Moody's

Fourth Quarter 2012 Earnings Call

February 8, 2013

Overview

SALLI SCHWARTZ
GLOBAL HEAD OF INVESTOR RELATIONS

Disclaimer

Certain statements contained in this release are forward-looking statements and are based on future expectations, plans and prospects for Moody's business and operations that involve a number of risks and uncertainties. Moody's outlook for 2013 and other forward-looking statements in this release are made as of February 8, 2013, and the Company disclaims any duty to supplement, update or revise such statements on a going-forward basis, whether as a result of subsequent developments, changed expectations or otherwise. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company is identifying certain factors that could cause actual results to differ, perhaps materially, from those indicated by these forward-looking statements. Those factors, risks and uncertainties include, but are not limited to, the current world-wide credit market disruptions and economic slowdown, which is affecting and could continue to affect the volume of debt and other securities issued in domestic and/or global capital markets; other matters that could affect the volume of debt and other securities issued in domestic and/or global capital markets, including credit quality concerns, changes in interest rates and other volatility in the financial markets; the uncertain effectiveness and possible collateral consequences of U.S. and foreign government initiatives to respond to the economic slowdown; concerns in the marketplace affecting our credibility or otherwise affecting market perceptions of the integrity or utility of independent agency ratings; the introduction of competing products or technologies by other companies; pricing pressure from competitors and/or customers; the impact of regulation as an NRSRO, the potential for new U.S., state and local legislation and regulations, including provisions in the Dodd-Frank Wall Street Reform and Consumer Protection Act and anticipated regulations resulting from the law; the potential for increased competition and regulation in the EU and other foreign jurisdictions; new EU regulations adding a private right of action against credit rating agencies for breaches of EU CRA regulations, requiring rotation of rating agencies for re-securitizations rated within the EU and imposing shareholder restrictions; exposure to litigation related to our rating opinions, as well as any other litigation to which the Company may be subject from time to time; the possible loss of key employees; failures or malfunctions of our operations and infrastructure; any vulnerabilities to cyber threats or other cybersecurity concerns; the outcome of any review by controlling tax authorities of the Company's global tax planning initiatives; the outcome of those legacy tax matters and legal contingencies that relate to the Company, its predecessors and their affiliated companies for which Moody's has assumed portions of the financial responsibility; the ability of the Company to successfully integrate acquired businesses; currency and foreign exchange volatility; a decline in the demand for credit risk management tools by financial institutions; and other risk factors as discussed in the Company's annual report on Form 10-K for the year ended December 31, 2011 and in other filings made by the Company from time to time with the Securities and Exchange Commission.

Agenda

1. Fourth Quarter and Full-Year 2012 Results
Raymond McDaniel, President and Chief Executive Officer

2. Financial and Operating Highlights
Linda Huber, Executive Vice President and Chief Financial Officer

3. Regulatory Developments
Raymond McDaniel, President and Chief Executive Officer

4. 2013 Outlook
Raymond McDaniel, President and Chief Executive Officer

5. Q&A
Raymond McDaniel, President and Chief Executive Officer
Linda Huber, Executive Vice President and Chief Financial Officer
Michel Madelain, President and Chief Operating Officer, Moody's Investors Service
Mark Almeida, President, Moody's Analytics

1. Fourth Quarter and Full-Year 2012 Results

RAYMOND MCDANIEL
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Fourth Quarter 2012 Results and Comparison to Fourth Quarter 2011

Moody's Corporation

» Revenue	↑ 33% to $754 million
» Expenses	↑ 25% to $494 million
» Operating Income	↑ 51% to $260 million
» Adjusted Operating Income	↑ 54% to $296 million
» Reported EPS	↑ 63% to $0.70

Full-Year 2012 Performance and Comparison to Full-Year 2011

Moody's Corporation

- Revenue — ↑ 20% to $2.7 billion
  - MIS — ↑ 20% to $1.9 billion
  - MA — ↑ 19% to $844 million
- Expenses — ↑ 19% to $1.7 billion
- Operating Income — ↑ 21% to $1.1 billion

