

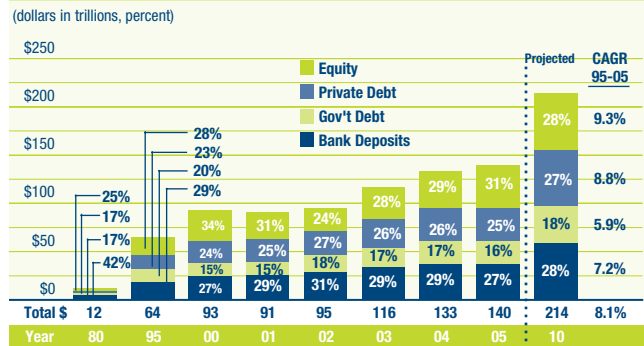
Standard & Poor's

STANDARD & POOR'S

Growing capital markets around the world continue to stimulate demand for Standard & Poor's ratings, data, information, indices, and other products and services. The trends – globalization, disintermediation, privatization, and securitization – are well established as key drivers in financial markets, which continue to benefit from the creation of new investment opportunities. Capital markets around the world continue to grow in size and complexity. According to a January 2007 McKinsey Global Institute report, global financial stock – which consists of equity, private debt, government debt, and bank deposits – is projected to reach \$214 trillion by 2010, surpassing growth in global gross domestic product over the same period. Over half of this growth will be driven by private debt and equities.

With offices and affiliates in 24 countries and revenue generated in over 110 countries, Standard & Poor's will continue to capitalize on these global opportunities.

Global Financial Stock Is Growing Rapidly



Sources: McKinsey Global Institute Global Financial Stock Database; World Federation of Stock Exchanges; Merrill Lynch; Global Insight
 Note: 2010 extrapolation off of 2005 base, with components grown at 1993-2005 CAGRs; Detail may not sum due to rounding

STANDARD & POOR'S EXPANDING ROLE IN CREATING FINANCIAL MARKET INTELLIGENCE

Providing financial market intelligence that is objective, independent, authoritative, and credible is the hallmark of Standard & Poor's since its inception in 1860. Today, Standard & Poor's offers financial decision makers a growing array of products and services ranging from credit ratings and indices to data, information, and investment research.

From fundamental data to custom advisory services, Standard & Poor's continues to innovate and expand its role in creating financial market intelligence in five key areas:

CORE DATA

Standard & Poor's provides fundamental securities data, which includes data on public and private companies, as well as data on securities that are issued by companies or other organizations.

- Fundamental company and market data on 65,000 securities, representing 90%+ of the world's market capitalization (Compustat)
- Web-based workflow-oriented research platform (Capital IQ) with data on 42,000 active public companies, 685,000 private companies, 10,600 private capital firms, and 985,000 people
- Securities evaluations on nearly 2.9 million fixed income securities each day

RELATIONSHIPS

Standard & Poor's enhances the value of its core data through services that establish relationships or linkages among securities, entities, issuers, and the people related to such securities.

- Security to Entity CrossWalk exposes complex relationships between 7 million securities and 96 million entities
- Details of the corporate structure for U.S. public companies including relationships between parents and subsidiaries, operating units, investment arms, and merged entities via Capital IQ

RATINGS AND RESEARCH

Core and relationship data further enable Standard & Poor's to pursue a variety of rating and research approaches that span a wide array of asset classes, including debt, bank loans, equities, and alternative investments. At the end of 2006:

- 8 million credit ratings and 240,000 research and commentary articles on RatingsDirect
- Over \$34 trillion in outstanding global debt rated by Standard & Poor's in 100 countries
- World's largest producer of independent equity research with over 1,000 institutions licensed to use Standard & Poor's equity research, including 19 of the top 20 securities firms and 13 of the top 20 banks

ANALYTICS

Building on offerings in core data, relationships and ratings and research, Standard & Poor's develops tools, models and analytics, including valuation models for equities and structured finance and risk models in the credit markets.

- LEVELS (Loan Evaluation and Estimate of Loss System) is one of the most widely used credit models in the residential mortgage market
- SPIRE (Standard & Poor's Interest Rate Evaluator) is one of the most widely used rating agency cash flow models in the primary RMBS market
- Credit Risk Tracker gives investors the ability to understand the probability of default for 17,065 U.S. and Canadian companies and 1.1 million small-to-medium sized (SME) companies throughout Europe
- CreditModel produces quantitatively derived rating estimates for public and private firms

ADVISORY

Standard & Poor's ratings, research, and analytics are applied to a range of custom advisory services in the portfolio, index, and risk management space. Standard & Poor's advisory services provide a measure of the market through investable and tradeable indices, and offer risk and investment advisory services including portfolio strategies and asset allocation services. At the end of 2006:

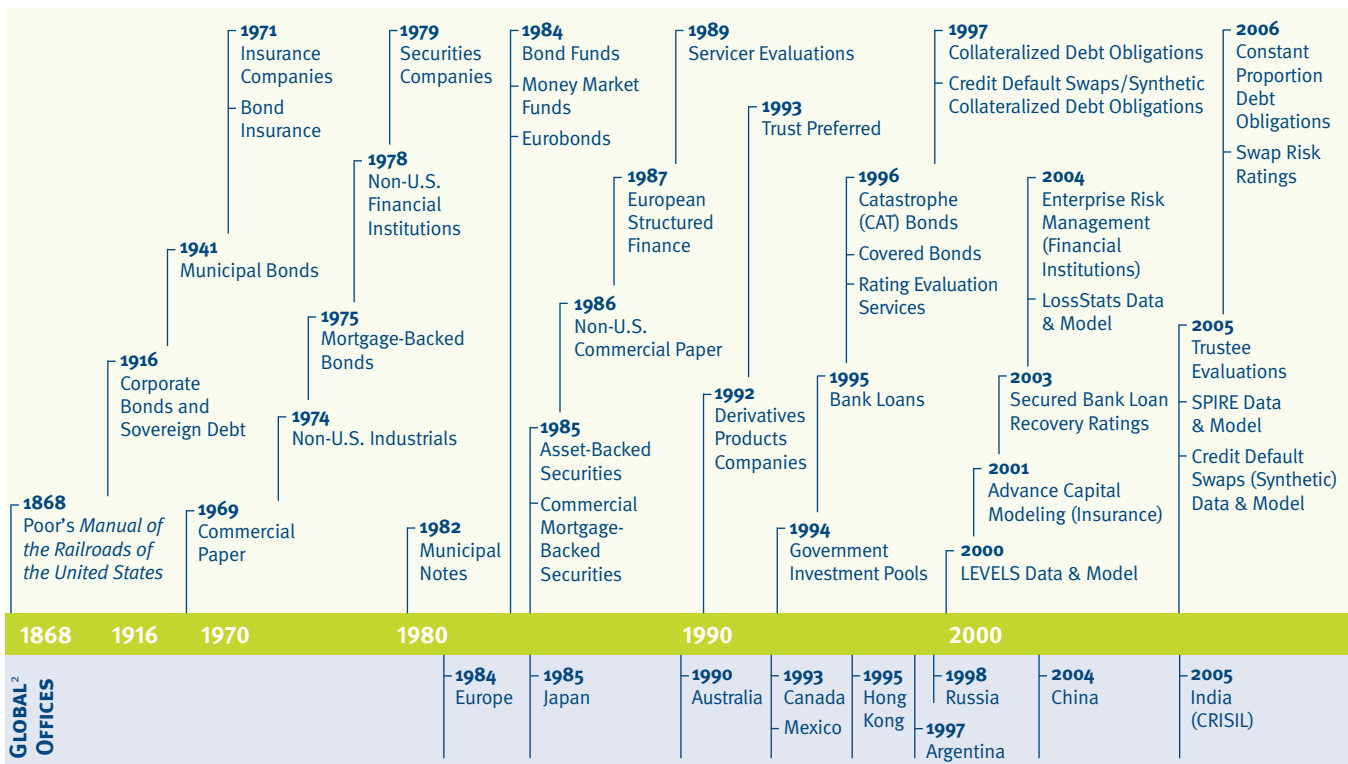
- \$1.5 trillion in investment assets was directly tied to S&P indices and \$4.8 trillion was benchmarked to S&P indices
- \$161.2 billion was invested in global ETFs that are based on S&P indices
- 98% of global equity market capitalization covered by S&P/Citigroup Global Equity Indices
- \$19 billion in assets in client investment programs based on Standard & Poor's research and advisory services

THE EXPANDING WORLD OF S&P RATINGS

While Standard & Poor's traditional credit ratings have been widely used by the capital markets, the value and information they provide, along with newer products and services, are creating more growth opportunities. From pre-issuance to post-issuance, financial decision makers are utilizing a growing range of S&P products and services to identify, measure, and manage credit risk in an expanding market.

