

# MSCI to Acquire the IPD Group

## Combination of MSCI and IPD Brings Real Estate to the Fore as a Global Asset Class

**London – October 31, 2012** – MSCI Inc. (NYSE: MSCI), a leading provider of investment decision support tools worldwide, announced today that its subsidiary, MSCI Limited, has entered into a definitive agreement to acquire IPD Group Limited, a holding company for the IPD Group, for a purchase price of approximately \$125 million<sup>1</sup> (£78 million), funded through existing cash. IPD is a leading provider of real estate investment performance benchmarking, performance analysis, market indices, risk management tools and market research to the owners, institutional investors, managers, lenders on, and occupiers of, real estate. The acquisition is subject to customary closing conditions for transactions of this nature.

"The acquisition of IPD is part of our core strategy to provide investment decision support tools to institutional investors across all major asset classes. IPD's real estate industry knowledge and strong capabilities complement MSCI's expertise in providing investment tools for the equities, fixed income, hedge fund, energy and commodities markets," said Henry Fernandez, Chairman and CEO, MSCI Inc. "This is an exciting addition to our business. We've seen significant demand from institutional investors globally for better coverage of private markets. The real estate investment market presents considerable opportunities for growth, and we look forward to helping to accelerate the institutionalization and globalization of real estate as an asset class."

"We believe this transaction is key to the long-term success of IPD, and it has the wholehearted support of our shareholders and staff," said Rupert Nabarro, Chairman of IPD. "Our aim has always been to make IPD a truly global provider of real estate data and analytics, providing trusted benchmarks for the industry and developing real estate as a global asset class. MSCI's acquisition of IPD will help us reach these goals, while maintaining our real estate expertise and the well established IPD brand."

MSCI expects its global footprint, strong relationships with institutional investors, technological and operational expertise to enhance IPD's existing products and services. The addition of IPD will enable MSCI to expand its multi-asset class offering by integrating private real estate assets into its models, and by adding real estate benchmarks to its family of market leading indices.

For the year ended December 31, 2011 and the six month period ended June 30, 2012, IPD had U.S. dollar equivalent revenues of \$47.7 million<sup>2</sup> (£29.7 million) and \$26.4 million<sup>2</sup> (£16.7 million), respectively. The acquisition is not expected to have a material impact on MSCI's results of operations in fiscal year 2012. The transaction is expected to close during the fourth quarter of 2012.

Davis Polk & Wardell LLP and Allen & Overy LLP acted as legal advisers to MSCI. Lazard & Co., Limited was lead adviser to IPD Group Limited, supported by Tom Van Oss and Portico Capital, and Linklaters acted as legal advisers, supported by Addis Law.

<sup>1</sup> Purchase price shown in U.S. dollars based on a GBP / USD exchange rate of 1.60. Purchase price excludes certain employee retention payments and expenses.

<sup>2</sup> Revenues shown in U.S. dollars based on average exchange rates over the respective periods.

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## About MSCI

MSCI Inc. is a leading provider of investment decision support tools to investors globally, including asset managers, banks, hedge funds and pension funds. MSCI products and services include indices, portfolio risk and performance analytics, and governance tools.

The company's flagship product offerings are: the MSCI indices with approximately \$7 trillion estimated to be benchmarked to them on a worldwide basis<sup>1</sup>; Barra multi-asset class factor models, portfolio risk and performance analytics; RiskMetrics multi-asset class market and credit risk analytics; MSCI ESG (environmental, social and governance) Research screening, analysis and ratings; ISS governance research and outsourced proxy voting and reporting services; FEA valuation models and risk management software for the energy and commodities markets; and CFRA forensic accounting risk research, legal/regulatory risk assessment, and due-diligence. MSCI is headquartered in New York, with research and commercial offices around the world. MSCIR#

<sup>1</sup>As of June 30, 2011, based on eVestment, Lipper and Bloomberg data.

For further information on MSCI, please visit our web site at [www.msci.com](http://www.msci.com)

## About IPD

IPD is a global real estate information business operating in 32 countries. With more than 320 employees it provides institutional investors, fund managers, occupiers, lenders, advisors and researchers with objective benchmarks and market indices. Its detailed databases cover some \$1.4 trillion of property investments. IPD was founded in London in 1985 and is currently owned by leading UK institutions and commercial real estate brokers, the company's founders Rupert Nabarro and Ian Cullen, and its employees.

For further information on IPD, please visit [www.ipd.com](http://www.ipd.com)

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#### **Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties and other factors that may cause MSCI's 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 forward-looking 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 MSCI's control and that could materially affect actual results, levels of activity, performance, or achievements. Such risks, uncertainties and factors include, but are not limited to: the risk that a condition to closing of the proposed acquisition of IPD may not be satisfied; the failure to consummate or delay in consummating the proposed acquisition for other reasons; MSCI's ability to achieve the synergies and value creation contemplated by the proposed acquisition; MSCI's ability to promptly and effectively integrate IPD's business; and the diversion of management time on acquisition-related issues.

Other factors that could materially affect MSCI's 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, 2011 and filed with the Securities and Exchange Commission (SEC) on February 29, 2012, and in MSCI's 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 MSCI's and IPD's underlying assumptions prove to be incorrect, actual results may vary significantly from what we projected. Any forward-looking statement in this release reflects MSCI's and IPD's current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to MSCI's and IPD's operations, results of operations, growth strategy and liquidity. MSCI and IPD assume 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.