Full-Year 2012 Performance and Comparison to Full-Year 2011

Moody's Corporation

- Adjusted Operating Income ↑ 22% to $1.2 billion

- Reported EPS ↑ 22% to $3.05
  - Excluding legacy tax benefit ↑ 22% to $2.99

2. Financial and Operating Highlights

LINDA HUBER
EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

Fourth Quarter 2012 Results and Comparison to Fourth Quarter 2011

Moody's Corporation Revenue

- Total Global — ↑ 33% to $754 million
- U.S. — ↑ 40% to $401 million
- Non-U.S. — ↑ 26% to $353 million
  - 47% of Total Global
- Recurring revenue — ↑ increased 10% to $351 million
  - 46% of Total Global

Fourth Quarter 2012 Results and Comparison to Fourth Quarter 2011

MIS Revenue by Geography

- Total MIS — ↑ 42% to $519 million
- U.S. — ↑ 49% to $307 million
- Non-U.S. — ↑ 32% to $213 million
  - 41% of Total MIS

Fourth Quarter 2012 Results and Comparison to Fourth Quarter 2011

MIS Revenue by Line of Business

- Corporate Finance: $245 million
  - Global ↑ 73%
  - U.S. ↑ 72%
  - Non-U.S. ↑ 76%

- Structured Finance: $103 million
  - Global ↑ 18%
  - U.S. ↑ 50%
  - Non-U.S. ↓ 9%

Fourth Quarter 2012 Results and Comparison to Fourth Quarter 2011

MIS Revenue by Line of Business

- Financial Institutions: $86 million
  - Global ↑ 29%
  - U.S. ↑ 39%
  - Non-U.S. ↑ 23%

- Public, Project & Infrastructure Finance: $85 million
  - Global ↑ 19%
  - U.S. ↑ 9%
  - Non-U.S. ↑ 36%

Fourth Quarter 2012 Results and Comparison to Fourth Quarter 2011

MA Revenue by Geography

- Total MA ↑ 17% to $235 million
- U.S. ↑ 16% to $94 million
- Non-U.S. ↑ 18% to $141 million
  - 60% of Total MA

Fourth Quarter 2012 Results and Comparison to Fourth Quarter 2011

MA Revenue by Line of Business

- Research, Data and Analytics: $126 million
  - Global ↑ 9%
  - U.S. ↑ 11%
  - Non-U.S. ↑ 7%
  - Customer retention rate mid-90's percent range

- Enterprise Risk Solutions: $79 million
  - Global ↑ 31%
  - U.S. ↑ 19%
  - Non-U.S. ↑ 36%

Fourth Quarter 2012 Results and Comparison to Fourth Quarter 2011

MA Revenue by Line of Business

- Organic Subscription Revenue (inclusive of MA's research, data and analytics segment plus certain products within MA's enterprise risk solutions segment)
  - Global ↑ 10%

- Professional Services: $30 million
  - Global ↑ 21%
  - U.S. ↑ nearly tripled
  - Non-U.S. ↑ 11%

Fourth Quarter 2012 Results and Comparison to Fourth Quarter 2011

Moody's Corporation

- Total expenses: ↑ 25% to $494 million
- Operating margin
  - 34.5%
  - – up from 30.3% in 4Q11
- Adjusted Operating margin
  - 39.3%
  - – up from 34.0% in 4Q11
- Effective tax rate
  - 31.5%
  - – down from 37.0% in 4Q11