	Pre-Issuance	Issuance	Post-Issuance
How Standard & Poor's Plays a Role	Benchmarking data, tools, and analysis that help issuers and related parties analyze and gauge the ratings impact of strategic decisions	Credit ratings and rationales serve as tools that help investors during the investment process. S&P has credit ratings outstanding on approximately \$34 trillion of debt in more than 100 countries	Products and services for monitoring and modeling creditworthiness and/or transaction performance that help market participants make informed buy/sell decisions, evaluate ongoing risk, and meet regulatory requirements
Representative S&P Products and Services	<p>RatingsDirect/Peer Comparison Reports: Real-time, Web-based service that provides insight into Standard & Poor's rating methodologies, practices, and benchmarks</p> <p>Rating Evaluation Services: A confidential assessment of how potential strategic actions may impact creditworthiness</p> <p>CDO Suite: Data, models, and analytical tools to evaluate risks associated with CDOs</p> <p>LEVELS (Loan Evaluation and Estimate of Loss System): A model to determine the foreclosure frequency, loss severity, and credit enhancement levels required for residential mortgage loan securitizations</p> <p>CreditModel: Quantitatively-derived credit rating estimation models for specific industries and regions</p>	<p>Issue Ratings: S&P's traditional ratings on specific financial obligations or programs</p> <p>Issuer Ratings: Assesses the credit-worthiness or overall financial capacity of obligors</p> <p>Bank Loan Ratings: Incorporates the risk of default and the likelihood of full ultimate recovery in the event of default</p> <p>Servicer Evaluations: Assessments of an entity's ability, efficiency, and competence in servicing structured transactions</p>	<p>RatingsDirect: For tracking S&P's global credit ratings, research, and risk analysis</p> <p>Leveraged Commentary & Data: Daily loan market information for bankers and investors</p> <p>Recovery Ratings: Issue-specific ratings that focus solely on the nominal expected loss and recovery of principal in the event of default</p> <p>CDO Suite: Data, models, and analytical tools to monitor risk on an ongoing basis</p> <p>SPIRE (S&P Interest Rate Evaluator): Residential mortgage-backed securities cash flow model that analyzes the effect of variable interest rates on both assets and liabilities</p>

INNOVATING IN CREDIT MARKETS: INTRODUCTION OF NEW PRODUCTS AND SERVICES¹ AND A GROWING GLOBAL NETWORK



¹ Coverage is a representative sample
² Physical presence does not indicate inception of coverage

Standard & Poor's

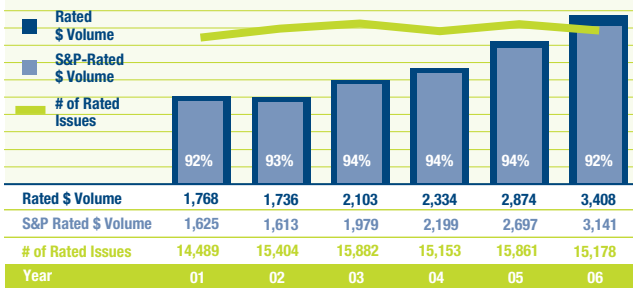
U.S. DEBT MARKET

In 2006, the size of the rated debt market in the U.S. totaled \$3.4 trillion, with Standard & Poor's rating 92% of this debt issuance. The rated debt market is a component of the total debt market and includes only the debt securities issued with a rating. The rated U.S. debt market chart below equals issuance for the five new-issue debt categories.

(annual figures; dollar volume in billions; data by domicile of issuance/issuer)

Rated U.S. Debt Market^(a, b, c, d, e)

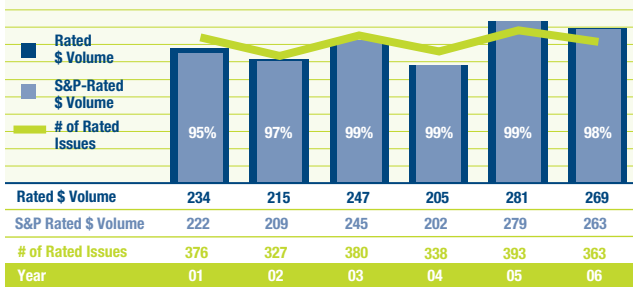
S&P penetration rate as a % of rated dollar volume



Source: Thomson Financial; Harrison Scott Publications/Standard & Poor's

Asset-Backed^(b, e)

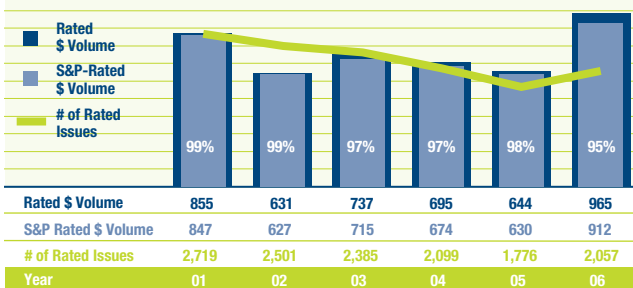
S&P penetration rate as a % of rated dollar volume



Source: Harrison Scott Publications/Standard & Poor's

Corporates^(c, d)

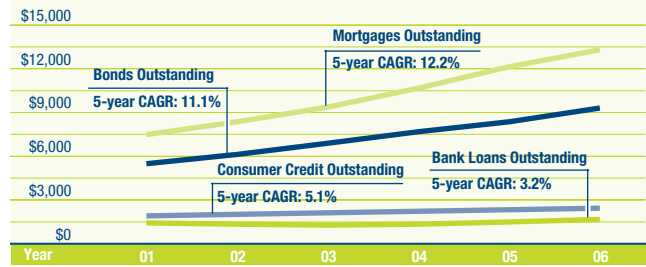
S&P penetration rate as a % of rated dollar volume



Source: Thomson Financial

U.S. Debt Outstanding Continues to Grow

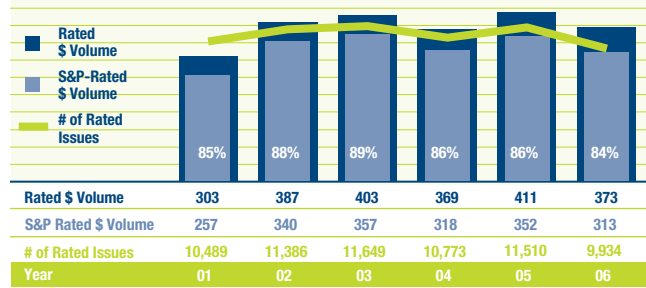
(dollars in billions)



