\$123 bil	\$95 bil	29%
MSCI-Linked ETF Period-Ending AUM ¹	\$418 bil	\$341 bil	23%
Trading Volume of Futures & Options Contracts Based on MSCI Indexes	10.1 mil	8.2 mil	23%
<i>Driver of Higher Portfolio Management Analytics Revenue</i>			
Run Rate From New Risk Models	\$23 mil	\$14 mil	64%

A LEADING INDEX PROVIDER TO ETF MARKET

MSCI indexes ranked #1 globally in Q1'15¹ among index providers:

#1 in net new assets in licensed ETFs

#1 in the number of licensed currency-hedged ETFs

#1 in the number of licensed equity ETFs launched

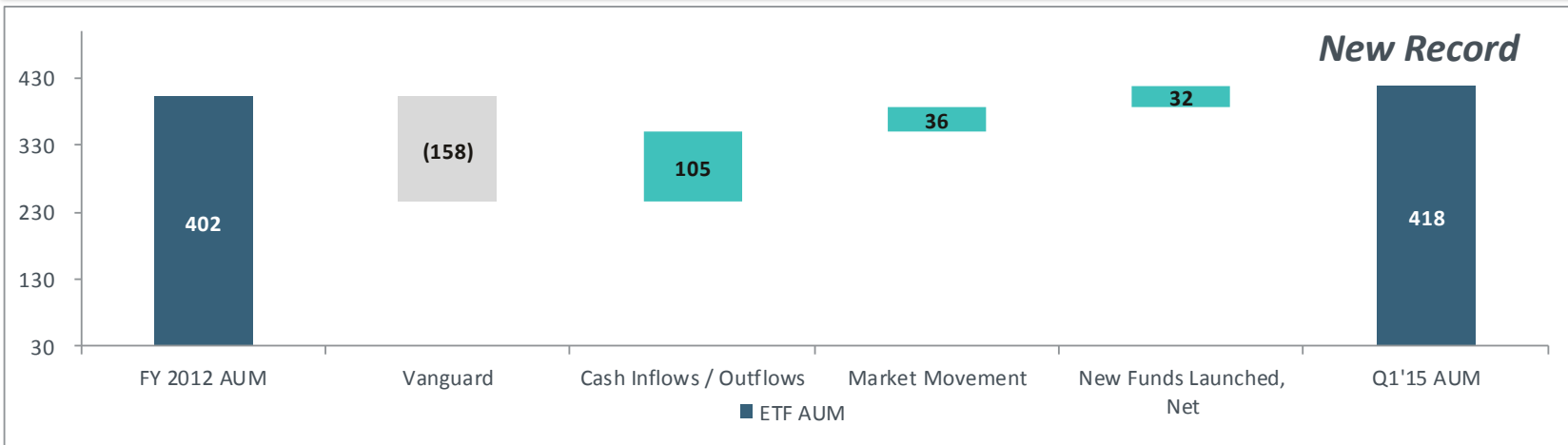
#1 in the number of licensed ETFs

MSCI

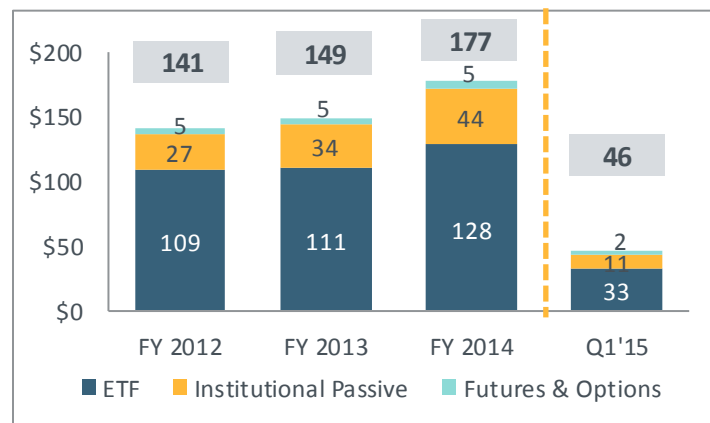


FOCUS ON GROWTH: RECORD AUM IN PRODUCTS LINKED TO MSCI INDEXES

FY 2012 – Q1'15 (US\$ bil)



ABF Revenue (US\$ mil)



Key Highlights (Q1'15):

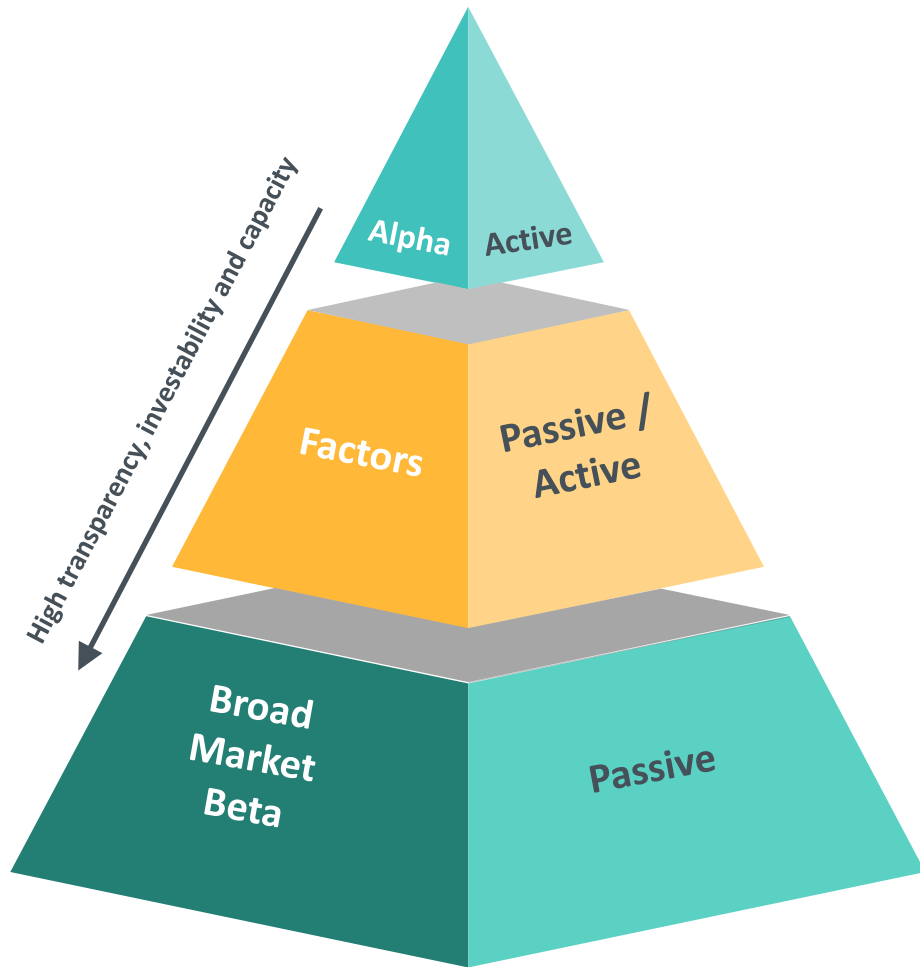
The Market

- A total of \$53 bil of net new assets flowed into equity ETFs globally in Q1'15
- Increased cash flows into international developed equity ETFs reversing the strong trend toward US equity ETFs in Q4'14

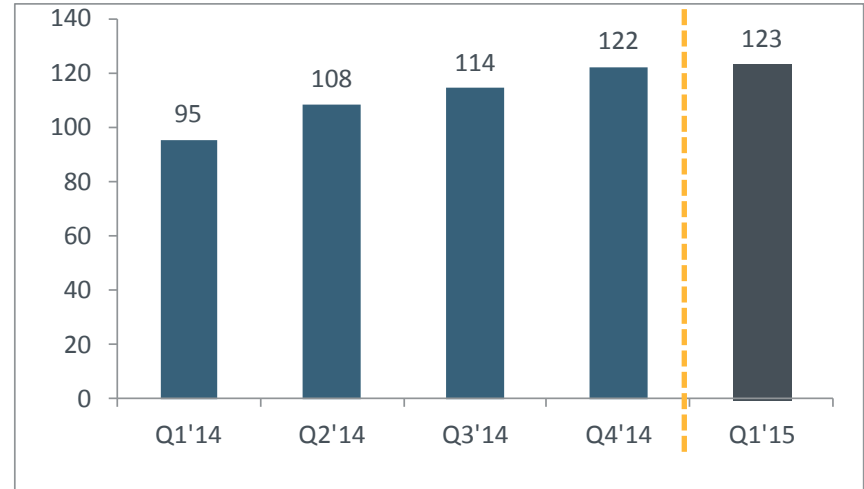
MSCI

- Record AUM in products linked to MSCI indexes; highest AUM growth among major index providers
- Highest share of cash inflows among all index providers
- Of the \$53 bil Q1'15 global inflows, MSCI's share was \$32 bil, or 60%

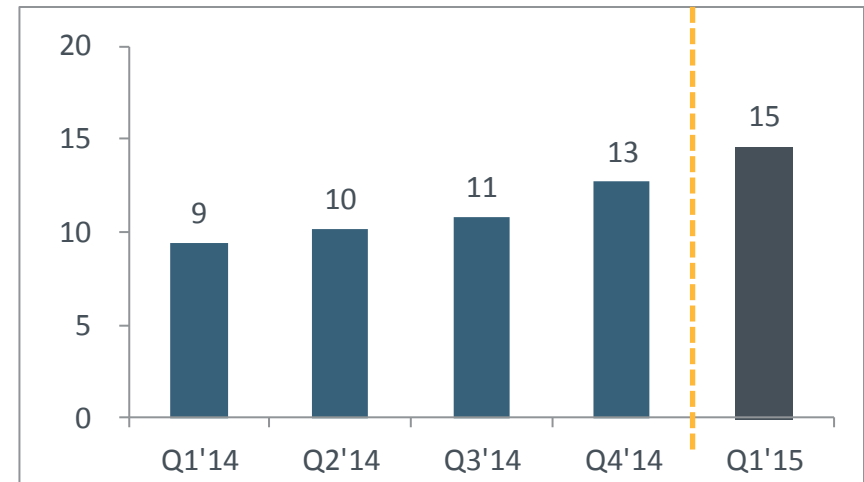
FOCUS ON GROWTH: FACTOR INDEXES



Quarterly Factor AUM Trend (US\$ bil)