Capital Allocation, Balance Sheet and Free Cash Flow

- Increased quarterly dividend 25% to $0.20 per share of common stock on December 11, 2012
- During 4Q12, repurchased 1.5 million shares at a total cost of $71 million and issued 1.9 million shares under employee stock-based compensation plans
- During full-year 2012 repurchased 4.8 million shares at a total cost of $197 million, for an average price of $40.58 per share, and issued 6.0 million shares under employee stock-based compensation plans
- Shares outstanding totaled 223 million at December 31, 2012
  - Flat to December 31, 2011
- $677 million of share repurchase authority remaining as of December 31, 2012
- At December 31, 2012, Moody's had:
  - $1.7 billion of outstanding debt
  - $1.0 billion of additional debt capacity under credit facility
  - Cash and cash equivalents of $1.8 billion, approximately 50% of which were maintained outside the U.S.
  - $778 million of free cash flow, an increase of $43 million from a year ago

3. Regulatory Developments

RAYMOND MCDANIEL
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Regulatory Developments

United States: *(the following developments are related to the Dodd-Frank Act)*

- In December 2012 the SEC published and delivered its report under Dodd-Frank on matters related to assigning credit ratings for structured finance products, commonly referred to as the Franken Amendment study
  - The SEC staff identified potential courses of action and recommended that a roundtable be convened at which proponents and critics would be invited to discuss the study and its findings
- Timing regarding this roundtable has not yet been announced
- The remainder of the SEC's rulemaking under Dodd-Frank is expected later this year

European Union:

- In January 2013, the European Parliament voted on and adopted a third round of legislation related to credit rating agencies, known as CRA3
- A few additional steps remain before CRA3 is finalized
- We expect that CRA3 will come into effect sometime in the second half of 2013

4. 2013 Outlook

RAYMOND MCDANIEL
PRESIDENT AND CHIEF EXECUTIVE OFFICER

MCO 2013 Full-Year Financial Outlook

» Revenue	↑ high-single-digit % range
» Expenses	↑ low-single-digit % range
» Operating Margin	• Between 42% and 43%
» Adjusted Operating Margin	• Between 46% and 47%
» Effective Tax Rate	• Approximately 32%
»EPS	• $3.45 to $3.55

Refer to “Moody’s Corporation Reports Results for Fourth Quarter and Full-Year 2012” press release for a full review of guidance

MCO 2013 Full-Year Financial Outlook (continued)

» Share Repurchase	• Approximately $500 million (subject to available cash, market conditions, and other ongoing capital allocation decisions)
» Capital Expenditures	• Approximately $50 million
» Depreciation and Amortization	• Approximately $100 million
» MCO Incremental Compliance and Regulatory Expense	• Approximately $10 million - $15 million

Refer to "Moody's Corporation Reports Results for Fourth Quarter and Full-Year 2012" press release for a full review of guidance

MIS 2013 Full-Year Financial Outlook

» Global	↑ high-single-digit % range
» U.S.	↑ high-single-digit % range
» Non-U.S.	↑ mid-single-digit % range
» Corporate Finance	↑ high-single-digit % range
» Structured Finance	↑ mid-single-digit % range
» Financial Institutions	↑ low-single-digit % range
» Public, Project & Infrastructure	↑ low-double-digit % range

Refer to "Moody's Corporation Reports Results for Fourth Quarter and Full-Year 2012" press release for a full review of guidance

MA 2013 Full-Year Financial Outlook

» Global	↑ high-single-digit % range
» U.S.	↑ high-single-digit % range
» Non-U.S.	↑ low-double-digit % range
» Research, Data & Analytics	↑ high-single-digit % range
» Enterprise Risk Solutions	↑ low-double-digit % range
» Professional Services	↑ low-double-digit % range

Refer to "Moody's Corporation Reports Results for Fourth Quarter and Full-Year 2012" press release for a full review of guidance

5. Q&A Session

- Raymond McDaniel

  President and Chief Executive Officer, Moody's Corporation

- Linda Huber

  Executive Vice President and Chief Financial Officer, Moody's Corporation

- Michel Madelain

  President and Chief Operating Officer, Moody's Investors Service

- Mark Almeida

  President, Moody's Analytics

Replay Details

- Available from 3:30pm (Eastern Time) February 8, 2013 until 11:59pm (Eastern Time) March 9, 2013

