MSCI Inc.
Form 424B4
April 29, 2008

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PROSPECTUS SUPPLEMENT

(To Prospectus dated April 22, 2008)

MSCI Inc.

CLASS A COMMON STOCK

This prospectus supplement may be used by Morgan Stanley & Co. Incorporated in connection with offers and sales in agency transactions. Such sales may be made at prevailing market prices at the time of sale, at prices related thereto or at negotiated prices.

MSCI will not receive any of the proceeds from the sale of the common stock pursuant to this prospectus supplement.

MSCI is currently majority-owned by Morgan Stanley. Upon completion of the secondary offering by Morgan Stanley, Morgan Stanley will own 56,038,764.79 shares of MSCI class B common stock, which will represent 86.4% of the voting interest and 56.03% of the economic interest in MSCI. See Prospectus Supplement Summary The Offering and Risk Factors Risks Related to MSCI s Relationship with Morgan Stanley.

MSCI Inc. s class A common stock is listed on the New York Stock Exchange under the symbol MXB.

Investing in the class A common stock involves risks. See Risk Factors beginning on page S-13.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

MORGAN STANLEY

April 28, 2008

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This prospectus supplement supplements the prospectus dated April 22, 2008. You should read this prospectus supplement in conjunction with the prospectus. This prospectus supplement is not complete without, and may not be delivered or used except in conjunction with, the prospectus, including any amendments or supplements to it. This prospectus supplement is qualified by reference to the prospectus, except to the extent that the information provided by this prospectus supplement supersedes information contained in the prospectus.

This prospectus supplement incorporates by reference important information. You should read the information incorporated by reference before deciding to invest in shares of our class A common stock and you may obtain this information incorporated by reference without charge by following the instructions under Where You Can Find More Information appearing below. All references in this prospectus supplement to MSCI, the company, we, us and our refer to MSCI Inc.

You should rely only on the information contained or incorporated by reference in this prospectus supplement. We and the selling stockholders have not authorized anyone to provide you with information different from that contained or incorporated by reference in this prospectus supplement. The selling stockholders may offer to sell, and may seek offers to buy, shares of class A common stock only in jurisdictions where offers and sales are permitted. The information contained or incorporated by reference in this prospectus supplement is accurate only as of its date. Our business, financial condition, results of operations and prospects may have changed since that date.

We own or have rights to use trademarks, trade names and service marks that we use in conjunction with the operation of our business, including, but not limited to: @CREDIT, @ENERGY, @INTEREST, ACWI, Alphabuilder, Barra, Barra One, BarraOne, EAFE, FEA, GICS, IndexMap, Market Impact Model, MSCI, ProStorage, TotalRisk, VaRdelta and VaRworks. All other trademarks, trade names and service marks included in this prospectus supplement are the property of their respective owners.

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NOTICE TO INVESTORS

This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). The shares of class A common stock are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such shares of class A common stock will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

In any EEA Member State that has implemented Directive 2003/71/EC (together with any applicable implementing measures in any Member State, the Prospectus Directive), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

This prospectus supplement has been prepared on the basis that any offer of shares of class A common stock in any Member State of the European Economic Area (EEA) which has implemented the Prospectus Directive (2003/71/EC) (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of shares of class A common stock. Accordingly any person making or intending to make any offer within the EEA of shares of class A common stock which are the subject of the placement contemplated in this prospectus supplement may only do so in circumstances in which no obligation arises for MSCI Inc. or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither MSCI Inc. nor the underwriters have authorised, nor do they authorise, the making of any offer (other than permitted public offers) of shares of class A common stock in circumstances in which an obligation arises for MSCI Inc. or the underwriters to publish a prospectus for such offer.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained or incorporated by reference in this prospectus supplement. This summary does not contain all of the information that you should consider before deciding to invest in our class A common stock. You should read this entire prospectus supplement carefully, including the information incorporated by reference in this prospectus supplement. See Risk Factors in our Annual Report on Form 10-K for the fiscal year ended November 30, 2007, incorporated by reference herein.

MSCI

The Company

We are a leading provider of investment decision support tools to investment institutions worldwide. We produce indices and risk and return portfolio analytics for use in managing investment portfolios. Our products are used by institutions investing in or trading equity, fixed income and multi-asset class instruments and portfolios around the world. Our flagship products are our international equity indices marketed under the MSCI brand and our equity portfolio analytics marketed under the Barra brand. Our products are used in many areas of the investment process, including portfolio construction and optimization, performance benchmarking and attribution, risk management and analysis, index-linked investment product creation, asset allocation, investment manager selection and investment research.