Source: Board of Governors of the Federal Reserve System, as of March 8, 2007

Municipals^(a)

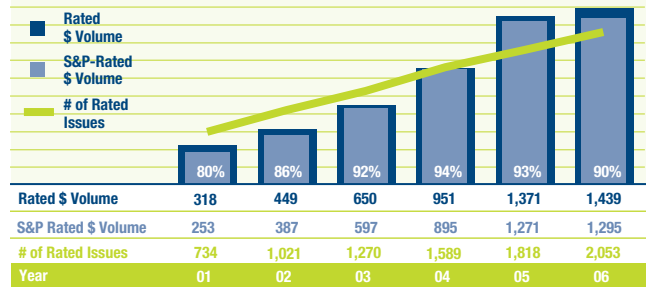
S&P penetration rate as a % of rated dollar volume



Source: Thomson Financial

Mortgage-Backed^(b, d)

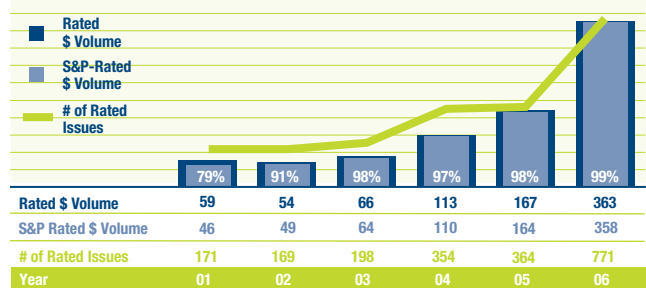
S&P penetration rate as a % of rated dollar volume



Source: Harrison Scott Publications/Standard & Poor's

Collateralized Debt Obligations (CDOs)^(b)

S&P penetration rate as a % of rated dollar volume



Source: Harrison Scott Publications/Standard & Poor's

Notes for debt issuance:

- (a) Excludes municipal student loans and private placements
- (b) Excludes confidential transactions

- (c) Includes industrial and financial services issuers. Also includes Rule 144a (private placements), MTN takedowns, convertibles, and preferred

- (d) Excludes sovereign issuers, private placements (except Rule 144a issues), retail notes, commercial paper, and all agency issues

- (e) Excludes asset-backed commercial paper and letters of credit

EUROPEAN AND ASIAN DEBT MARKETS

European Debt Market

In 2006, rated debt issuance in Europe was nearly \$2.2 trillion, up 30% from 2005. Standard & Poor's utilized its strong European network to capitalize on the significant growth in the region. Standard & Poor's 2006 market penetration was 81% for all rated European debt.

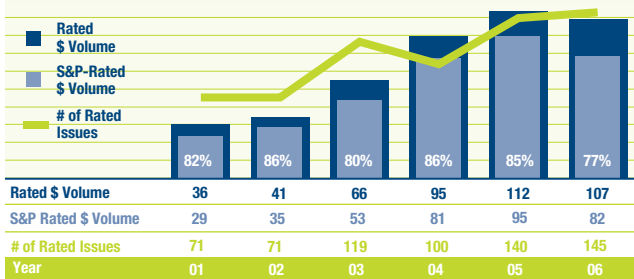
Asian Debt Market

In 2006, rated debt issue volume for corporates in Asia was \$203 billion, up 33% from 2005. Standard & Poor's 2006 market penetration was 86% for corporates. Rated issuance for structured finance was \$171 billion; Standard & Poor's rated 84% of that volume.

(annual figures; dollar volume in billions; data by domicile of issuance/issuer)

European Asset-Backed (a, c)

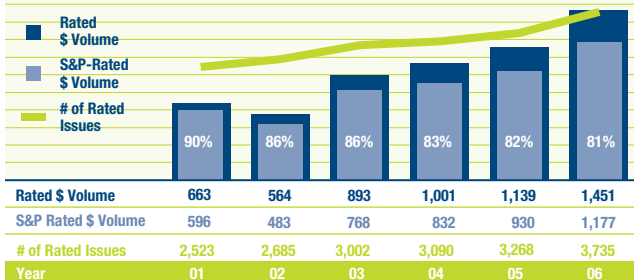
S&P penetration rate as a % of rated dollar volume



Source: Harrison Scott Publications/Standard & Poor's

European Corporates (b)

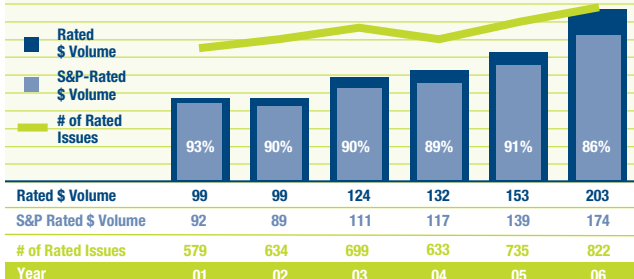
S&P penetration rate as a % of rated dollar volume



Source: Thomson Financial

Asian Corporates (b)

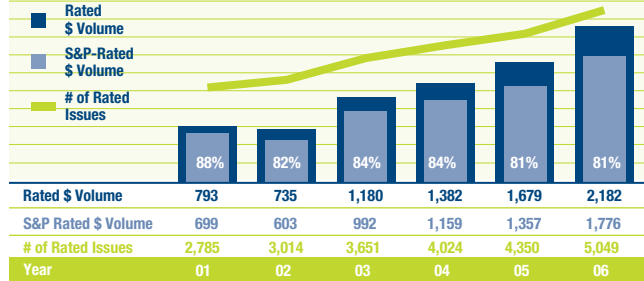
S&P penetration rate as a % of rated dollar volume



Source: Thomson Financial

Rated European Debt Market (a, b, c, d)

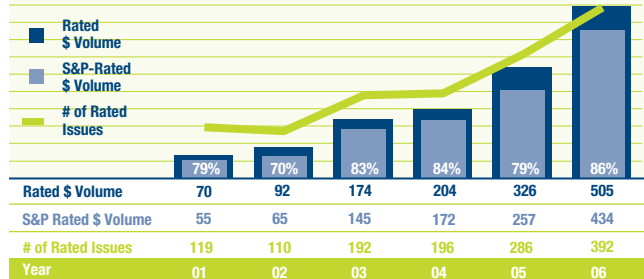
S&P penetration rate as a % of rated dollar volume



Source: Thomson Financial; Harrison Scott Publications/Standard & Poor's

European Mortgage-Backed (a, d)

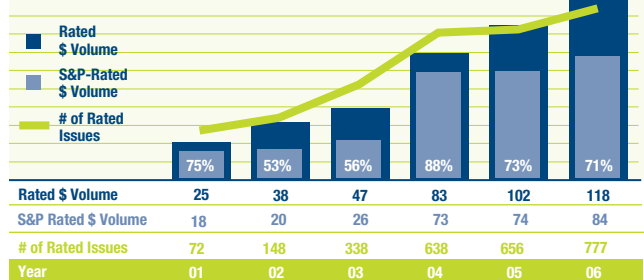
S&P penetration rate as a % of rated dollar volume



Source: Harrison Scott Publications/Standard & Poor's

European Collateralized Debt Obligations (CDOs) (a)

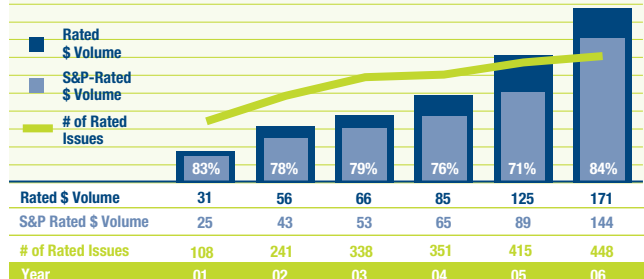
S&P penetration rate as a % of rated dollar volume