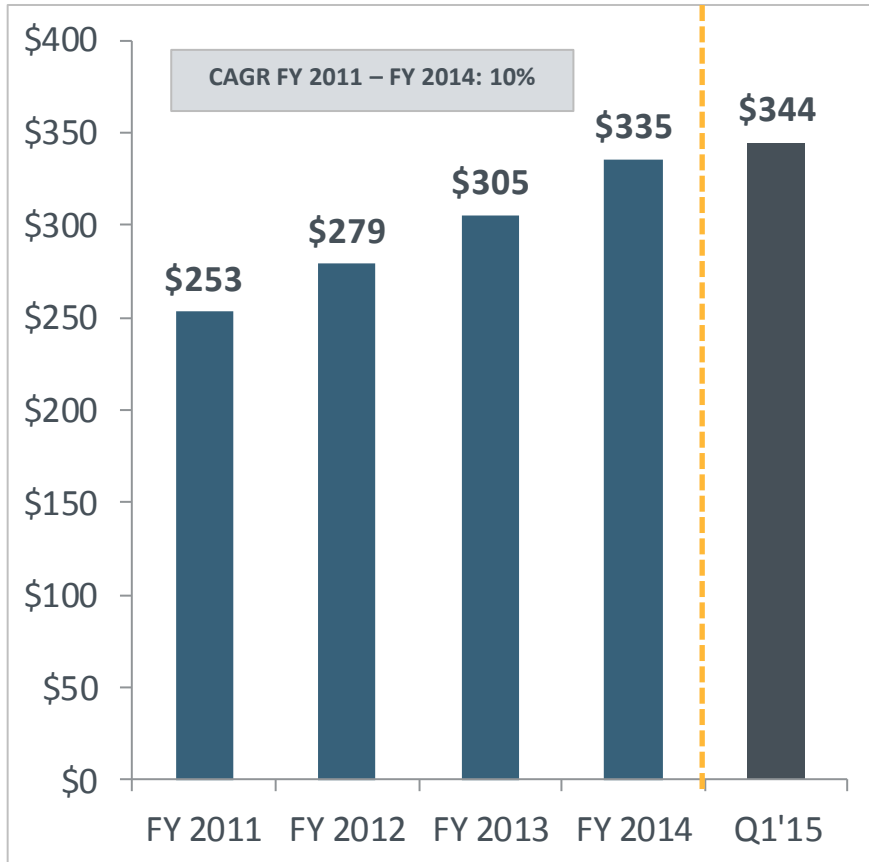
Quarterly Factor Run Rate Trend (US\$ mil)



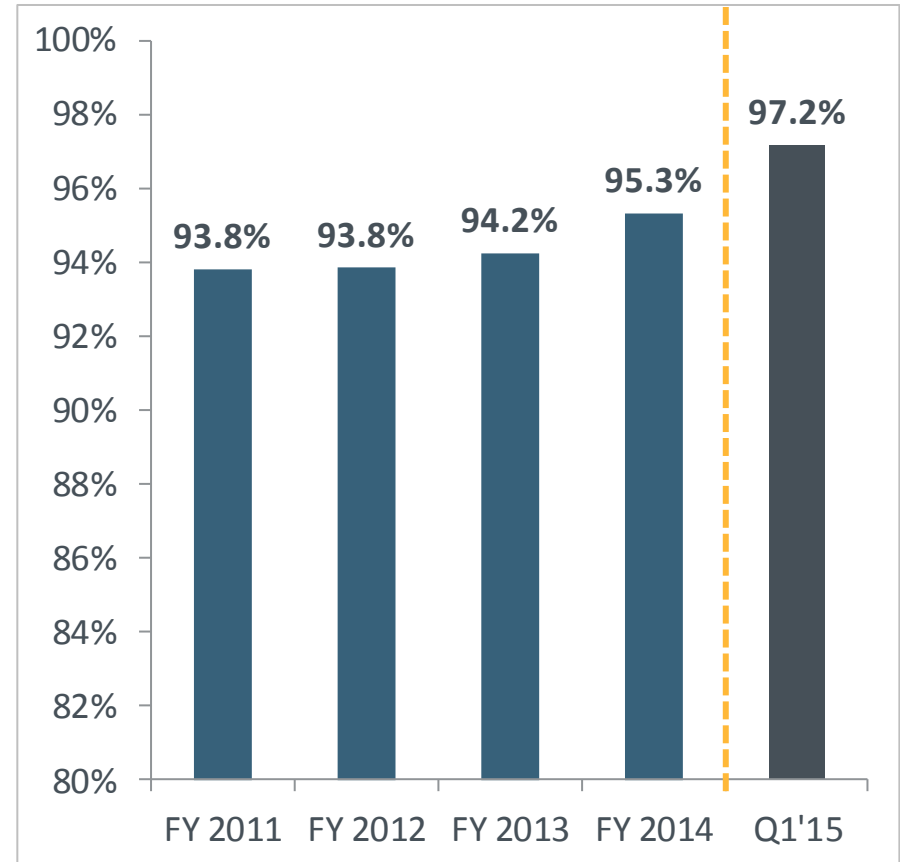
FOCUS ON GROWTH: INDEX SUBSCRIPTION

(US\$ in millions)

Growth in Index Subscription Run Rate...

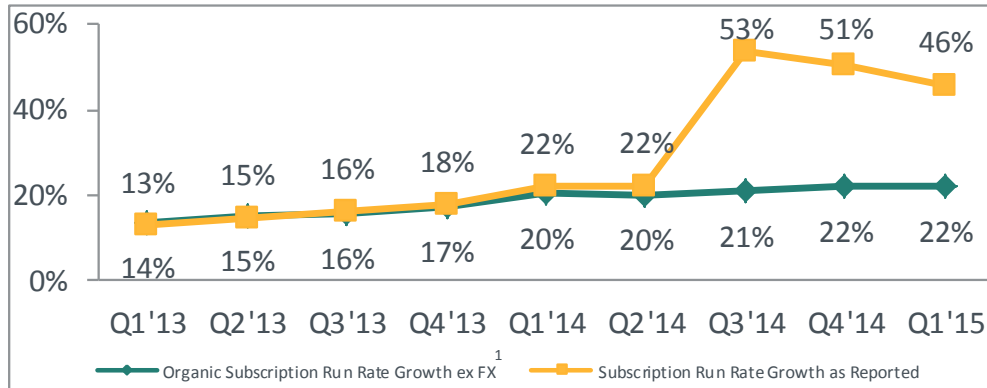


...Supported by Strong Aggregate Retention

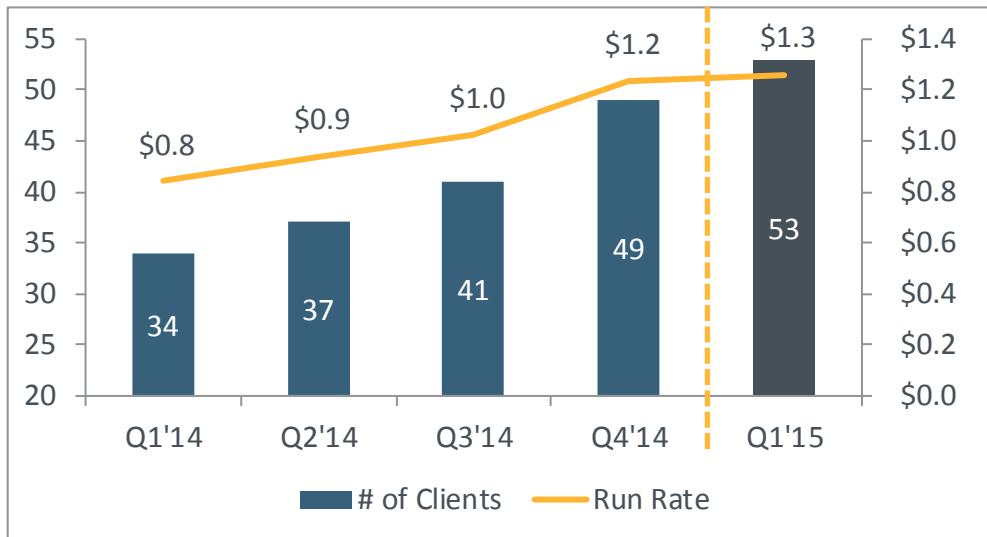


FOCUS ON GROWTH: ENVIRONMENTAL, SOCIAL, GOVERNANCE

Total ESG Y-o-Y Quarterly Subscription Run Rate Growth Trend



ESG Index Client & Run Rate Growth² (US\$ mil)



Q1'15 Highlights – ESG Research:

- **49%** growth in Subscription revenues to \$9 mil vs. Q1'14
 - **19%** organic Subscription revenue growth (ex. GMI revenues of \$1.8 mil)
- **46%** growth in Subscription Run Rate
 - **22%** organic Subscription Run Rate growth (ex. FX)

Q1'15 Highlights – ESG Index:

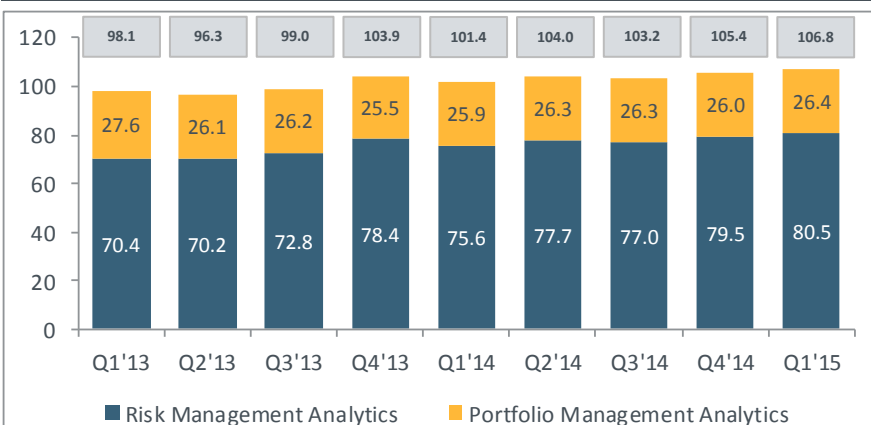
- Index leveraging ESG capabilities
- ESG Index client growth up 56% Y-o-Y and Run Rate up 50%