Our clients include asset owners such as pension funds, endowments, foundations, central banks and insurance companies; institutional and retail asset managers, such as managers of pension assets, mutual funds, exchange traded funds (ETFs), hedge funds and private wealth; and financial intermediaries such as broker-dealers, exchanges, custodians and investment consultants. As of February 29, 2008, we had a client base of nearly 3,000 clients across over 60 countries. As of February 29, 2008, we had 19 offices in 14 countries to help serve our diverse client base, and for the three months ended February 29, 2008, approximately 52% of our operating revenues came from clients in the Americas, 33% from Europe, the Middle East and Africa (EMEA), 8% from Japan and 7% from Asia-Pacific (not including Japan).

Our principal sales model is to license annual, recurring subscriptions to our products for use at specified locations by a given number of users for an annual fee paid upfront. The substantial majority of our revenues comes from these annual, recurring subscriptions. Over time, as their needs evolve, our clients often add product modules, users and locations to their subscriptions, which results in an increase in our revenues per client. Additionally, a rapidly growing source of our revenues comes from clients who use our indices as the basis for index-linked investment products such as ETFs. These clients commonly pay us a license fee based on the investment product s assets. We also generate a limited amount of our revenues from certain exchanges that use our indices as the basis for futures and options contracts and pay us a license fee based on their volume of trades.

We have experienced growth in recent years with operating revenues, operating income and net income increasing by 19.1%, 55.3%, and 13.5%, respectively, for the year ended November 30, 2007 compared to the year ended November 30, 2006 and by 11.6%, 13.1%, and 31.0%, respectively, in the fiscal year ended November 30, 2006 compared to the fiscal year ended November 30, 2005. For the three months ended February 29, 2008 compared to the three months ended February 28, 2007, operating revenue and operating income increased by 20.5% and 17.3%, respectively, and net income decreased by 17.1%. The decrease in net income was primarily due to lower interest income on cash deposited with related parties, higher interest expense resulting from the interest on long-term debt related to borrowings under the credit facility we entered into in November 2007 (the Credit Facility) and expenses related to the amortization of the founders grant.

We were a pioneer in developing the market for international equity index products and equity portfolio risk analytics tools. MSCI introduced its first equity index products in 1969 and Barra launched its first equity risk analytics products in 1975. Over the course of more than 30 years, our research organization has accumulated an

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in-depth understanding of the investment process worldwide. Based on this wealth of knowledge, we have created and continue to develop, enhance and refine sophisticated index construction methodologies and risk models to meet the growing, complex and diverse needs of our clients investment processes. Our models and methodologies are the intellectual foundation of our business and include the innovative algorithms, formulas and analytical and quantitative techniques that we use, together with market data, to produce our products. Our long history has allowed us to build extensive databases of proprietary index and risk data, as well as to accumulate valuable historical market data, which we believe would be difficult to replicate and which provide us with a substantial competitive advantage.

Our primary products consist of equity indices, equity portfolio analytics and multi-asset class portfolio analytics. We also have product offerings in the areas of fixed income portfolio analytics, hedge fund indices and risk models, and energy and commodity asset valuation analytics. Our products are generally comprised of proprietary index data, risk data and sophisticated software applications. Our index and risk data are created by applying our models and methodologies to market data. For example, we input closing stock prices and other market data into our index methodologies to calculate our index data, and we input fundamental data and other market data into our risk models to produce our risk forecasts for individual securities and portfolios of securities. Our clients can use our data together with our proprietary software applications, third-party applications or their own applications in their investment processes. Our software applications offer our clients sophisticated portfolio analytics to perform in-depth analysis of their portfolios, using our risk data, the client s portfolio data and fundamental and market data. Our products are marketed under three leading brands. Our index products are typically branded MSCI. Our portfolio analytics products are typically branded Barra. Our energy and commodity analytics products are typically branded FEA.

Our MSCI-branded equity index products are designed to measure returns available to investors across a wide variety of markets (e.g., Europe, Japan or emerging markets), size (e.g., small capitalization or large capitalization), style (e.g., growth or value) and industries (e.g., banks or media). As of February 29, 2008, we calculated over 100,000 equity indices daily.