- Telephone Details:
  - U.S. 1-888-203-1112
  - Non-U.S. +1-719-457-0820
  - Passcode 5043660

- Webcast Details:
  - Go to http://ir.moodys.com
  - Click on “Events & Presentations” featured on the left
  - Click on the link for “Q4 2012 Earnings Conference Call”

Appendix

Consolidated Statements of Operations (Unaudited)

Amounts in millions, except per share amounts	Three Months Ended December 31, 2012	Three Months Ended December 31, 2011	Year Ended December 31, 2012	Year Ended December 31, 2011
Revenue	**$ 754.2**	**$ 567.1**	**$ 2,730.3**	**$ 2,280.7**
Expenses:				
Operating	221.6	181.2	795.0	683.5
Selling, general and administrative	236.4	193.2	752.2	629.6
Restructuring	-	(0.1)	-	-
Goodwill impairment charge	12.2	-	12.2	-
Depreciation and amortization	23.8	20.7	93.5	79.2
Total expenses	**494.0**	**395.0**	**1,652.9**	**1,392.3**
Operating income	**260.2**	**172.1**	**1,077.4**	**888.4**
Non-operating (expense) income, net				
Interest (expense) income, net	(21.6)	(16.9)	(63.8)	(62.1)
Other non-operating (expense) income, net	(2.2)	0.4	10.4	13.5
Total non-operating (expense) income, net	(23.8)	(16.5)	(53.4)	(48.6)
Income before provision for income taxes	**236.4**	**155.6**	**1,024.0**	**839.8**
Provision for income taxes	74.4	57.5	324.3	261.8
Net income	162.0	98.1	699.7	578.0
Less: net income attributable to noncontrolling interests	1.9	1.9	9.7	6.6
Net income attributable to Moody's Corporation	**$ 160.1**	**$ 96.2**	**$ 690.0**	**$ 571.4**
Earnings per share attributable to Moody's common shareholders				
Basic	$ 0.72	$ 0.43	$ 3.09	$ 2.52
Diluted	$ 0.70	$ 0.43	$ 3.05	$ 2.49
Weighted average number of shares outstanding				
Basic	223.0	222.2	223.2	226.3
Diluted	227.3	225.7	226.6	229.4

Supplemental Revenue Information (Unaudited)

Amounts in millions	Three Months Ended December 31, 2012	Three Months Ended December 31, 2011	Year Ended December 31, 2012	Year Ended December 31, 2011
Moody's Investors Service				
Corporate Finance	$ 244.9	$ 141.2	$ 857.6	$ 652.1
Structured Finance	102.9	86.9	381.0	344.6
Financial Institutions	86.2	66.8	325.5	294.9
Public, Project and Infrastructure Finance	85.4	72.0	322.7	277.3
Intersegment royalty	19.1	16.8	71.5	65.8
Sub-total MIS	538.5	383.7	1,958.3	1,634.7
Eliminations	(19.1)	(16.8)	(71.5)	(65.8)
Total MIS revenue	519.4	366.9	1,886.8	1,568.9
Moody's Analytics				
Research, Data and Analytics	126.3	115.4	491.0	451.3
Enterprise Risk Solutions	79.0	60.4	242.6	196.1
Professional Services	29.5	24.4	109.9	64.4
Intersegment revenue	2.8	2.8	11.8	10.6
Sub-total MA	237.6	203.0	855.3	722.4
Eliminations	(2.8)	(2.8)	(11.8)	(10.6)
Total MA revenue	234.8	200.2	843.5	711.8
Total Moody's Corporation revenue	**$ 754.2**	**$ 567.1**	**$ 2,730.3**	**$ 2,280.7**
Moody's Corporation revenue by geographic area				
United States	$ 400.9	$ 286.3	$ 1,464.1	$ 1,177.0
International	353.3	280.8	1,266.2	1,103.7
	$ 754.2	**$ 567.1**	**$ 2,730.3**	**$ 2,280.7**