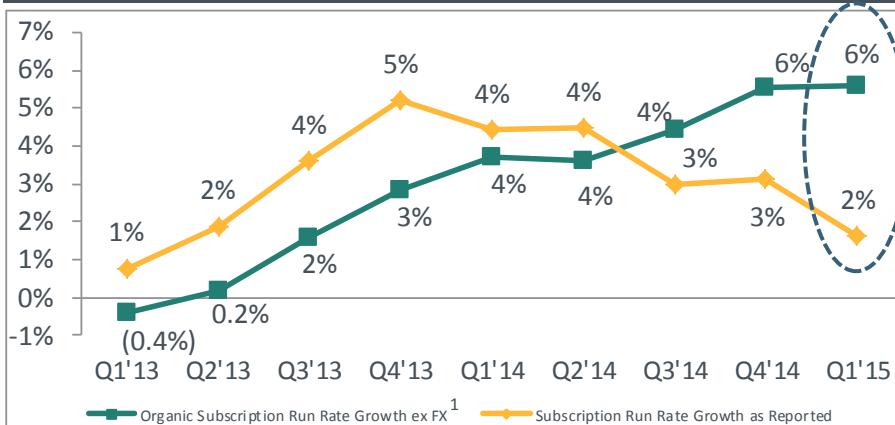
FOCUS ON GROWTH: ANALYTICS

(US\$ in millions)

Quarterly Revenue Growth (US\$ mil)



Y-o-Y Quarterly Subscription Run Rate Growth Trend



Quarterly Sales Growth & Aggregate Retention Rate Trends

	Q1'13	Q2'13	Q3'13	Q4'13	FY'13	Q1'14	Q2'14	Q3'14	Q4'14	FY'14	Q1'15
New Recurring Subscription Sales											
Risk Management Analytics	\$10.7	\$11.6	\$10.5	\$10.5	\$43.2	\$12.3	\$8.6	\$10.5	\$10.7	\$42.2	\$10.0
Portfolio Management Analytics	\$2.9	\$2.7	\$3.0	\$2.1	\$10.7	\$2.6	\$4.1	\$3.4	\$3.3	\$13.4	\$3.5
Analytics Total	\$13.5	\$14.3	\$13.5	\$12.5	\$53.9	\$14.9	\$12.7	\$13.9	\$14.0	\$55.6	\$13.5
Aggregate Retention Rate											
Risk Management Analytics	93.4%	92.2%	91.7%	85.7%	90.8%	91.0%	91.6%	94.4%	88.6%	91.4%	93.1%
Portfolio Management Analytics	81.7%	87.0%	89.1%	88.9%	86.7%	90.6%	94.8%	93.6%	93.2%	93.0%	92.2%
Analytics Total	90.1%	90.7%	91.0%	86.6%	89.6%	90.9%	92.4%	94.2%	89.7%	91.8%	92.9%

FOCUS ON GROWTH: STRONG CLIENT WINS IN ANALYTICS

Q1'15 Analytics Wins

Global Broker-Dealer Asset Manager (Asia)

Client Issue:

- Client was losing RFPs because of the lack of a solid risk management solution
- Regulatory requirement to be applied to asset managers

MSCI Risk Solution:

- RiskManager was the chosen solution

Economics:

- **Run Rate - \$1.1 mil**

Global Asset Manager (US)

Client Issue:

- Provides performance measurement & investment reporting for over 1,000 plans
- Systems internally built to accommodate growth
- Manual manipulation of data, limited ability to scale for doubling of client base

MSCI Risk Solution:

- InvestorForce was the chosen solution due to automation of data gathering & investment report generation

Economics:

- **Run Rate - \$750K**

Global Bank Asset Manager (US)

Client Issue:

- Driven by regulatory and internal risk management
- Client needed to establish systematic way to calculate metrics in order to assess counterparty risk in portfolios

MSCI Risk Solution:

- Client currently uses RiskManager for market risk and stress testing
- MSCI solution added counterparty credit to client risk framework
- Also added HedgePlatform to unit within client

Economics:

- **Run Rate - \$400K**

Sovereign Wealth Fund (Middle East)

Client Issue:

- Client with no previous relationship with MSCI
- Needed a derivative counterparty risk system

MSCI Risk Solution:

- Provided client with full solution and initial sale is beginning of deepening relationship

Economics:

- **Run Rate - \$225K**

Q1'15 FINANCIAL RESULTS

(US\$ in millions, except for EPS (actual) & shares outstanding ('000s))

SUMMARY RESULTS	Q1'15	Q1'14	Q1'15 vs. Q1'14	
			\$ Δ	% Δ
Operating Revenues	\$262.8	\$239.7	\$23.1	9.6%
Income from Cont. Ops. Before Taxes	\$77.7	\$73.5	\$4.1	5.6%
Provision for Income Taxes	\$28.0	\$26.4	\$1.7	6.3%
<i>Tax Rate</i>	36.1%	35.9%	-	22 bps
Net Income from Cont. Ops.	\$49.6	\$47.1	\$2.5	5.3%
Diluted EPS from Cont. Ops.	\$0.44	\$0.40	\$0.04	10.0%
Adj. EBITDA ¹	\$107.7	\$96.6	\$11.0	11.4%
<i>Adj. EBITDA Margin</i>	41.0%	40.3%	-	67 bps
Adj. Net Income ²	\$57.1	\$54.4	\$2.7	5.0%
Adj. EPS ³	\$0.50	\$0.46	\$0.04	8.7%
Weighted Average Diluted Shares Outstanding	113,522	118,597	(5,075)	(4.3%)

¹ Adjusted EBITDA is defined as net income before income from discontinued operations, net of income taxes, provision for income taxes, other expense (income), net, and depreciation and amortization.
Please see page 30 for reconciliation of Adjusted EBITDA as a non-GAAP measure.

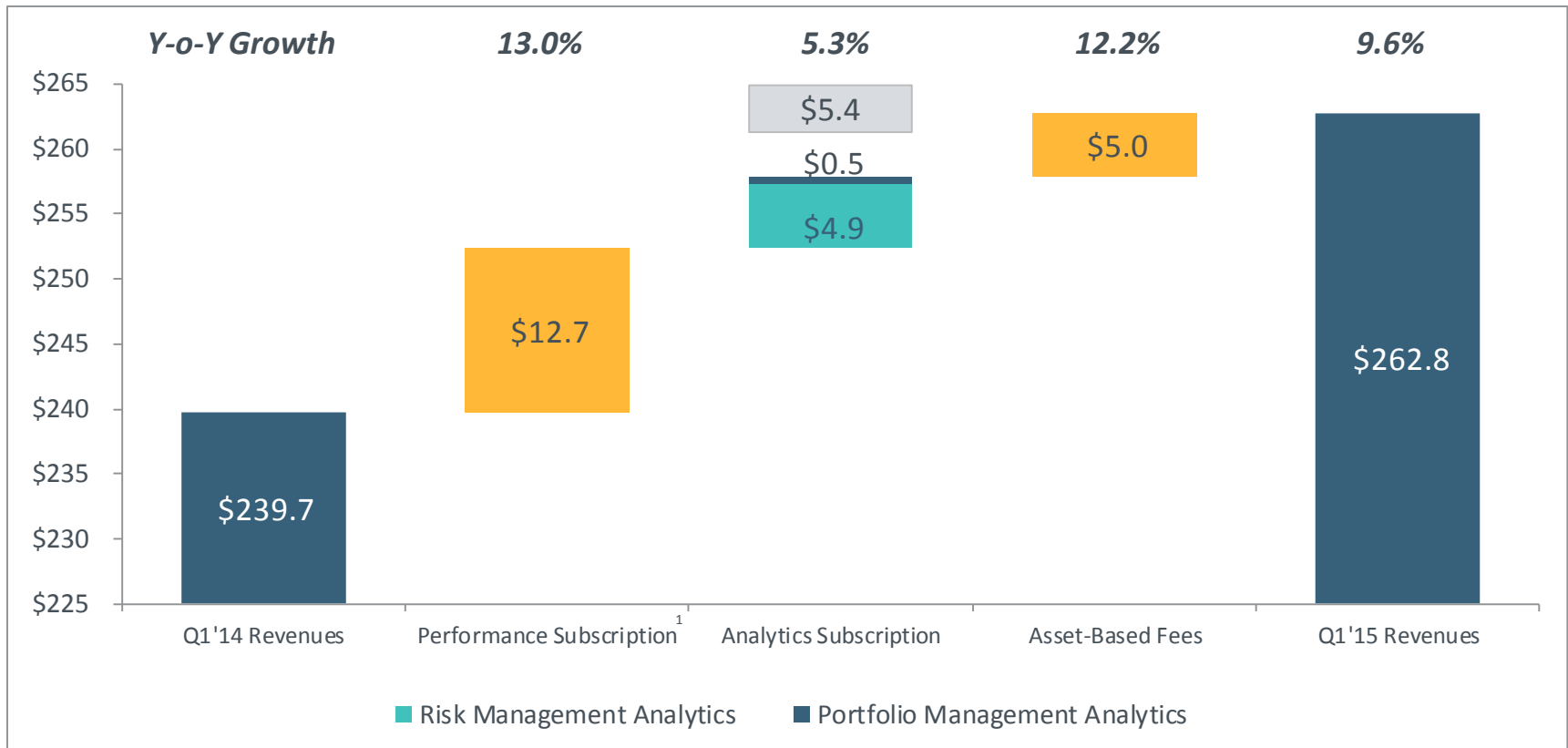
² Adjusted Net Income is defined as net income before income from discontinued operations, net of income taxes, and the after-tax impact of the provision for amortization of intangible assets and debt repayment and refinancing expenses.
Please see page 29 for reconciliation of Adjusted Net Income as a non-GAAP measure.

³ Adjusted EPS is defined as per share net income before income from discontinued operations, net of income taxes, and the after-tax impact of the provision for amortization of intangible assets and debt repayment and refinancing expenses.
Please see page 29 for reconciliation of Adjusted EPS as a non-GAAP measure.