Source: Harrison Scott Publications/Standard & Poor's

Asian Structured Finance (a, c, d)

S&P penetration rate as a % of rated dollar volume



Source: Harrison Scott Publications/Standard & Poor's

Notes for debt issuance:

(a) Excludes confidential transactions

(b) Includes industrial and financial services issuers. Also includes Rule 144a (private placements), MTN takedowns, convertibles, and preferred

stocks. Excludes sovereign issuers, private placements (except Rule 144a issues), retail notes, commercial paper, and all agency issues

(c) Excludes asset-backed commercial paper and letters of credit

(d) Includes home equity loans

Standard & Poor's

NON-TRADITIONAL PRODUCTS AND SERVICES

Standard & Poor's continues to successfully reduce dependency on new issue volume in the bond markets by leveraging its expertise in non-traditional products and services, such as corporate credit ratings, bank loan ratings, and rating evaluation services. These areas tap into growing sensitivity to risk and increased regulatory and

public concern about the ability of financial markets to manage risk adequately. Globally, non-traditional products accounted for nearly 24% of ratings revenue in 2006. The growing marketplace acceptance of non-bond rating activity by Standard & Poor's is illustrated in the charts below.

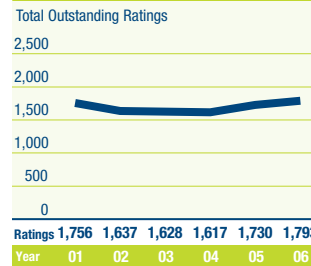
NON-BOND RATINGS

Financial Strength, Counterparty, and Corporate Credit Ratings: An opinion of an entity's overall creditworthiness and capacity to pay its financial obligations. These ratings do not apply to specific financial obligations.

Bank Loan Ratings: An evaluation of a syndicated loan based on the likelihood of ultimate repayment of the loan and on the recovery value in the event of default.

Recovery Ratings: A stand-alone, transparent opinion of the likely recovery of a loan in the event of default; expressed on a numerical scale, not linked to or limited by the issuer's traditional corporate credit rating.

Financial Strength Ratings*



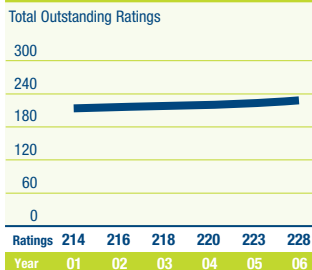
* Formerly Claims-Paying Ability Ratings

Counterparty Ratings*



* Total for those organizations whose only rating is a Counterparty Rating

Corporate Credit Ratings*

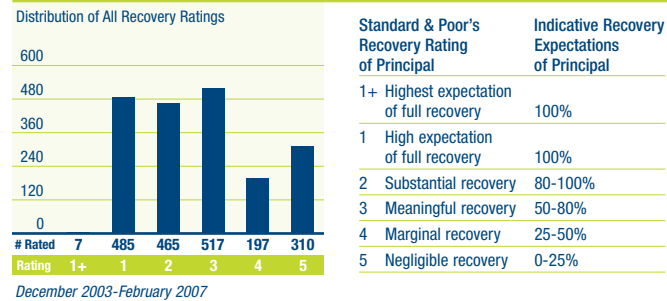


* Total for those organizations whose only rating is a Corporate Credit Rating

Bank Loan Ratings – U.S. & Europe



Recovery Ratings (Bank Loans and Secured Notes)



Standard & Poor's Recovery Rating of Principal	Indicative Recovery Expectations of Principal
1+	Highest expectation of full recovery 100%
1	High expectation of full recovery 100%
2	Substantial recovery 80-100%
3	Meaningful recovery 50-80%
4	Marginal recovery 25-50%
5	Negligible recovery 0-25%

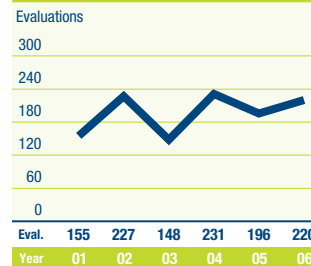
Source: Standard & Poor's

EVALUATIONS

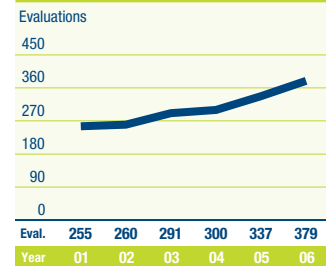
Rating Evaluation Services: A confidential, specific, and indicative assessment of how potential acquisitions, debt issues, stock repurchases, recapitalizations, consolidations, and other actions will impact a company's creditworthiness and credit rating.

Servicer Evaluations: An independent, objective view of a company's ability to service loan and asset portfolios. The Servicer Evaluation rankings serve as consistent, objective benchmarks for assessing operational risk, which provide valuable transparency and enable global market participants to make informed decisions.

Rating Evaluation Services



Servicer Evaluations

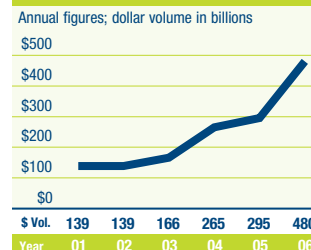


Source: Standard & Poor's

LEVERAGED COMMENTARY & DATA

Leveraged Commentary & Data: Strong demand powered leveraged loan issuance to a record \$480 billion in 2006, up from \$295 billion in 2005. In addition to providing leveraged loan ratings and collateralized loan obligation ratings, Standard & Poor's is capitalizing on the growing market by expanding its subscription-based commentary and data to participants.

U.S. New-Issue Leveraged Loan Volume



Source: Standard & Poor's Leveraged Commentary & Data

ANALYTICAL TOOLS AND MODELS

A hedge fund securitization tool

Hedge Fund Evaluator

Enables analysts to develop securitization scenarios for modeling hedge fund performance that incorporate Standard & Poor's analytic criteria and tests far more quickly and easily than ever possible. It can be used to analyze:

- Hedge fund investment risk
- Cash-funded collateralized fund obligation (CFO) securitizations
- Synthetic hedge fund securitizations
- Gap risk transactions
- Constant proportion portfolio insurance (CPPI) transactions

Hedge Fund Evaluator uses a Monte Carlo simulation to efficiently analyze hedge fund portfolio performance under various scenarios and forecast the performance of a hedge fund portfolio with probabilities. The tool identifies a public index with a high correlation to the portfolio under analysis and projects that index as a proxy of the portfolio's potential performance.

