Moody's Investors Service Issues First Report on Implementation of its Code of Professional Conduct

Company Release - 04/12/2006 16:05

NEW YORK, April 12 /PRNewswire/ -- Moody's Investors Service ("Moody's") announced today that it has issued its first annual report related to its Code of Professional Conduct ("Moody's Code"). The Moody's Code sets forth the overall policies through which Moody's seeks to further its objectives to protect the integrity, objectivity and transparency of its credit rating process.

Moody's published the Moody's Code in June, 2005, pursuant to the International Organization of Securities Commissions' Code of Conduct Fundamentals for Credit Rating Agencies ("IOSCO Code"). The IOSCO Code was the product of two years of collaborative effort by global regulatory authorities, the credit rating industry and credit market participants. The IOSCO Code provides a global framework of principles for credit rating agency behavior and for transparent disclosure of their procedures, analytical methodologies and rating performance metrics. Moody's endorsed the principles expressed in the IOSCO Code, and its report reflects its commitment to implementing these principles.

"Our support for the IOSCO Code stems, in large part, from our commitment to be a useful and responsible participant in the global capital markets and our belief that the IOSCO principles represent sound business practices for the rating agency industry," said Jeanne M. Dering, Executive Vice President, Global Regulatory Affairs and Compliance, Moody's Corporation. Ms. Dering added, "We also believe that greater transparency around what we do and how we do it will enhance market understanding of, and confidence in, our credit ratings."

Over the past several years, Moody's has introduced important policies and guidelines to document existing practices within its rating groups and to address evolving market and regulatory expectations for its business. The Moody's Code is consistent with these policies and guidelines.

"We recognize the need to continue striving to enhance our processes and the quality of our ratings as we evolve and as the capital markets continue to develop," commented Christopher Mahoney, Co-Chief Operating Officer, Moody's Investors Service and Chairman of Moody's Credit Policy Committee. "We expect that Moody's will continue to modify its policies and procedures and to develop further processes and policies to promote implementation of the Code in the future."

Moody's report can be found on the Regulatory Affairs page of Moodys.com. The report describes the policies, procedures and processes through which Moody's has implemented the Moody's Code. The report also explains the substantive differences between the Moody's Code and the IOSCO Code, and shows that, despite these differences, the Moody's Code achieves the objectives of the IOSCO Code. Finally, the report covers enforcement and disclosure of the Moody's Code and communication with market participants.

Moody's Investors Service is a leading provider of credit ratings, research, and risk analysis. The firm's ratings and analysis track debt covering more than 100 sovereign nations, 11,000 company issuers, 25,000 public finance issuers, and 70,000 structured finance obligations. Moody's also publishes credit opinions, research and commentary that reach more than 9,000 customer accounts at some 2,400 institutions around the globe. Moody's Investors Service is a subsidiary of Moody's Corporation (NYSE: MCO), which employs approximately 2,900 employees in 22 countries and had revenue of $1.7 billion in 2005. Additional information about the company is available at http://www.moodys.com.

SOURCE Moody's

-0- 04/12/2006

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