Over 2,200 clients worldwide subscribed to our equity index products for use in their investment portfolios and for market performance measurement and analysis in the first quarter of 2008. In addition to delivering our products directly to our clients, as of February 29, 2008, we also had approximately 50 third-party financial information and analytics software providers who distribute our various equity index products worldwide. The performance of our equity indices is also frequently referenced when selecting investment managers, assigning return benchmarks in mandates, comparing performance and providing market and academic commentary. The performance of certain of our indices is reported on a daily basis in the financial media.

Our Barra-branded equity portfolio analytics products assist investment professionals in analyzing and managing risks and returns for equities at both the asset and portfolio level in major equity markets worldwide. Barra equity risk models identify and analyze the factors that influence equity asset returns and risk. Our most widely used Barra equity products utilize our fundamental multi-factor equity risk model data to help our clients construct, analyze, optimize and manage equity portfolios. Approximately 800 clients worldwide subscribed to our equity portfolio analytics products as of February 29, 2008. Asset owners often request Barra risk model measurements for portfolio risk and tracking error when selecting investment managers, prescribing investment restrictions and assigning investment mandates.

Our multi-asset class portfolio analytics products offer a consistent risk assessment framework for managing and monitoring investments in a variety of asset classes across an organization. The products are based on proprietary fundamental multi-factor risk models, value-at-risk methodologies and asset valuation models. They enable clients to identify, monitor, report and manage potential market risks from equities, fixed income, derivatives contracts and alternative investments, and to analyze portfolios and systematically analyze risk and return across multiple asset classes. Using these tools, clients can identify the drivers of market risk across their

investments, produce daily risk reports, run pre-trade analysis and optimizations, evaluate and monitor multiple asset managers and investment teams and access correlations across a group of selected portfolios.

We also offer fixed income portfolio analytics, hedge fund indices and risk models, and energy and commodity asset valuation analytics.

Growth Strategy

We believe we are well-positioned for significant growth and have a multi-faceted growth strategy that builds on our strong client relationships, products, brands and integral role in the investment process. The number, diversity, size, sophistication and amount of assets held in investment institutions that own, manage and direct financial assets have grown significantly in recent years. These investment institutions increasingly require sophisticated investment management tools such as ours to support their complex and global investment processes. Set forth below are the principal elements of our strategy to grow our company and meet the increasing needs of these institutions for investment decision support tools:

Client Growth.

Increase product subscriptions and users within our current client base. Many of our clients use only one or a limited number of our products, and we believe there are substantial opportunities to cross sell our other investment decision support tools.

Expand client base in current client types. We plan to add new clients by leveraging our brand strength, our products, our broad access to the global investment community and our strong knowledge of the investment process.

Expand into client types in which we are underrepresented. We plan to expand into client types in which we do not currently have a leading presence. In particular, we intend to continue to focus on increasing the number of hedge fund managers using our products.

Expand global presence. We have a strong presence in the U.S., Western Europe and certain parts of Asia. While we have established a presence in selected markets within the Middle East, Asia, Africa, Eastern Europe and Latin America, there is potential for further penetration and growth in these markets. We intend to leverage our strong brands, reputation, products and existing presence to continue to expand in these markets and gain more clients.

Product Growth.

Create innovative new equity product offerings and enhancements. In order to maintain and enhance our leadership position, we plan to introduce innovative new products and enhancements to existing products. We maintain an active dialogue with our clients in order to understand their needs and anticipate market developments.

Expand our presence across all asset classes. We believe our well-established reputation and client base in the equity area as well as our experienced research staff provide us with a strong foundation to become a leading provider of tools for investors in multi-asset class portfolios and other asset classes such as fixed income.

Expand our capacity to design and produce new products. We intend to increase our investments in new model research, data production systems and software application design to enable us to design and produce new products more quickly and cost-effectively. We believe increasing our ability to process additional models and data, and design and code software applications more effectively, will allow us to respond faster to client needs and bring new products and product enhancements to the market more quickly.

Growth Through Acquisitions. We intend to actively seek to acquire products, technologies and companies that will enhance, complement or expand our product offerings and client base, as well as increase our ability to provide investment decision support tools to equity, fixed income and multi-asset class investment institutions.

Competitive Advantages

We believe our competitive advantages include the following:

Strong brand recognition. Our indices, portfolio analytics and energy and commodity asset valuation analytics, marketed under the MSCI, Barra and FEA brands, respectively, are well-established and recognized throughout the investment community worldwide. We are an industry leader in international equity indices and equity portfolio analytics tools worldwide.