STANDARD & POOR'S				Gap Risk Analysis	
Gap Risk Analysis Parameters				Number of Runs	
Exposure	84 Months			1,000	
Effective Mgr	5			Failed Runs	
Rolling Period	3 months			90	
"Less than" Trigger	-10.00%			% Failed of Total	
				8.93%	
				Failed Runs (Excludes Runs that Breach Term Weight Conventions)	
				33	
				Max Downside Gap	
				-14.84%	
				Max Upside Gap	
				29.92%	
Rating Threshold	% Failure Allowed	# Failed Runs Allowed	Cushion		
AAA	0.5168%	5	0.0000%		
AA+	0.6564%	7	0.0000%		
AA	1.1977%	12	0.0000%		
AA-	1.3719%	14	0.0000%		
A+	1.5638%	16	0.0000%		
A	1.8140%	18	0.0000%		
A-	2.1727%	22	0.0000%		
BBB+	2.3207%	29	0.0000%		
BBB	3.3413%	39	0.0000%		
BBB-	6.4036%	64	0.0000%		
BB+	10.4072%	104	1.4072%		
BB	14.1965%	142	5.1965%		
BB-	16.4364%	164	7.4364%		
B+	20.4382%	204	11.4382%		
B	26.1506%	262	17.1506%		
B-	30.2883%	302	21.2883%		
CCC+	36.7626%	368	27.7626%		
CCC	43.3167%	433	34.3167%		
CCC-	62.211%	622	53.211%		

Table 2 Transition Matrices

Report Type: 1 Year
 Post Start Date: 01/01/1981 to 01/01/2006
 Horizon End Date: 12/31/1981 to 12/31/2006
 Number of Pools: 26
 S&P Industries County Vintage

Rating	AAA	AA	A	BBB	BB	B	CCC/C	D	NR
AAA	98.34	7.84	0.47	0.09	0.09	0.00	0.00	0.00	3.17
AA	0.59	87.31	7.52	0.57	0.06	0.10	0.02	0.01	3.80
A	0.04	2.62	87.27	5.53	0.41	0.16	0.02	0.06	4.50
BBB	0.01	0.16	3.97	84.18	4.14	0.73	0.16	0.24	6.41
BB	0.03	0.06	0.22	5.18	75.70	7.20	0.84	1.07	9.70
B	0.02	0.05	0.10	0.30	5.77	72.70	4.10	4.88	11.62
CCC/C	0.02	0.00	0.06	0.39	1.10	11.15	47.49	36.29	13.34

Internal rating system solutions for credit and investment professionals

CreditPro®

CreditPro is a component of a comprehensive set of internal rating system solutions from Standard & Poor's. Its database provides credit and investment professionals with access to Standard & Poor's global default and ratings migration database of more than 12,000 of Standard & Poor's-rated obligors worldwide and over 80,000 rated structured finance securities back to 1974.

Credit and investment professionals can calibrate models and generate default rate, ratings migration, and default correlation statistics in order to:

- Benchmark internal performance
- Address shortcomings in internal ratings data
- Predict future default and rating migration scenarios
- Allocate portfolios among various assets/sectors
- Support analysis of market valuation or credit instruments

Analytical model that helps securitize small business loan portfolios

Small Business Portfolio Evaluator™

Small Business Portfolio Evaluator is an analytical model that helps issuers, underwriters, originators, and financial guarantors create new revenue streams through the securitization of small business loan portfolios. Users include:

- Issuers and underwriters: Assess the gross default and prepayment risk of small business loan portfolios
- Underwriters, originators, and financial guarantors: Use it as a risk management tool to help them make informed decisions on credit quality

A state-of-the-art Monte Carlo simulation enables users to gain a probability distribution of default rates through the final maturity of the longest loan, helping them analyze and assemble potential portfolios for securitization.

Obligor ID	SIC Code	Location	Maturity	Current Balance	Real Estate Backed	SIC Code Description
1	1752	FL	01-Sep-22	1,584,352	yes	Floor Laying and Other Floor Work, NEC
2	3241	CO	23-Dec-26	1,454,019	yes	Cement, Hydraulic
3	1799	NY	17-Aug-23	236,655	yes	Special Trade Contractors, NEC (indoor and
6	8733	MD	09-Aug-28	3,300,214	yes	Commercial, Economic, Sociological, and Ed
7	7291	IL	27-Feb-22	518,991	yes	Tax Return Preparation Services
8	5571	TX	12-Sep-19	1,101,162	yes	Motorcycle Dealers
10	5012	OR	11-Jul-17	1,499,526	yes	Automobiles and Other Motor Vehicles (mer
11	8742	MD	07-Jun-20	872,762	yes	Public Relations Services
13	5159	FL	20-Oct-23	1,641,409	yes	Farm-Product Raw Materials, NEC (merchan
14	7913	AR	24-Aug-20	161,102	yes	Veterinary Services for Livestock
15	5431	NY	06-Sep-17	726,825	yes	Heat and Air-Conditioning and Ventilating
16	5722	MN	13-Nov-23	355,087	no	Household Appliance Stores
17	7389	CA	11-Jan-22	559,016	no	Business Services, NEC (tobacco sheeting &
18	4899	NA	25-Sep-22	454,115	no	Communications Services, NEC (radio broad
19	7389	CA	14-Apr-23	1,239,702	yes	Business Services, NEC (tobacco sheeting &
21	7389	WA	08-Nov-28	504,115	no	Business Services, NEC (tobacco sheeting &
22	6531	CA	02-Jun-21	748,380	yes	Real Estate Agents and Managers (operati
23	8084	FL	04-Mar-24	208,079	yes	Industrial Machinery and Equipment (merc
24	8711	MD	12-Dec-33	530,737	yes	Engineering Services
25	1711	AZ	15-Aug-34	491,683	yes	Plumbing, Heating, and Air-Conditioning [e
26	7819	TX	17-Jun-22	364,508	no	Services Allied to Motion Picture Productio
27	1081	OR	10-Oct-27	286,760	no	Metal Mining Services (except site prepar
30	1711	NC	21-Apr-20	268,682	no	Plumbing, Heating, and Air-Conditioning [e
31	3499	CA	23-Sep-32	466,263	yes	Fabricated Metal Products, NEC (powder me

Standard & Poor's

CONTRIBUTING TO TRANSPARENT, EFFICIENT FINANCIAL MARKETS

Standard & Poor's is committed to offering data products and services that contribute to transparent, efficient markets and giving the global financial community the independent benchmarks it needs to make informed decisions. As markets have grown more complex, the financial community has increasingly sought out the vital company, ratings, reference, pricing, fund, and index data offered by Standard & Poor's.

Standard & Poor's embeds its data offerings – the market's most comprehensive and timely financial information – into the workflow of financial professionals globally. Timely, critical, and unique content is packaged into client-integrated workflow platforms, specific workflow applications, and data feeds to help clients provide value to their customers.

EMBEDDING STANDARD & POOR'S DATA INTO CLIENT WORKFLOWS

Unique Content

- Company Data
- Ratings Information
- Reference Data
- Securities Evaluations
- Index Data
- 3rd Party Data*
- Client's Proprietary Data**

Solution-Based Delivery

- Workflow Platform
 - Capital IQ Platform
- Applications
 - RatingsDirect
 - CUSIP Access
 - Research Insight
 - S&P Backtester
- Data Feeds
 - Compustat Xpressfeed
 - RatingsXpress
 - Masterfeed

CLIENT

* Includes entity identification and global equity pricing
 ** Client's own proprietary data stored on Capital IQ Platform and accessible only by client

Company Data: Standard & Poor's delivers timely, standardized fundamental data and market information, as well as industry classifications on global companies, to investment professionals worldwide. Standard & Poor's company data meets clients' needs with wide company coverage, a large number of unique data items, and an extensive historical database.

Ratings Information: Real-time ratings information on Standard & Poor's-rated global issuers includes corporations, financial institutions, insurance companies, sovereigns, structured financings, and utilities. Users get the insight they need into the decisions made by Standard & Poor's ratings analysts on the credit status of thousands of entities worldwide.

Reference Data: Standard & Poor's global reference data solutions include industry standard CUSIP numbers, global cross-referencing, corporate actions, descriptive data, and services to link business entities with financial securities that support securities operations and risk management worldwide. Reference data capabilities assist customers with Straight Through Processing (STP), global clearance and settlement, compliance, security master file maintenance, and data management operations.

Securities Evaluations: Independent fixed-income evaluations and global pricing services support securities operations, fund pricing, and portfolio management worldwide. Standard & Poor's also provides objective fair value evaluations on municipals, corporates, mortgage-backed securities, derivatives, swaps, and other evaluated securities.

