



Fimalac Announces the Sale of Algorithmics

Fimalac announces that Fitch Group has entered into a definitive agreement to sell Algorithmics, a member of Fitch Group, to IBM. Algorithmics' risk analytics software, content and advisory services are used by banking, investment and insurance businesses to help them more effectively assess risk, address regulatory requirements and make more insightful business decisions.

The combination of Algorithmics' enterprise risk solutions with IBM's analytics business will present new growth opportunities for Algorithmics in a sector that has become increasingly competitive.

Under the terms of the agreement, Algorithmics will be sold in a cash transaction at a price of **\$387 million**, subject to price adjustments at closing. The total tax cost basis of this subsidiary at the Fitch Group level is estimated at around **\$96 million**, taking into account tax deductions which came from the amortization of intellectual property since its acquisition by Fitch Group in 2005.

Algorithmics generated revenues of \$163.7 million during the last fiscal year ending 30 September 2010. Earnings before interest, taxes, depreciation and amortization reached \$10.9 million with an operating loss of \$10.3 million related to the annual amortization of its intellectual property.

The transaction is expected to close before the end of October 2011, subject to applicable regulatory clearances and other customary closing conditions.

Paris – 1 September 2011