Strong client relationships and deep understanding of their needs. Our consultative approach to product development, dedication to client support and range of products have helped us build strong relationships with investment institutions around the world. We believe the skills, knowledge and experience of our research, software engineering, data management and production and product management teams enable us to develop and enhance our models, methodologies, data and software applications in accordance with client demands and needs.

Client reliance on our products. Many of our clients have come to rely on our products in their investment management processes, integrating our products into their performance measurement and risk management processes, where they become an integral part of their daily portfolio management functions. In certain cases, our clients are requested by their customers to report using our tools or data.

Sophisticated models with practical applications. We have invested significant time and resources for more than three decades in developing highly sophisticated and practical index methodologies and risk models that combine financial theory and investment practice.

Open architecture and transparency. We have an open architecture philosophy. Clients can access our data through our software applications, third-party applications or their own applications. In order to provide transparency, we document and disclose many details of our models and methodologies to our clients so that they can better understand and utilize the tools we offer.

Global products and operations. Our products cover most major investment markets throughout the world. For example, our international equity indices include 68 developed, emerging and frontier market countries. As of February 29, 2008, we produced equity risk data for 41 single country models and a model covering an additional 15 European countries, and an integrated multi-asset class risk model that covered 56 equity markets and 46 fixed income markets. As of February 29, 2008, our clients were located in over 60 countries and many of them have a presence in multiple locations around the world. As of February 29, 2008, our employees were located in 14 countries in order to maintain close contact with our clients and the international markets we follow. We believe our global presence and focus allow us to serve our clients well and capitalize on a great number of business opportunities in many countries and regions of the world.

Highly skilled employees. Our workforce is highly skilled, technical and, in some instances, specialized. In particular, our research and software application development departments include experts in advanced mathematics, statistics, finance, portfolio investment and software engineering, who combine strong academic credentials with market experience.

Extensive historical databases. We have accumulated comprehensive databases of historical global market data and proprietary index and risk data. We believe our substantial and valuable databases of

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proprietary index and risk data, including over 35 years of certain index data history and over 30 years of certain risk data history, would be difficult and costly for another party to replicate. Historical data is a critical component of our clients investment processes, allowing them to research and back-test investment strategies and analyze portfolios over many investment and business cycles and under a variety of historical situations and market environments.

Our Corporate Information

Our principal executive offices are located at Wall Street Plaza, 88 Pine Street, New York, New York 10005 and our telephone number is (212) 804-3900. Our website address is www.mscibarra.com. Our website and the information contained therein or connected thereto shall not be deemed to be incorporated into this prospectus supplement, the accompanying prospectus or the registration statement of which they form a part.

Share Conversion

We have two classes of common stock outstanding. As of March 31, 2008, Morgan Stanley owned 81,038,764.79 shares of our class B common stock, which represented approximately 93.02% of the combined voting power of all classes of voting stock, and Capital Group International, Inc. (Capital Group International) owned 2,861,235.21 shares of our class B common stock, representing approximately 3.28% of the combined voting power of all classes of voting stock. As of March 31, 2008, we had 16,112,518 shares of class A common stock outstanding, representing approximately 3.7% of the combined voting power of all classes of voting stock. On April 25, 2008, Capital Group International converted all of its shares of our class B common stock into 2,861,235.21 shares of our class A common stock and transferred those shares of class A common stock to its affiliate, The Capital Group Companies Charitable Foundation (the Capital Foundation). Currently, Morgan Stanley owns 81,038,764.79 shares of our class B common stock, which represents approximately 95.5% of the combined voting power of all classes of voting stock. We currently have 18,982,954.21 shares of class A common stock outstanding, representing approximately 4.5% of the combined voting power of all classes of voting stock. The Capital Foundation owns 2,861,235.21 shares of our class A common stock, representing approximately 0.7% of the combined voting power of all classes of voting stock. Our class A common stock generally has fewer votes per share than our class B common stock.

Under the terms of our Amended and Restated Certificate of Incorporation, any holder of shares of class B common stock has the right to convert those shares into shares of our class A common stock at any time prior to a tax-free distribution of the shares held by Morgan Stanley to its shareholders or securityholders (including a distribution in exchange for Morgan Stanley shares or securities) or another similar transaction intended to qualify as a tax-free distribution under Section 355 of the Internal Revenue Code of 1986, as amended (the Code), or any corresponding provision of any successor statute (a Tax-Free Distribution). In addition, prior to any Tax-Free Distribution, under the Amended and Restated Certificate of Incorporation, shares of our class B common stock can be transferred only to Morgan Stanley, Capital Group International or their respective subsidiaries or affiliates, and any other transfer of such shares will result in the automatic conversion of those shares into shares of our class A common stock without any action by the transferor or transferee. Consequently, Morgan Stanley is selling class A common stock in this offering because its class B common stock will automatically convert into shares of our class A common stock when sold pursuant to this offering.