Index Data: Easy-to-use tools provide complete access to S&P index activity and analysis. Standard & Poor's index data is accepted as crucial to the investment process for quantitative modeling, back testing, and portfolio construction and management, including risk monitoring and control.

Workflow Platform

Capital IQ Platform: High-impact information and workflow solutions are delivered to nearly 2,000 leading financial institutions, advisory firms and corporations. Solutions are based on the Capital IQ Platform, a unique combination of global private and public capital market data and technology that enables end-users to draw deep market insights, generate better ideas, leverage relationships, and simplify workflows.

Applications

Research Insight: Investment professionals' portal to authoritative financial data, company reports, easy-to-use performance graphs, and documents. Extensive functionality and broad selection of data items enable investment professionals to customize research and transform their analysis into insight.

RatingsDirect: The real-time, online source for Standard & Poor's global credit ratings, research, and risk analysis. Investors obtain objective and informed opinions of S&P credit analysts to help evaluate the credit quality of issuers and their debt obligations.

CUSIP-ISID Plus Access: Online database of global security identifiers cross-referencing more than 900,000 issues.

Data Feeds

Compustat Xpressfeed: Timely, comparable, objective company information with deep history to support sophisticated analysis across industries, companies, and items.

RatingsXpress: Customizable digital feed of Standard & Poor's credit ratings information including real-time ratings coverage of global issuers, structured finance, and U.S. public finance segments.

Masterfeed: A single data feed for global pricing and pricing-related data including dividend announcements, credit ratings, and descriptive data on more than 6 million instruments. The flexible data delivery platform gives financial professionals the ability to prioritize pricing and reference data sources.

EMBEDDING STANDARD & POOR'S DATA INTO CLIENT WORKFLOWS

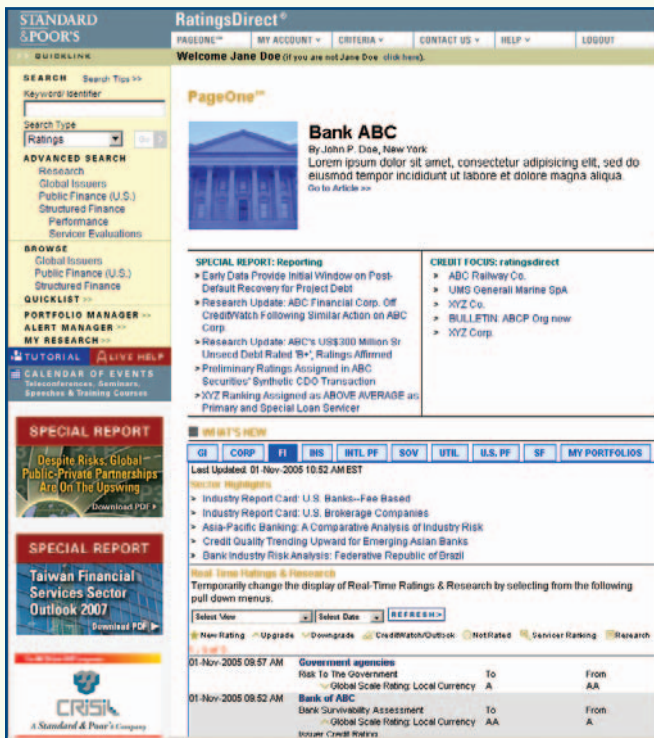
Web-based platform with robust tools for analyzing global private and public capital market data

Capital IQ is a Web-based research platform that combines in-depth information on companies, markets, and people worldwide with robust tools for fundamental analysis, financial modeling, market analysis, screening, targeting, and relationship and workflow management. It is used at nearly 2,000 client firms, including many of the world's investment banks, hedge funds, private equity firms, consultants, and corporations. Features include:

- **Company Intelligence:** Comprehensive information on over 42,000 active public companies, 685,000 private companies, 10,600 private capital firms, 312,000 transactions, and 985,000 professionals worldwide
- **Integration of S&P's ratings and credit research:** Users can view S&P's long-term and short-term credit ratings for an issuer, as well as its related entities
- **Screening and targeting tools:** Identify potential investments, investors, buyers, acquisitions, sales prospects, strategic partners, and executive hires as well as financial transactions and corporate actions. Screen 1,500+ qualitative and quantitative data items, and "click-through" audit specific items to their source filings
- **Capital IQ Real-Time:** Provides streaming quotes, news, charts and market views
- **Flexible IT Deployment:** Can be used as a standalone solution or integrated into existing business applications



www.CapitalIQ.com



www.RatingsDirect.com

Real-time source for S&P's global credit ratings, research, and risk analysis

RatingsDirect® is a real-time, Web-based source for Standard & Poor's global credit ratings, research, and risk analysis that gives financial professionals enhanced transparency into the ratings and research that impact global credit markets.

With a wide range of timely analyses, commentaries, and special reports, RatingsDirect enables users to search through several trillion dollars' worth of worldwide securities – publicly rated by Standard & Poor's – and view up-to-the-minute credit ratings, opinions, and in-depth perspectives on the credit market, including:

- The underlying rationale for a rating action and potential outlook
- Peer comparisons, key financial ratios, and important credit drivers
- In-depth global economic and capital markets research with default/transition studies, and analyses of ratings trends
- Estimates of post-default recovery and credit risk in leveraged debt markets

RatingsDirect contains nearly 8 million ratings on approximately 40,000 issuers across the globe plus 240,000 research and commentary articles.

Standard & Poor's

A WORLD-LEADING INDEX PROVIDER

Standard & Poor's is a leading full-service provider of tradable and benchmark index products and services. Standard & Poor's flagship index series, including the S&P 500 and the S&P Global 1200, are world-renowned as investable, liquid, and replicable offerings designed to serve as proxies for the different markets they measure. Over \$1.5 trillion in investment assets are directly tied to Standard & Poor's indices.

Standard & Poor's has a long history of creating indices. Collaboration with major exchanges around the world enables Standard & Poor's to innovate local, regional and global solutions for all types of index needs. The goal: provide an index for every type of investment.

TRACKING THE GROWTH OF S&P'S FAMILY OF INDICES

	Futures trading on the S&P 500 begins at the Chicago Mercantile Exchange (CME)	Launches world's first exchange-traded fund (SPDRs)	Acquires IFC emerging market indices from World Bank	S&P ADR and S&P Hedge Fund Indices launched	With CITIC Securities, creates S&P/CITIC equity and bond indices for Chinese market	First index for real estate: S&P/Case Shiller® Home Price Index on CME	\$161.2 billion in assets under management in exchange-traded funds based on S&P indices	415,588 average daily volume in S&P 500 futures contracts				
1957	1982	1983	1993	1999	2000	2001	2002	2003	2004	2005	2006	2007
Launches S&P 500		The Chicago Board of Options Exchange (CBOE) starts trading options based on the S&P 500	Introduces the S&P Global 1200, the first real-time investable global index	Partners with Tokyo and Toronto stock exchanges to create, manage indices	\$63.2 billion in assets under management in exchange-traded funds based on S&P indices	Collaborates with RTS-Interfax to create S&P/RUX indices for Russian market		Partners with Borsa Italiana and Hong Kong exchanges and acquires Citigroup Global Equity Index Series		Launches S&P Custom Index solutions, style and pure style indices		Acquires GSCI, the Goldman Sachs commodity indices
												Introduces first tradable index on private equity, S&P Listed Private Equity Index

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THE GOAL: AN INDEX FOR EVERY TYPE OF INVESTMENT

Standard & Poor's family of indices represents a broad spectrum of asset classes, geographies and styles.