Q1'15 VS. Q1'14 REVENUE GROWTH

(US\$ in millions)

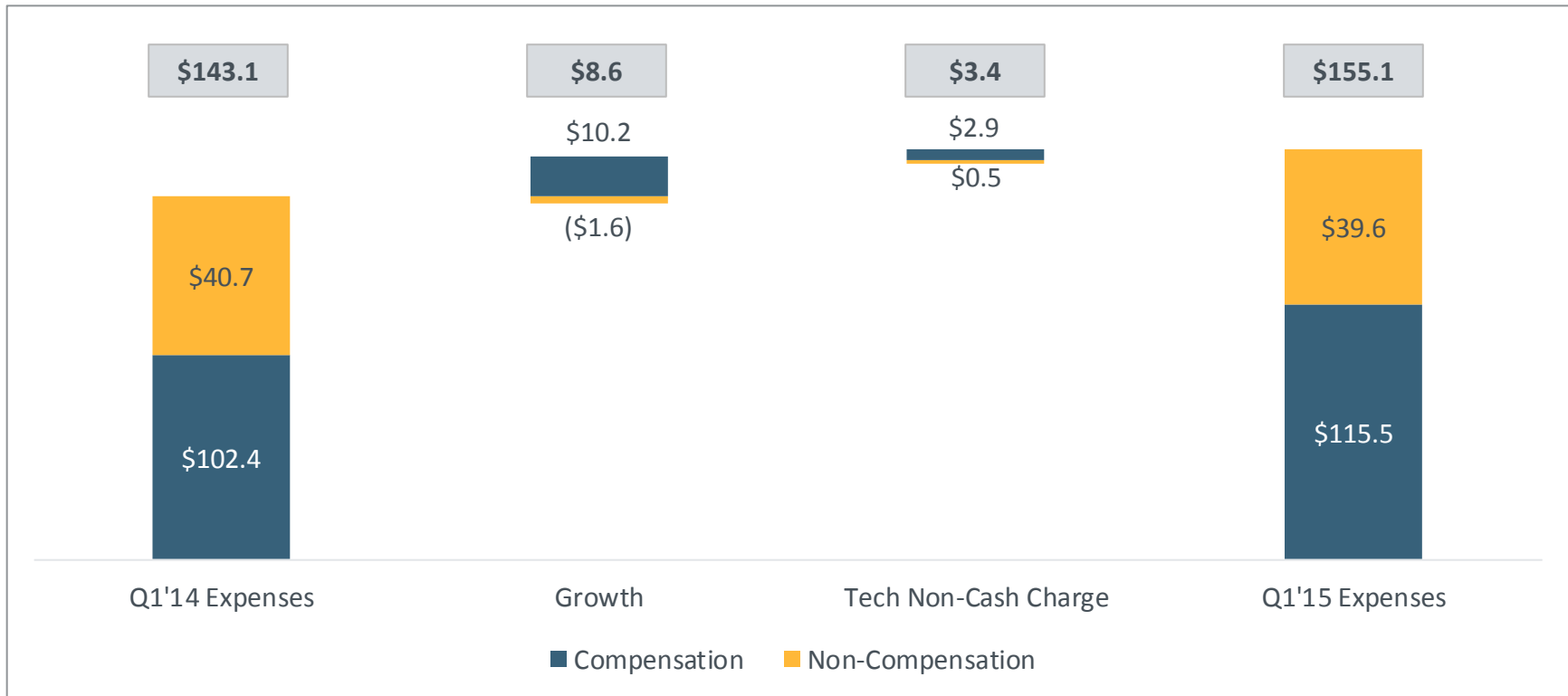
Y-o-Y Change in Operating Revenues by Product



Q1'15 ADJUSTED EBITDA EXPENSES¹

(US\$ in millions)

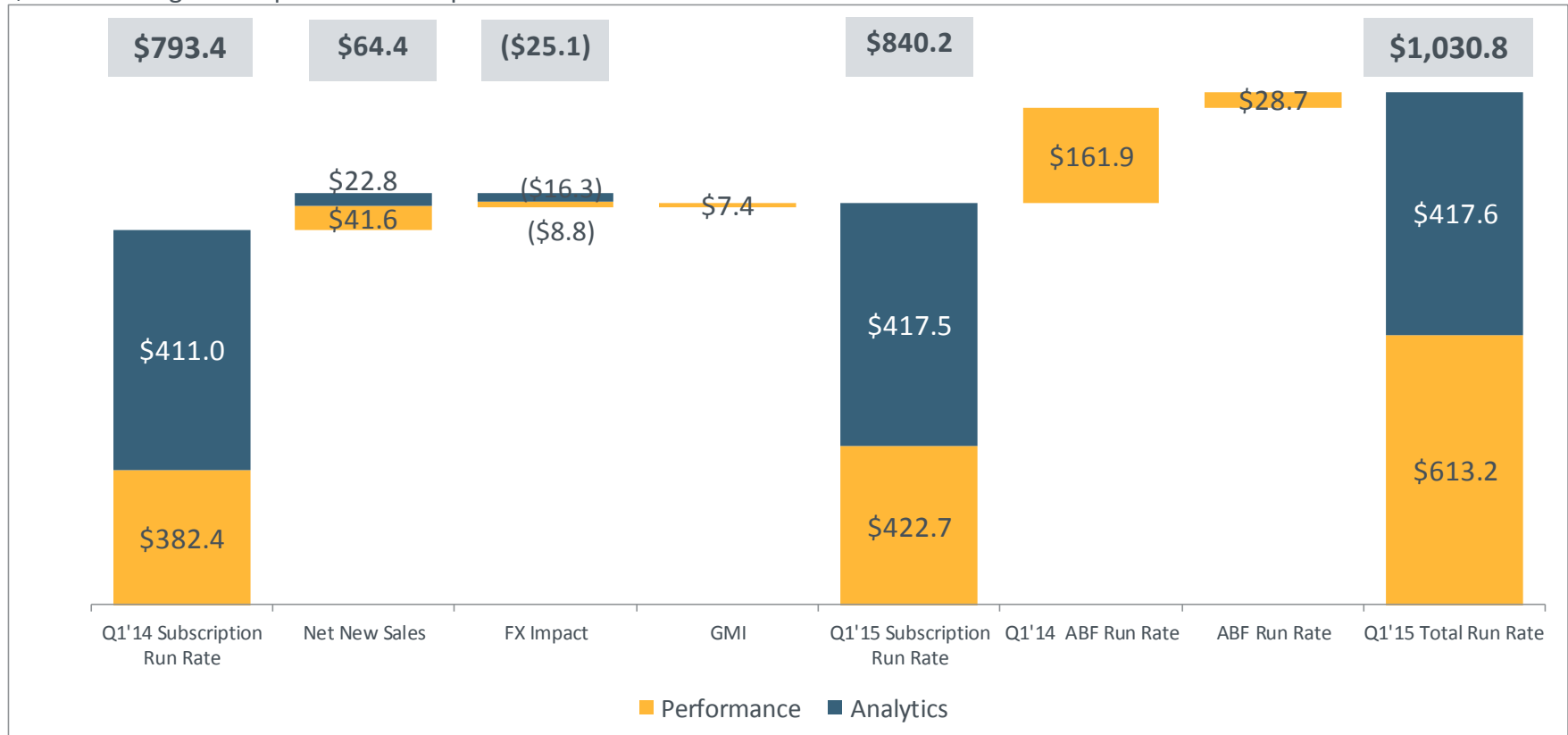
Y-o-Y Change in Adj. EBITDA Expenses¹



Q1'15 RUN RATE BRIDGE

(US\$ in millions)

- **8%** increase in Run Rate to over \$1 bil vs. Q1'14: 6% increase in Subscription Run Rate (9% ex. FX) and 18% increase in ABF Run Rate
- **17%** decrease in cancels to \$12 mil vs. Q1'14
- **9%** increase in Net New Sales to \$18 mil vs. Q1'14
- Aggregate Retention Rate increased to **94.4%** in Q1'15 from 92.8% in Q1'14
- \$25 mil FX negative impact on Subscription Run Rate



STRONG BALANCE SHEET AND LIQUIDITY

(US\$ in millions)

Key Balance Sheet Indicators as of 3/31/2015

Cash & Cash Equivalents		\$537.8
Cash & Cash Equivalents in US	\$453.9	
Cash & Cash Equivalents held outside of the US	\$83.9	
Total Debt		\$800.0
5.25% \$800 mil senior unsecured notes due 11/2024	\$800.0	
\$200 mil unsecured revolving credit facility terminating 11/2019	\$0.0	
Net Debt		\$262.2
Total Debt / Adj. EBITDA¹		1.9x
Net Debt / Adj. EBITDA¹		0.6x

- Accelerated share repurchase program (ASR) expected to be completed in May'15
- Cash flow from operations of \$66.7 mil vs. \$25.2 mil in Q1'14
- Capital expenditures of \$6.3 mil vs. \$10.1 mil in Q1'14
- Board approved Q2'15 dividend of \$0.18 per share



Q1'15 KEY TAKEAWAYS

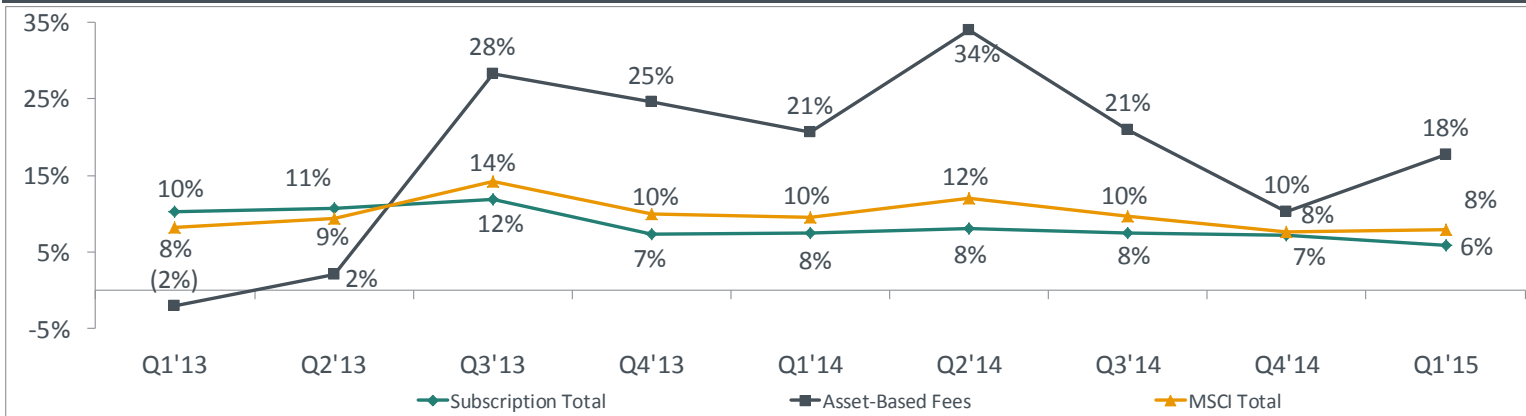
- **Solid execution and financial performance**
- **Effects of enhanced investment program driving growth**
- **Reorganization of Analytics product area designed to drive future growth**
- **Continued commitment to returning excess capital to shareholders**