For as long as Morgan Stanley continues to beneficially own more than 50% of the combined voting power of all classes of our voting stock, Morgan Stanley will be able to direct the election of all of the members of our Board of Directors and exercise a controlling influence over our business and affairs, including any decisions with respect to mergers or other business combinations involving us, the acquisition or disposition of assets by us, our approval or disapproval of amendments to our Amended and Restated Certificate of Incorporation and By-laws, the incurrence of indebtedness, the issuance of any additional common stock or other equity securities,

the repurchase or redemption of common stock or preferred stock and the payment of dividends. See Risk Factors Risks Related to Our Relationship with Morgan Stanley in our Annual Report on Form 10-K for the fiscal year ended November 30, 2007, incorporated by reference herein. Similarly, Morgan Stanley will have the power to determine or significantly influence the outcome of matters submitted to a vote of our stockholders, including the power to prevent an acquisition or any other change in control of us and could take other actions that might be favorable to Morgan Stanley and potentially unfavorable to you. See Description of Capital Stock in our Registration Statement on Form S-1, as amended, incorporated by reference herein.

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THE OFFERING

Class A common stock offered by the selling stockholders	27,861,235 shares
Over-allotment option	3,000,000 shares of class A common stock from Morgan Stanley
Common stock outstanding before this offering:	
Class A common stock	18,982,954.21 shares
Class B common stock	81,038,764.79 shares
Total	100,021,719 shares
Common stock outstanding immediately after this offering:	
Class A common stock	43,982,954 shares (46,982,954 shares if the underwriters exercise their over-allotment option in full)
Class B common stock	56,038,764.79 shares (53,038,764.79 shares if the underwriters exercise their over-allotment option in full)
Total	100,021,718.79 shares
Voting rights	The holders of class A common stock, par value $0.01 per share (the class A common stock), generally have rights, including as to dividends, identical to those of holders of class B common stock, par value $0.01 per share (the class B common stock), except that holders of class A common stock are entitled to one vote per share and holders of class B common stock are generally entitled to five votes per share. Holders of the class A common stock and the class B common stock generally vote together as a single class, except when amending or altering any provision of our Amended and Restated Certificate of Incorporation or By-laws so as to adversely affect the rights of one class. See Description of Capital Stock Common Stock Voting Rights in our Registration Statement on Form S-1, as amended, incorporated by reference herein. Under certain circumstances, shares of class B common stock may be converted into shares of class A common stock. See Relationship with Morgan Stanley and Description of Capital Stock Common Stock Conversion in our Registration Statement on Form S-1, as amended, incorporated by reference herein.
Use of proceeds	

The selling stockholders will receive all net proceeds from the sale of the shares of the class A common stock in this offering. MSCI will not receive any of the proceeds from the sale of shares of our class A common stock by the selling stockholders.

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Dividend policy	We do not intend to pay dividends on our class A common stock or our class B common stock (collectively, the common stock).
Controlling shareholder	Currently, Morgan Stanley owns 100% of the outstanding shares of our class B common stock. Upon completion of this offering, Morgan Stanley will beneficially own 56,038,764.79 shares (53,038,764.79 shares if the underwriters exercise their over-allotment in full) of our class B common stock, which will represent approximately 86.4% of the combined voting power of all classes of voting stock (85.0% if the underwriters over-allotment option is exercised in full). For information regarding the relationship between Morgan Stanley and us, see Arrangements Between Morgan Stanley and Us.
Risk factors	You should read the Risk Factors section of this prospectus supplement for a discussion of factors that you should consider carefully before deciding to invest in shares of our class A common stock.
New York Stock Exchange symbol	MXB