Equity	Alternative	Strategy	Fixed Income	Custom
Families of indices for global and local markets. Basis for futures, options, and exchange-traded funds (ETFs). Recent additions: S&P BRIC 40 (Brazil, Russia, India, China) and S&P Global Thematic series (e.g., clean energy, water, infrastructure).	Benchmarking tools for assets beyond stocks and bonds. Examples: Commodities (S&P GSCI), residential real estate market (S&P/Case Shiller®), S&P Listed Private Equity Index for ETFs, and structured products. ETFs on preferred stock indices in U.S. and Canada.	Portfolio strategies based on equities, fixed income, commodities, or innovative asset class allocations. Example: S&P Multi Asset Strategy Index.	A variety of bond benchmarks for local market investors in Canada and China. Structured finance indices in U.S. and Europe.	Indices designed for clients including asset managers, derivative desks, brokerage houses, listed companies, pension plans, consultants, and stock exchanges.

HOW S&P INDEX PRODUCTS AND SERVICES GENERATE REVENUE

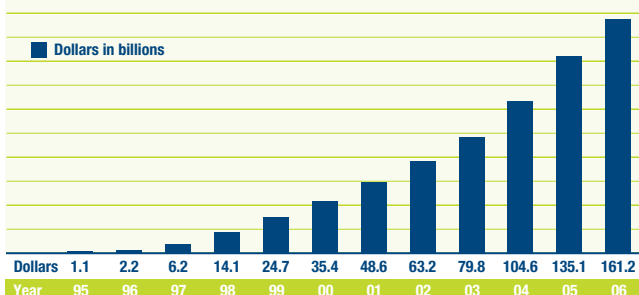
- **Investment vehicles such as ETFs**, which are based on Standard & Poor's indices and generate revenue through fees based on trading volume and assets in underlying funds
- **Index-related licensing fees**, which are either annual fees based on assets under management or flat fees for over-the-counter (OTC) derivatives and retail structured products
- **Data subscriptions**, which support index product management, portfolio analytics, and research
- **Listed derivatives**, which generate royalties based on trading volumes of derivatives contracts listed on the Chicago Mercantile Exchange, Chicago Board Options Exchange, Australian Securities Exchange, Montreal Exchange, and other exchanges

RECORD-LEVEL ETFs LINKED TO S&P INDICES

Exchange-traded funds (ETFs), which represent share ownership of an index fund but trade like shares of stock, have become the most popular securities on the American Stock Exchange. Standard & Poor's has been at the forefront of ETF development since the launch of the S&P 500 SPDR (Standard & Poor's Depository Receipts) in 1993, the S&P MidCap SPDR in 1995, and the Select SPDRs in 1998. 35 new ETFs linked to Standard & Poor's indices were launched in 2006. Assets in the over 85 listed ETFs linked to S&P indices reached record levels at year-end 2006, led by the SPDR S&P 500 ETF, the largest ETF in the world.

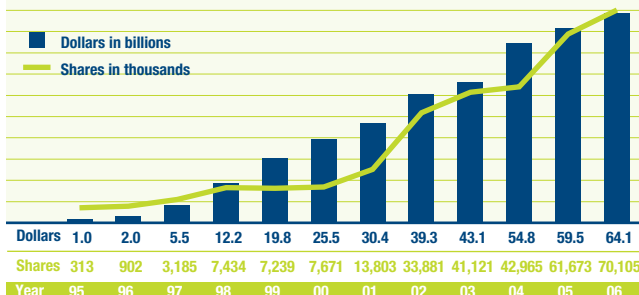
Futures and options volume linked to indices continues to grow. Trading in E-mini S&P 500 futures at the Chicago Mercantile Exchange reached a record 257.9 million contracts in 2006, up 24.5% compared to 2005. Trading in S&P 500 options at the CBOE reached a record 104.3 million contracts in 2006, up 45.3% from 2005. New instruments such as options on VIX, a measure of volatility of the S&P 500, and weekly options linked to S&P 500 and S&P 100, continue to expand the range of products linked to Standard & Poor's indices.

S&P Index-Based ETF Assets



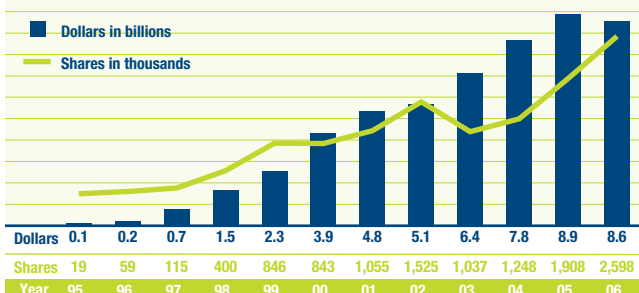
Source: Standard & Poor's

S&P 500 SPDR Trust Value/Average Daily Trading Volume



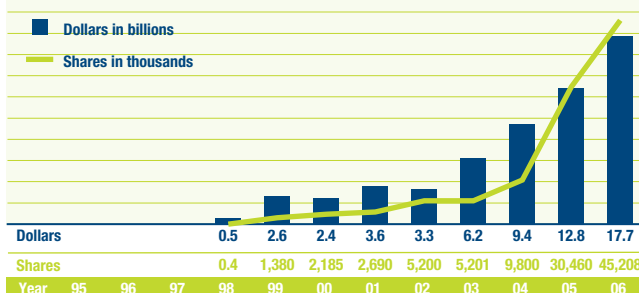
Source: American Stock Exchange

MidCap SPDR Trust Value/Average Daily Trading Volume



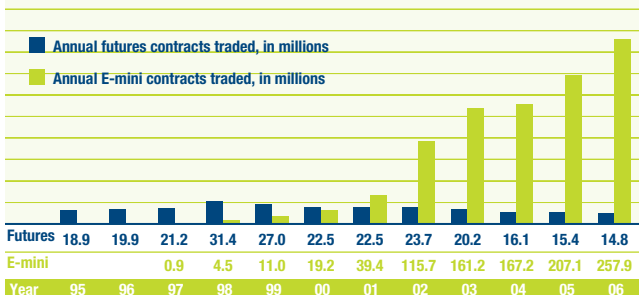
Source: American Stock Exchange
Note: MidCap SPDRs (MDY) started trading May 4, 1995

Select Sector SPDR Trust Value/Average Daily Trading Volume



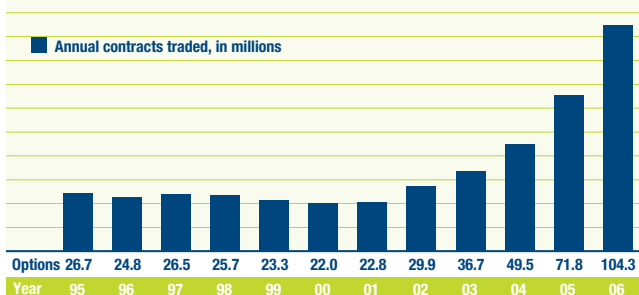
Source: American Stock Exchange
Note: Select Sector SPDRs started trading December 22, 1998

S&P 500 Index Futures Traded on the CME



Source: Chicago Mercantile Exchange
Note: E-mini 500 contracts started trading on September 9, 1997

S&P 500 Option Contracts Traded on the CBOE



Source: Chicago Board Options Exchange

Standard & Poor's

INVESTMENT ADVISORY SERVICES

Standard & Poor's provides independent, objective analysis and advice to the investment management and advisory marketplace. Clients receive portfolio strategy, fund research, and asset allocation services encompassing the wide range of Standard & Poor's analysis and tools, including S&P's proprietary ranking methodologies (such as Quality Rankings and Fair Value).