SUPPLEMENTAL DISCLOSURES

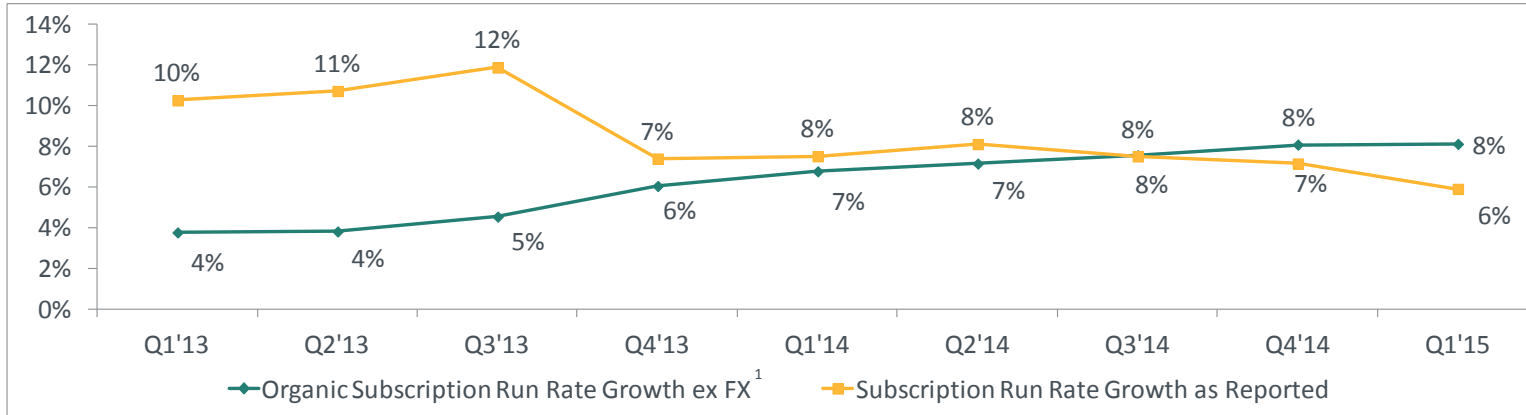
Appendix

Q1'13 – Q1'15 Y-O-Y RUN RATE GROWTH TREND

Y-o-Y Run Rate Growth as Reported (Including Impact of FX and Acquisitions)



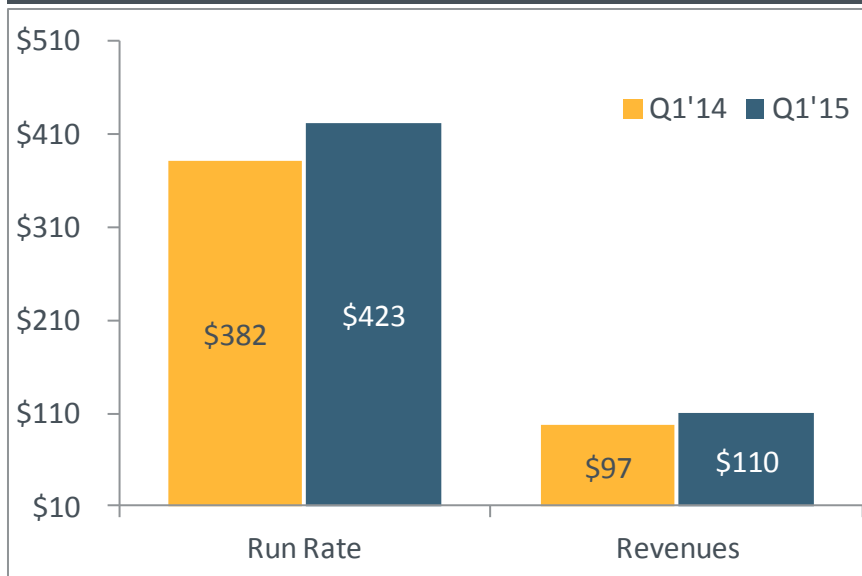
Y-o-Y Subscription Run Rate Growth as Reported vs. Growth Ex-FX Impact and Acquisitions



PERFORMANCE SUBSCRIPTION

(US\$ in millions)

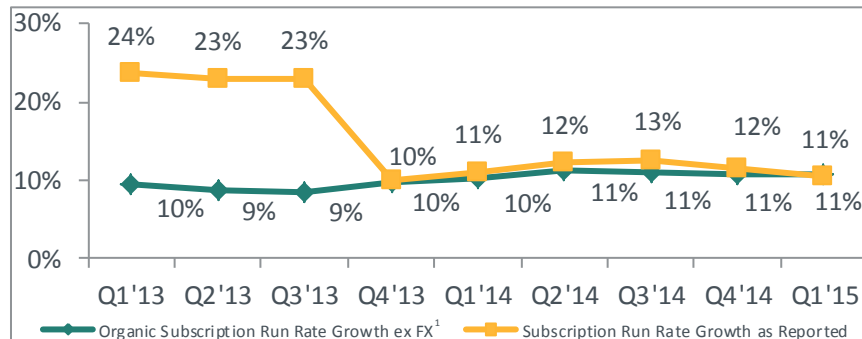
Subscription Run Rate and Revenues



Q1'15 Highlights:

- **13%** increase in Subscription revenues to \$110 mil vs. Q1'14
- **11%** organic Subscription revenue growth (ex. GMI)
- **11%** increase in Subscription Run Rate to \$423 mil vs. Q1'14
- Aggregate Retention Rate increased to **95.9%** in Q1'15

Y-o-Y Quarterly Subscription Run Rate Trend



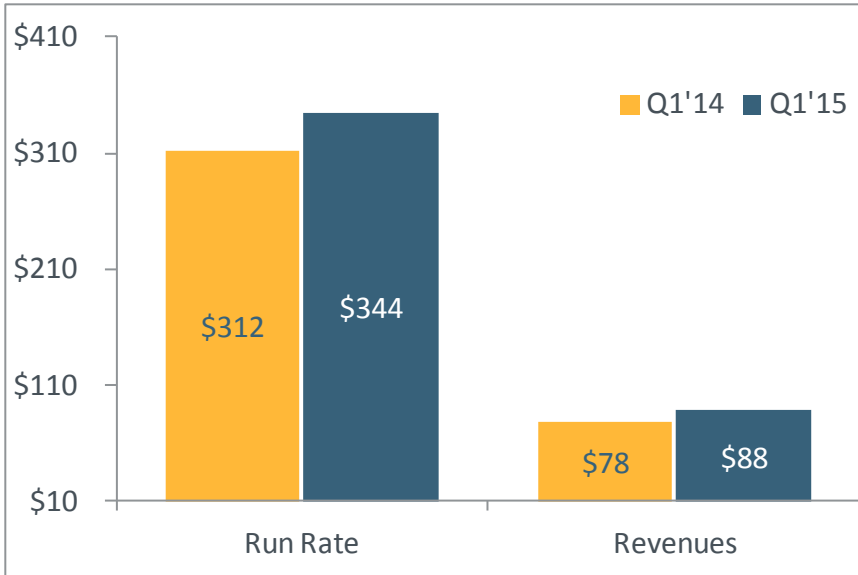
Sales, Cancels and Retention

	Q1'14	Q1'15	Growth
New Recurring Subscription Sales	15.5	16.0	3%
Subscription Cancellations	(4.8)	(4.2)	(11%)
Net New Recurring Subscription Sales	10.7	11.8	10%
Non-recurring Sales	3.6	3.2	(9%)
Aggregate Retention Rate	94.9%	95.9%	100 bps

INDEX SUBSCRIPTION

(US\$ in millions)

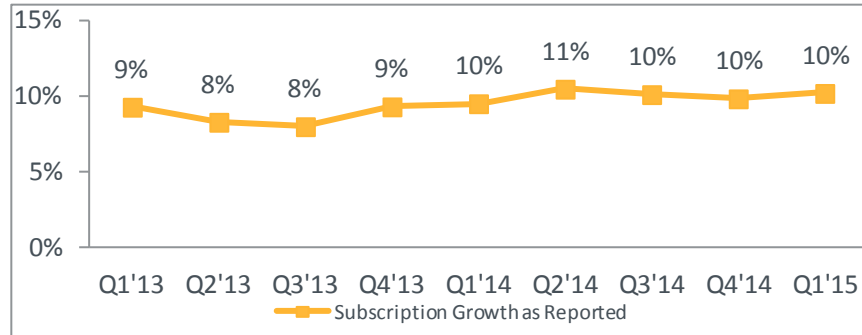
Subscription Run Rate and Revenues



Q1'15 Highlights:

- **12%** increase in Subscription revenues to \$88 mil vs. Q1'14
- **10%** increase in Subscription Run Rate to \$344 mil vs. Q1'14 (negligible FX impact)
- Aggregate Retention Rate increased to **97.2%** in Q1'15 vs. 95.4% in Q1'14