Unless we indicate otherwise, all information in this prospectus supplement excludes 12,978,281 shares of class A common stock reserved for issuance pursuant to our equity incentive compensation plan and our independent directors equity compensation plan and assumes no exercise of the underwriters over-allotment option.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following table presents our summary historical consolidated financial data for the periods presented and should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and notes thereto set forth in this prospectus supplement and our Annual Report on Form 10-K for the fiscal year ended November 30, 2007 and our Quarterly Report on Form 10-Q for the quarter ended February 29, 2008, each incorporated by reference herein. The consolidated statement of income data for the fiscal years ended November 30, 2005, 2006 and 2007 and the consolidated financial condition data as of November 30, 2006 and 2007 are derived from our audited consolidated financial statements included in this prospectus supplement and our Annual Report on Form 10-K for the fiscal year ended November 30, 2007, incorporated by reference herein. The consolidated statement of income data for the fiscal years ended November 30, 2003 and 2004 and the consolidated statement of financial condition data as of November 30, 2003, 2004 and 2005 are derived from our audited historical consolidated financial statements not included in this prospectus supplement or incorporated by reference herein. The condensed consolidated statement of income data for the three-month periods ended February 28, 2007 and February 29, 2008 and the condensed consolidated financial condition data as of February 28, 2007 and February 29, 2008 are derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus supplement which, in our opinion, have been prepared on the same basis as the audited consolidated financial statements and reflect all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of our results of operations and financial position.

The historical financial information presented below may not be indicative of our future performance and does not necessarily reflect what our financial position and results of operations would have been had we operated as a stand-alone company during the periods presented. Results for the three months ended February 29, 2008 are not necessarily indicative of results that may be expected for the entire year.

On July 19, 2007, we paid a dividend of $973.0 million, consisting of $325.0 million in cash and $648.0 million in demand notes. Morgan Stanley was issued a demand note in the amount of $625.9 million and Capital Group International was issued a demand note in the amount of $22.1 million. On July 19, 2007, we paid in full the $22.1 million demand note held by Capital Group International. On November 20, 2007, we completed an initial public offering of 16.1 million shares of our class A common stock. The net proceeds from the offering were $265.0 million after deducting $20.3 million of underwriting discounts and commissions and $4.5 million of other offering expenses. Simultaneously with the initial public offering, we entered into the $500 million Credit Facility under which we borrowed $425.0 million to pay a portion of the $625.9 million demand note held by Morgan Stanley. The balance of the demand note was repaid with proceeds from our initial public offering.

The pro forma consolidated statement of income data for the fiscal year ended November 30, 2007 reflect (1) the $973.0 million dividend as if it had been paid on December 1, 2006, (2) the sale by us of 16,100,000 shares of our class A common stock pursuant to our initial public offering based on the initial public offering price of $18.00 per share and the application of the net proceeds from the initial public offering to pay a portion of the $625.9 million demand note held by Morgan Stanley as if the initial public offering and the payment of the demand note had occurred on December 1, 2006 and (3) the payment of the balance of the $625.9 million demand note held by Morgan Stanley with the net proceeds from the borrowing under the Credit Facility as if the borrowing and the payment of the demand note had occurred on December 1, 2006.

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Consolidated Statements of Income Data

	For the Fiscal Year Ended November 30,					Pro Forma For the Fiscal Year Ended November 30,	For the Three Months Ended February	
	2003(2)	2004(2)	2005(1)	2006(1)	2007(1)	2007(4)	28, 2007(1)	29, 2008(1)
	(in thousands, except per share data)							
Operating revenues	$ 91,277	$ 178,446	$ 278,474	$ 310,698	$ 369,886	$ 369,886	$ 87,069	$ 104,951
Cost of services	44,670	86,432	106,598	115,426	121,711	121,711	32,266	31,586
Selling, general, and administrative	30,082	47,099	70,220	85,820	92,477	92,477	18,964	31,550
Amortization of intangible assets		14,910	28,031	26,156	26,353	26,353	6,266	7,125
Total operating expenses	74,752	148,441	204,849	227,402	240,541	240,541	57,496	70,261
Operating income	16,525	30,005	73,625	83,296	129,345	129,345	29,573	34,690
Interest income	924	1,250	8,738	15,482	13,143	819	5,062(8)	2,372
Interest expense	131	624	1,864	352	9,586	32,047	95(8)	8,463
Other income (loss)		(13)	398	1,043	390	390	27	136
Interest income (expense) and other, net	793	613	7,272	16,173	3,947	(30,838)	4,994	(5,955)
Income before provision for income taxes, discontinued operations and cumulative effect of change in accounting principle	17,318	30,618	80,897	99,469	133,292	98,507	34,567	28,735
Provision for income taxes	5,921	9,711	30,449	36,097	52,181	38,516	12,925	10,801
Income before discontinued operations and cumulative effect of change in accounting principle	11,397	20,907	50,448	63,372	81,111	59,991	21,642	