PORTFOLIO STRATEGIES

Standard & Poor's portfolio strategies typically leverage proprietary data and research tools and range from developing recommended stock lists to acting as a non-discretionary subadvisor for fund of fund (or manager of manager) programs. Standard & Poor's portfolio strategies are used by clients to create a wide range of investment products including mutual funds, exchange-traded funds (ETFs), unit investment trusts (UITs), and variable annuity programs.

Standard & Poor's designs primarily two types of strategies: individual securities-based strategies and multi-manager strategies that incorporate S&P's independent, analytic insights, and proprietary research.

FUND RESEARCH

Standard & Poor's provides clients with rigorous evaluations to aid in fund portfolio analysis and selection. Fund research covers all styles and market capitalization segments, spanning global equity and fixed income markets. Standard & Poor's also evaluates separately managed accounts (SMAs), ETFs, and insurance

sub-accounts and recommends lists of them for portfolios tailored to client-supplied requirements based on S&P's high standards for performance, consistency, process discipline, and management quality.

ASSET ALLOCATION

Standard & Poor's asset allocation services can be used to develop portfolios for both institutional and retail investors. Standard & Poor's recommendations span a spectrum of asset classes and

risk appetites and address targeted objectives such as capital appreciation, income, industry sector or regional/global classifications for both institutional and retail settings.

OPTIONS FOR WORKING WITH STANDARD & POOR'S INVESTMENT ADVISORY SERVICES

Standard & Poor's offers its investment research and advice under a variety of arrangements, including:

- **Licensing:** Proprietary research and rankings to create funds, SMAs, unit investment trusts, structured notes, and other investment vehicles
- **Consulting:** Recommendations that clients use for decision-making consistent with the portfolio's investment objectives
- **Subadvisory:** Non-discretionary subadvisor to investment managers of funds of funds and equity portfolios, providing daily monitoring of portfolios as well as buy, sell, and weighting recommendations
- **Support Services:** Marketing and sales support including conference and teleconference speakers, wholesaler meetings, and roadshows

LEADING THE WAY IN THOUGHT LEADERSHIP AND ANALYTICAL EXCELLENCE

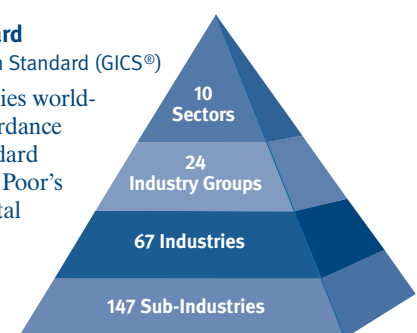
Standard & Poor's Quality Ranking System

The Standard & Poor's Quality Ranking System (also known as the Earnings & Dividend Ranking System) ranks a broad universe of U.S. common stocks based on each company's 10-year history of earnings and dividend activity. Created nearly 50 years ago, the S&P Quality Ranking System's proprietary quantitative methodology evaluates more than 4,000 common stocks, and is relied on by professional investors to assist in identifying securities that are appropriate for inclusion in equity portfolios. Standard & Poor's also produces a number of in-depth S&P Quality Ranking reports and creates products which apply this popular, time-tested evaluator in innovative ways, including a growing number of S&P model portfolios and structured investment ideas.

Creating a Global Standard

Global Industry Classification Standard (GICS®)

More than 35,000 companies worldwide are classified in accordance with GICS®, a global standard developed by Standard & Poor's and Morgan Stanley Capital International Inc. Each company is classified at the sub-industry level.



A WORLD-LEADING PROVIDER OF INDEPENDENT EQUITY RESEARCH

Standard & Poor’s is a world-leading provider of independent equity research, offering a wide spectrum of investment opinions, analysis, and commentary that is purchased by financial advisors, investors, and institutions. Standard & Poor’s received eight awards in *The Wall Street Journal*’s “2006 Best on the Street” annual analysts survey.

Standard & Poor’s equity research serves a full range of financial advisors, from traditional broker to registered investment advisor, from wirehouse to independent advisor, and from financial planner to wealth manager. Standard & Poor’s provides its research in a number of ways including strategy-driven portfolios, top-down, trend-driven and sector research tied to specific recommendations and strategies, and analysis of individual equities, all focused on enhancing the relationship between advisors and their clients.

INVESTMENT RESEARCH

Key services include:

- **Standard & Poor’s Stock Reports:** Covers more than 5,000 publicly-traded companies, including qualitative coverage on more than 1,800 companies, and presents an in-depth picture of each company’s activities, development, performance, and outlook
- **Standard & Poor’s MarketScope Advisor:** Provides real-time commentary, recommendations, investment strategies, current opinions, and stock picks to more than 120,000 investment professionals daily

- **Standard & Poor’s Investment Policy Committee (IPC) Notes:** Reports Standard & Poor’s “top-down” economic, fundamental, and technical outlook as well as recommended asset allocation
- **The Outlook:** Standard & Poor’s consumer-oriented, investor website, which includes a weekly newsletter that has been providing investors with unbiased research for eight decades

LEVERAGING GLOBAL INTEREST IN INDEPENDENT EQUITY RESEARCH

The global equity research business is undergoing transformational change. Intense global regulatory oversight and measures for increased transparency have been instituted to help restore investor confidence in equity markets, while the value of credible

independent research is increasing. The evolution of the global equity research environment is now creating opportunities and business models for independent research firms to provide new and enhanced research and support services.

LEADING THE WAY IN THOUGHT LEADERSHIP AND ANALYTICAL EXCELLENCE

ANALYTICAL RIGOR

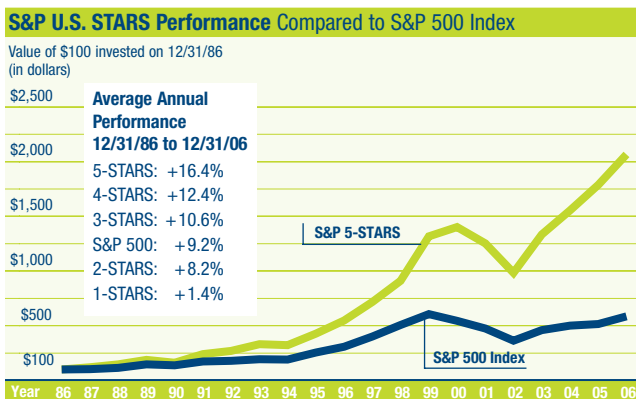
Qualitative Research

Standard & Poor’s has approximately 100 equity research analysts globally. Analysts provide investment recommendations using a proprietary measure called the Stock Appreciation Ranking System, or STARS, a ranking of the potential for future performance over the coming 12-month period. Over 1,800 companies are evaluated under this system ranging from an S&P 5-STARS Strong Buy ranking to a 1-STARS Strong Sell ranking.

Quantitative Research

Standard & Poor’s provides quantitative evaluations for more than 6,000 equities including models that use artificial intelligence and incorporate historical numbers and growth projections.

- **Quality Ranking (Earnings & Dividend Ranking) System:** Created nearly 50 years ago, S&P’s Quality Rankings now evaluate more than 4,000 common stocks, assisting both individual and professional investors in identifying securities that consistently outperform market indices on a risk-adjusted basis
- **Fair Value Rank:** A quantitative model that incorporates profitability, relative value, and changes in future earnings estimates. This ranking is based on relational analyses of consensus earnings and growth forecasts
- **Investability Quotient (IQ):** The IQ indicates a stock’s potential for medium- to long-term returns on a scale of 0 to 250 based on three proprietary performance measures: STARS, Quality Rankings, and Credit Ratings. The IQ calculation also draws from a proprietary statistical model that looks at valuation, profitability, risk and momentum factors, relative strength, liquidity, and volatility



Source: Standard & Poor’s