Y-o-Y Quarterly Subscription Run Rate Trend



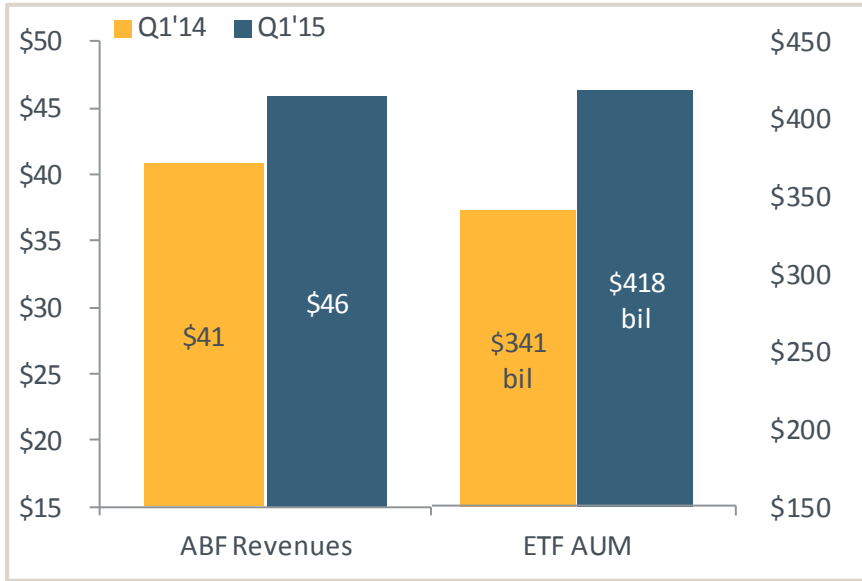
Sales, Cancels and Retention

	Q1'14	Q1'15	Growth
New Recurring Subscription Sales	10.9	11.5	6%
Subscription Cancellations	(3.5)	(2.4)	(32%)
Net New Recurring Subscription Sales	7.4	9.2	24%
Non-recurring Sales	2.1	2.3	11%
Aggregate Retention Rate	95.4%	97.2%	170 bps

INDEX: ASSET-BASED FEES

(US\$ in millions, except bps)

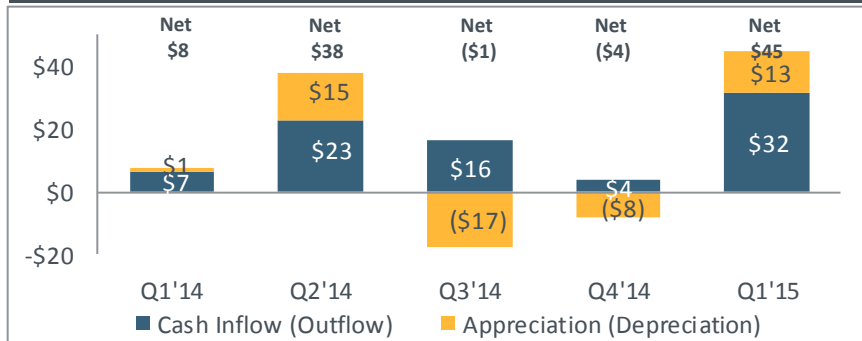
ABF Revenue vs. Period-End ETF AUM Linked to MSCI Indexes



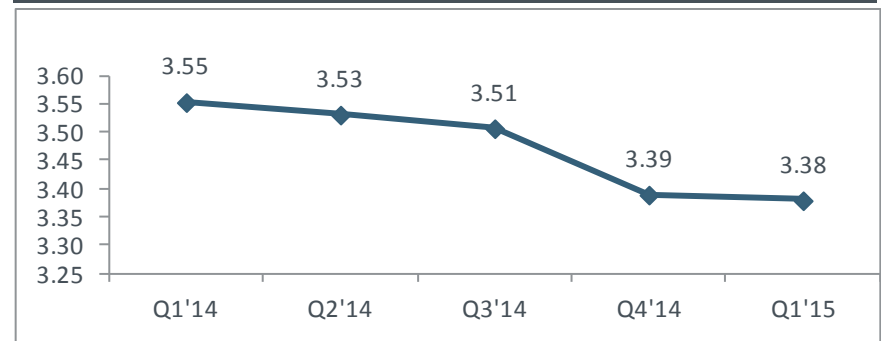
Q1'15 Highlights:

- 12% growth in revenues to \$46 mil
 - Strong inflows into ETFs linked to MSCI indexes and increases in futures and options trading volumes and non-ETF passive funds
- 18% increase in Asset-Based Fee Run Rate to \$191 mil
 - 3.38 average basis point fee at quarter-end Q1'15
- 23% increase in period-end ETF AUM linked to MSCI indexes to \$418 bil at the end of Q1'15 vs. Q1'14 driven by strong cash inflows

Quarterly Change in AUM of MSCI-Linked ETFs (US\$ bil)



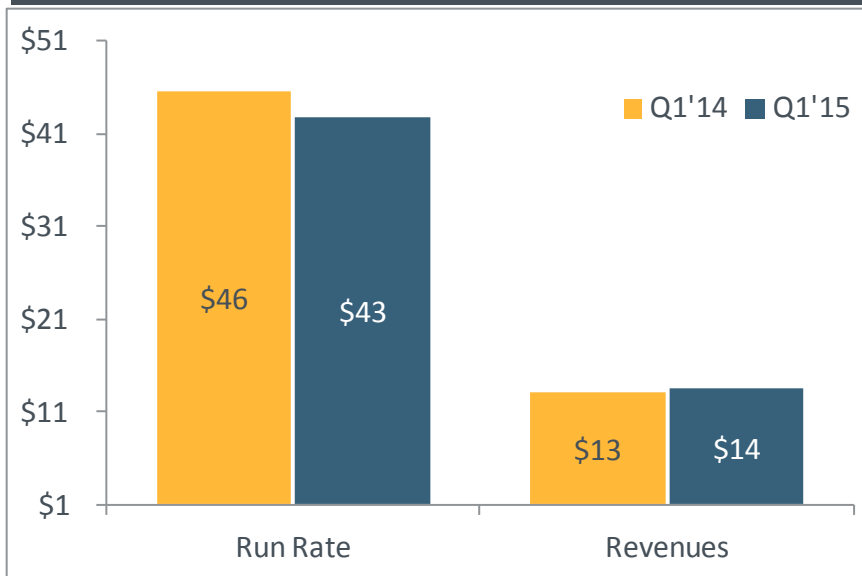
ETF Average bps Trend



REAL ESTATE SUBSCRIPTION

(US\$ in millions)

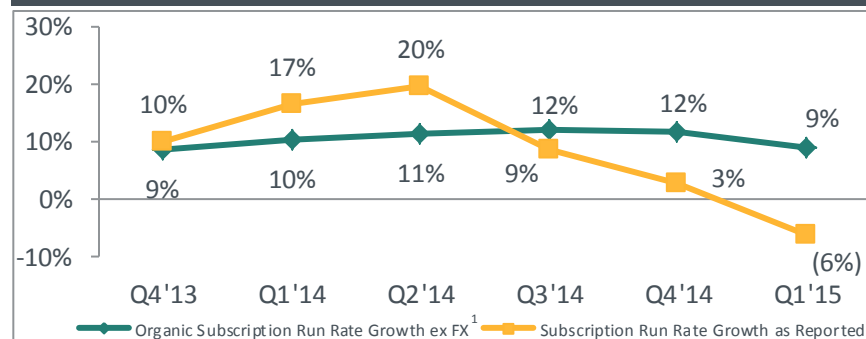
Subscription Run Rate and Revenues



Q1'15 Highlights:

- **6% decline** in Subscription Run Rate to \$43 mil vs. Q1'14
 - **9% increase** excluding impact of FX changes
- **23% decline** in Subscription sales Y-o-Y due to timing and FX
- Q1'15 revenues up 2% to \$14 mil vs. Q1'14

Y-o-Y Quarterly Subscription Run Rate Trend



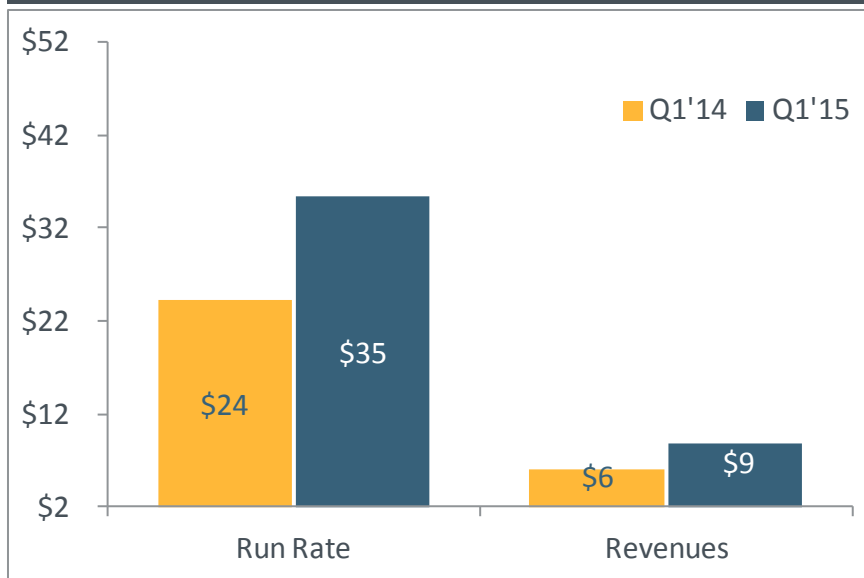
Sales, Cancels and Retention

	Q1'14	Q1'15	Growth
New Recurring Subscription Sales	3.0	2.3	(23%)
Subscription Cancellations	(0.9)	(1.3)	40%
Net New Recurring Subscription Sales	2.0	0.9	(53%)
Non-recurring Sales	1.3	0.8	(41%)
Aggregate Retention Rate	91.3%	88.1%	(320 bps)

ESG SUBSCRIPTION

(US\$ in millions)

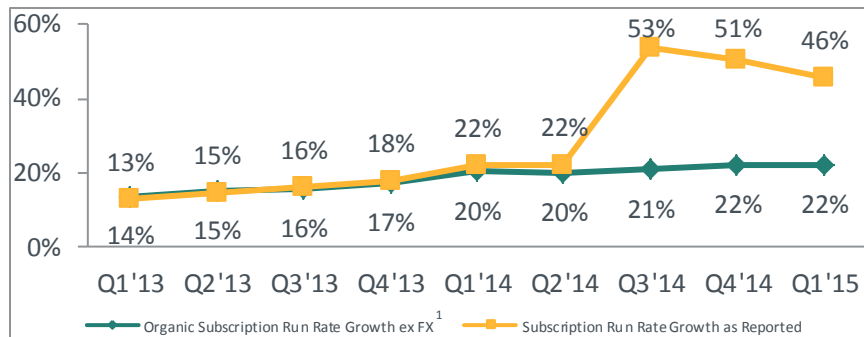
Subscription Run Rate and Revenues



Q1'15 Highlights:

- **49%** growth in Subscription revenues to \$9 mil vs. Q1'14
- **19%** organic Subscription revenue growth (ex. GMI revenues of \$1.8 mil)
- **46%** increase in Subscription Run Rate to \$35 mil vs. Q1'14
- Subscription Run Rate growth of **22%** excluding impact of FX changes and GMI acquisition

Y-o-Y Quarterly Subscription Run Rate Trend



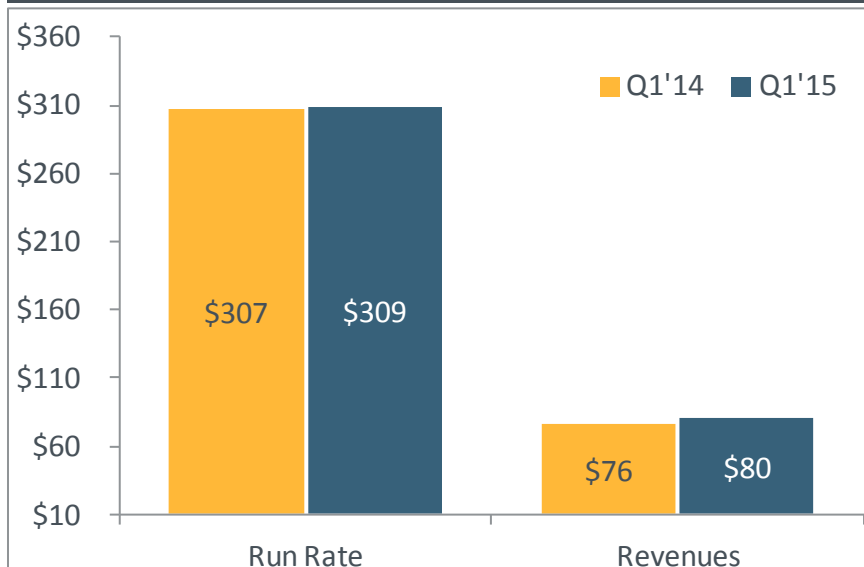
Sales, Cancels and Retention

	Q1'14	Q1'15	Growth
New Recurring Subscription Sales	1.7	2.2	32%
Subscription Cancellations	(0.3)	(0.5)	63%
Net New Recurring Subscription Sales	1.3	1.7	25%
Non-recurring Sales	0.1	0.1	(5%)
Aggregate Retention Rate	94.5%	94.0%	(44 bps)

RISK MANAGEMENT ANALYTICS SUBSCRIPTION

(US\$ in millions)

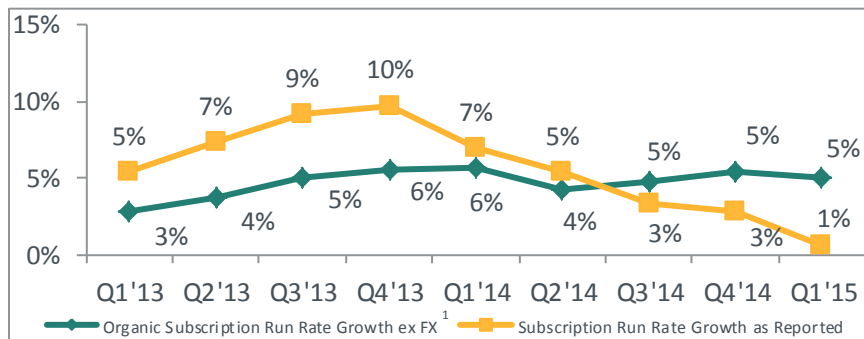
Subscription Run Rate and Revenues



Q1'15 Highlights:

- **6%** increase in Subscription revenues to \$80 mil vs. Q1'14
- **1%** increase in Subscription Run Rate to \$309 mil vs. Q1'14
 - **5%** increase in Subscription Run Rate, excluding impact of FX changes
- **19%** decline in recurring sales Y-o-Y driven by strong Q1'14 sales and deals pushed to Q2'15
- Aggregate Retention Rate increased to **93.1%** in Q1'15 with cancels declining by 22% vs. Q1'14

Y-o-Y Quarterly Subscription Run Rate Trend



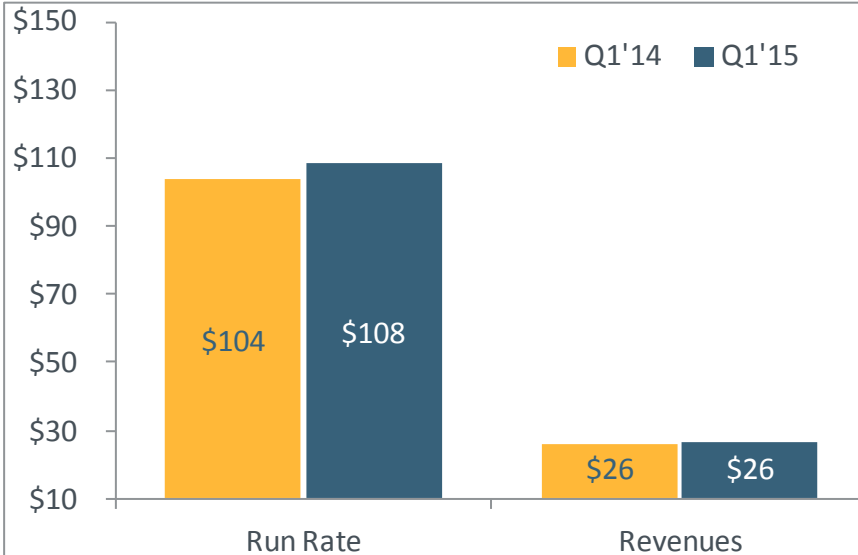
Sales, Cancels and Retention

	Q1'14	Q1'15	Growth
New Recurring Subscription Sales	12.3	10.0	(19%)
Subscription Cancellations	(6.8)	(5.3)	(22%)
Net New Recurring Subscription Sales	5.6	4.7	(16%)
Non-recurring Sales	1.2	1.2	2%
Aggregate Retention Rate	91.0%	93.1%	210 bps

PORTFOLIO MANAGEMENT ANALYTICS SUBSCRIPTION

(US\$ in millions)

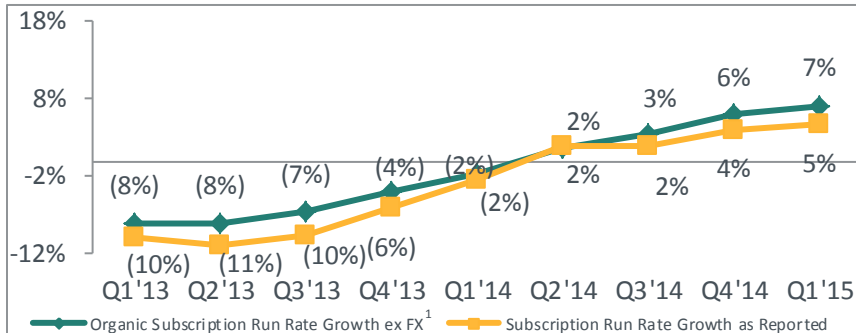
Subscription Run Rate and Revenues



Q1'15 Highlights:

- 2% increase in Subscription revenues to \$26 mil
- 5% increase in Subscription Run Rate to \$108 mil vs. Q1'14
 - Up 7% in Subscription Run Rate, excluding impact of FX
- Aggregate Retention Rate increased to **92.2%** in Q1'15 with cancels declining by 14% vs. Q1'14

Y-o-Y Quarterly Subscription Run Rate Trend



Sales, Cancels and Retention

	Q1'14	Q1'15	Growth
New Recurring Subscription Sales	2.6	3.5	37%
Subscription Cancellations	(2.4)	(2.1)	(14%)
Net New Recurring Subscription Sales	0.1	1.4	899%
Non-recurring Sales	0.1	0.0	(98%)
Aggregate Retention Rate	90.6%	92.2%	160 bps

OPERATING REVENUES AND RUN RATE DETAIL

(US\$ in millions)

	Q1'13	Q2'13	Q3'13	Q4'13	FY'13	Q1'14	Q2'14	Q3'14	Q4'14	FY'14	Q1'15
Operating Revenues											
Index	\$71.9	\$73.0	\$76.0	\$78.0	\$298.9	\$78.2	\$81.4	\$83.2	\$84.0	\$326.8	\$87.7
Real Estate	\$8.0	\$17.0	\$11.5	\$10.0	\$46.4	\$13.2	\$18.6	\$11.0	\$7.6	\$50.4	\$13.5
ESG	\$5.1	\$5.2	\$5.3	\$5.7	\$21.3	\$5.9	\$6.2	\$7.5	\$8.6	\$28.3	\$8.8
Performance Subscription	\$84.9	\$95.2	\$92.8	\$93.8	\$366.7	\$97.3	\$106.2	\$101.8	\$100.2	\$405.5	\$110.0
Risk Management Analytics	\$70.4	\$70.2	\$72.8	\$78.4	\$291.7	\$75.6	\$77.7	\$77.0	\$79.5	\$309.7	\$80.5
Portfolio Management Analytics	\$27.6	\$26.1	\$26.2	\$25.5	\$105.5	\$25.9	\$26.3	\$26.3	\$26.0	\$104.4	\$26.4
Analytics Subscription	\$98.1	\$96.3	\$99.0	\$103.9	\$397.2	\$101.4	\$104.0	\$103.2	\$105.4	\$414.1	\$106.8
Total Subscription Revenue	\$183.0	\$191.4	\$191.8	\$197.7	\$763.9	\$198.8	\$210.1	\$205.0	\$205.7	\$819.6	\$216.9
Asset-Based Fees	\$36.5	\$37.0	\$36.8	\$39.2	\$149.5	\$40.9	\$44.1	\$46.7	\$45.5	\$177.1	\$45.9
Total	\$219.5	\$228.4	\$228.6	\$236.9	\$913.4	\$239.7	\$254.2	\$251.7	\$251.1	\$996.7	\$262.8

	Q1'13	Q2'13	Q3'13	Q4'13	FY'13	Q1'14	Q2'14	Q3'14	Q4'14	FY'14	Q1'15
Run Rate											
Index	\$285.2	\$289.9	\$296.0	\$305.1	\$305.1	\$312.5	\$320.4	\$326.0	\$335.3	\$335.3	\$344.5
Real Estate	\$39.1	\$40.3	\$42.2	\$43.5	\$43.5	\$45.6	\$48.2	\$45.9	\$44.7	\$44.7	\$42.8
ESG	\$19.9	\$20.6	\$21.8	\$22.9	\$22.9	\$24.3	\$25.2	\$33.5	\$34.5	\$34.5	\$35.3
Performance Subscription	\$344.3	\$350.8	\$360.0	\$371.5	\$371.5	\$382.4	\$393.8	\$405.4	\$414.5	\$414.5	\$422.6
Risk Management Analytics	\$287.6	\$293.8	\$300.9	\$302.0	\$302.0	\$307.5	\$309.6	\$311.0	\$310.3	\$310.3	\$309.3
Portfolio Management Analytics	\$106.1	\$104.5	\$104.9	\$103.1	\$103.1	\$103.5	\$106.5	\$107.0	\$107.3	\$107.3	\$108.4
Analytics Subscription	\$393.6	\$398.3	\$405.9	\$405.1	\$405.1	\$411.0	\$416.1	\$418.0	\$417.7	\$417.7	\$417.6
Total Subscription Run Rate	\$737.9	\$749.2	\$765.9	\$776.6	\$776.6	\$793.4	\$810.0	\$823.4	\$832.2	\$832.2	\$840.2
Asset-Based Fees	\$134.2	\$131.7	\$147.0	\$158.3	\$158.3	\$161.9	\$176.6	\$177.8	\$174.6	\$174.6	\$190.6
Total	\$872.1	\$880.9	\$912.9	\$934.9	\$934.9	\$955.3	\$986.5	\$1,001.2	\$1,006.7	\$1,006.7	\$1,030.8

SALES & CANCELS DETAIL

(US\$ in millions)

	Q1'13	Q2'13	Q3'13	Q4'13	FY'13	Q1'14	Q2'14	Q3'14	Q4'14	FY'14	Q1'15
New Recurring Subscription Sales											
Index	\$9.4	\$8.4	\$10.0	\$14.7	\$42.4	\$10.9	\$11.5	\$9.2	\$12.9	\$44.5	\$11.5
Real Estate	\$1.7	\$3.4	\$1.9	\$2.3	\$9.3	\$3.0	\$3.7	\$1.2	\$2.7	\$10.6	\$2.3
ESG	\$1.0	\$1.4	\$1.4	\$1.6	\$5.4	\$1.7	\$1.2	\$1.8	\$2.3	\$6.9	\$2.2
Performance Subscription	\$12.1	\$13.2	\$13.2	\$18.5	\$57.0	\$15.5	\$16.4	\$12.3	\$17.9	\$62.1	\$16.0
Risk Management Analytics	\$10.7	\$11.6	\$10.5	\$10.5	\$43.2	\$12.3	\$8.6	\$10.5	\$10.7	\$42.2	\$10.0
Portfolio Management Analytics	\$2.9	\$2.7	\$3.0	\$2.1	\$10.7	\$2.6	\$4.1	\$3.4	\$3.3	\$13.4	\$3.5
Analytics Subscription	\$13.5	\$14.3	\$13.5	\$12.5	\$53.9	\$14.9	\$12.7	\$13.9	\$14.0	\$55.6	\$13.5
Total	\$25.7	\$27.5	\$26.7	\$31.1	\$111.0	\$30.4	\$29.1	\$26.2	\$31.9	\$117.6	\$29.5
Cancels											
Index	\$3.1	\$3.6	\$3.9	\$5.5	\$16.1	\$3.5	\$3.6	\$3.6	\$3.7	\$14.3	\$2.4
Real Estate	\$0.8	\$0.9	\$0.1	\$1.8	\$3.6	\$0.9	\$1.7	\$0.7	\$2.1	\$5.4	\$1.3
ESG	\$0.4	\$0.6	\$0.4	\$0.6	\$2.0	\$0.3	\$0.2	\$0.3	\$0.9	\$1.8	\$0.5
Performance	\$4.3	\$5.0	\$4.5	\$7.9	\$21.7	\$4.8	\$5.5	\$4.6	\$6.6	\$21.5	\$4.2
Risk Management Analytics	\$4.7	\$5.5	\$5.9	\$10.1	\$26.3	\$6.8	\$6.4	\$4.2	\$8.6	\$26.0	\$5.3
Portfolio Management Analytics	\$5.0	\$3.6	\$3.0	\$3.1	\$14.6	\$2.4	\$1.3	\$1.6	\$1.8	\$7.2	\$2.1
Analytics	\$9.7	\$9.1	\$8.9	\$13.2	\$40.9	\$9.2	\$7.7	\$5.9	\$10.4	\$33.2	\$7.4
Total	\$14.0	\$14.2	\$13.3	\$21.1	\$62.6	\$14.0	\$13.2	\$10.5	\$17.0	\$54.7	\$11.7
Non-recurring Sales											
Index	\$2.3	\$1.7	\$0.9	\$2.0	\$6.9	\$2.1	\$1.9	\$2.0	\$1.7	\$7.6	\$2.3
Real Estate	\$2.0	\$3.2	\$1.2	\$1.5	\$7.9	\$1.3	\$2.0	\$1.2	\$1.4	\$5.9	\$0.8
ESG	\$0.2	\$0.1	\$0.0	\$0.0	\$0.3	\$0.1	\$0.1	\$0.2	\$0.1	\$0.5	\$0.1
Performance	\$4.4	\$5.0	\$2.2	\$3.5	\$15.1	\$3.6	\$4.0	\$3.3	\$3.1	\$14.0	\$3.2
Risk Management Analytics	\$0.4	\$0.5	\$0.4	\$0.6	\$1.9	\$1.2	\$1.3	\$0.8	\$1.3	\$4.6	\$1.2
Portfolio Management Analytics	\$0.1	\$0.1	\$0.0	\$0.0	\$0.3	\$0.1	\$0.0	\$0.0	\$0.1	\$0.2	\$0.0
Analytics	\$0.5	\$0.7	\$0.4	\$0.6	\$2.2	\$1.2	\$1.3	\$0.9	\$1.4	\$4.8	\$1.2
Subtotal	\$4.9	\$5.7	\$2.6	\$4.1	\$17.3	\$4.8	\$5.4	\$4.1	\$4.6	\$18.8	\$4.4
Asset-Based Fees	\$0.2	\$0.0	\$0.3	\$0.0	\$0.6	\$0.0	\$0.3	\$0.5	\$0.5	\$1.3	\$0.0
Total	\$5.1	\$5.7	\$3.0	\$4.1	\$17.9	\$4.8	\$5.7	\$4.6	\$5.1	\$20.2	\$4.4

RECONCILIATIONS TO ADJUSTED NET INCOME AND ADJUSTED EPS

In thousands, except per share data	Three Months Ended		
	Mar. 31, 2015	Mar. 31, 2014	Dec. 31, 2014
Net Income	\$ 43,827	\$ 80,399	\$ 44,340
Less: Income (loss) from discontinued operations, net of income taxes	\$ 5,797	\$ (33,253)	\$ (1,071)
Income from continuing operations	\$ 49,624	\$ 47,146	\$ 43,269
Plus: Amortization of intangible assets	11,702	11,270	11,591
Plus: Debt repayment and refinancing expenses	-	-	7,944
Less: Income tax effect	(4,224)	(4,044)	(7,273)
Adjusted Net Income	\$ 57,102	\$ 54,372	\$ 55,531
Diluted EPS	\$ 0.39	\$ 0.68	\$ 0.39
Less: Earnings per diluted common share from discontinued operations	0.05	(0.28)	(0.01)
Earnings per diluted common share from continuing operations	0.44	0.40	0.38
Plus: Amortization of intangible assets	0.10	0.09	0.10
Plus: Debt repayment and refinancing expenses	-	-	0.07
Less: Income tax effect	(0.04)	(0.03)	(0.06)
Adjusted EPS	\$ 0.50	\$ 0.46	\$ 0.49

RECONCILIATIONS TO ADJUSTED EBITDA

In thousands	Three Months Ended		
	Mar. 31, 2015	Mar. 31, 2014	Dec. 31, 2014
Net Income	\$ 43,827	\$ 80,399	\$ 44,340
Less: Income (loss) from discontinued operations, net of income taxes	\$ 5,797	\$ (33,253)	\$ (1,071)
Income from continuing operations	\$ 49,624	\$ 47,146	\$ 43,269
Plus: Provision for income taxes	28,036	26,385	27,459
Plus: Other expense (income), net	11,082	5,974	14,366
Operating income	\$ 88,742	\$ 79,505	\$ 85,094
Plus: Depreciation and amortization of property, equipment and leasehold improvements	7,207	5,828	7,620
Plus: Amortization of intangible assets	11,702	11,270	11,591
Adjusted EBITDA	\$ 107,651	\$ 96,603	\$ 104,305

RECONCILIATIONS TO ADJUSTED EBITDA EXPENSES

In thousands	Three Months Ended			Full Year
	Mar. 31, 2015	Mar. 31, 2014	Dec. 31, 2014	2015 Outlook
Total operating expenses	\$ 174,027	\$ 160,183	\$ 166,011	\$702,000 - \$724,000
Less: Depreciation and amortization of property, equipment and leasehold improvements, and amortization of intangible assets	(18,909)	(17,098)	(19,211)	82,000 - 84,000
Adjusted EBITDA Expenses	\$ 155,118	\$ 143,085	\$ 146,800	\$620,000 - \$640,000

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 in the Appendix to this earnings presentation that reconciles each non-GAAP financial measure presented herein with the most comparable GAAP measure. The presentation of non-GAAP financial measures by MSCI should not be considered as alternative measures for the most directly comparable GAAP financial measures. Non-GAAP financial measures are used by MSCI's 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, and depreciation and amortization.
- 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 debt repayment and refinancing expenses.
- Adjusted EBITDA Expenses is defined as operating expenses, less depreciation and amortization.
- 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, unusual or and non-recurring expenses, such as debt repayment and refinancing expenses, 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 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 ETF fees, the market value on the last trading day of the period, and for fees related to 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.
- 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.
- The Aggregate Retention Rates for a period are 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. 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.

MSCI