Non-Operating (Expense) Income, Net

Amounts in millions	Three Months Ended December 31, 2012	Three Months Ended December 31, 2011	Year Ended December 31, 2012	Year Ended December 31, 2011
Interest (expense) / income, net:				
Expense on borrowings	**$ (21.7)**	$ (16.6)	**$ (73.8)**	$ (65.5)
Income	**1.5**	1.4	**5.2**	5.3
Legacy Tax, UTPs and other tax related liabilities [(a)]	**(1.4)**	(2.6)	**4.8**	(5.0)
Capitalized	**-**	0.9	**-**	3.1
Total interest (expense) income, net	**$ (21.6)**	$ (16.9)	**$ (63.8)**	$ (62.1)
Other non-operating (expense) income, net:				
FX gain/(loss)	**$ 0.1**	$ (0.7)	**$ (5.9)**	$ 2.6
Legacy Tax [(b)]	**-**	-	**12.8**	6.4
Joint venture income (loss)	**(2.1)**	1.5	**4.8**	6.8
Other	**(0.2)**	(0.4)	**(1.3)**	(2.3)
Other non-operating (expense) income, net	**(2.2)**	0.4	**10.4**	13.5
Total non-operating (expense) income, net	**$ (23.8)**	$ (16.5)	**$ (53.4)**	$ (48.6)

(a) The years ended December 31, 2012 and December 31, 2011 both contain approximately $4 million in benefits from Legacy Tax Matters. Additionally, the amount for the year ended December 31, 2012 contains a benefit of approximately $7 million related to the settlement of state and local income tax audits

(b) The amounts represent favorable resolutions of Legacy Tax Matters

Selected Consolidated Balance Sheet Data (Unaudited)

Amounts in millions	December 31, 2012	December 31, 2011
Cash and cash equivalents	$ 1,755.4	$ 760.0
Short-term investments	17.9	14.8
Total current assets	2,525.7	1,424.4
Non-current assets	1,435.2	1,451.7
Total assets	3,960.9	2,876.1
Total current liabilities	1,164.9	1,134.0
Total debt [1]	1,671.2	1,243.8
Other long-term liabilities	719.7	667.5
Total shareholders' equity(deficit)	400.0	(158.4)
Redeemable noncontrolling interest*	68.9	60.5
Total liabilities, redeemable noncontrolling interest and shareholders' equity(deficit)	3,960.9	2,876.1
Actual number of shares outstanding	223.3	222.4

* Represents a noncontrolling interest related to the November 2011 acquisition of Copal Partners

[1] Total debt consists of the following:	December 31, 2012	December 31, 2011
Series 2005-1 Notes due 2015 [a]	$ 313.8	$ 311.5
Series 2007-1 Notes due 2017	300.0	300.0
2008 Term Loan due 2013 [b]	63.8	135.0
2010 Senior Notes due 2020 [c]	497.4	497.3
2012 Senior Notes due 2022 [d]	496.2	-
Total debt [e]	$ 1,671.2	$ 1,243.8

[a] Includes a $13.8 million and $11.5 million fair value adjustment on an interest rate hedge at December 31, 2012 and December 31, 2011, respectively

[b] Various payments through 2013

[c] Represents $500 million of 5.5% publicly traded Senior Notes which mature on September 1, 2020; the notes were offered to the public at 99.374% of the face amount

[d] Represents $500 million of 4.5% publicly traded Senior Notes which mature on September 1, 2022; the notes were offered to the public at 99.218% of the face amount

[e] Of the total debt shown in the table above, $63.8 million and $71.3 million are classified within total current liabilities at December 31, 2012 and 2011, respectively, and consist of the current portion of borrowings under the 2008 Term Loan

Financial Information by Segment

	Three Months Ended December 31,							
	2012				2011			
	MIS	MA	Eliminations	Consolidated	MIS	MA	Eliminations	Consolidated
Revenue	$ 538.5	$ 237.6	$ (21.9)	$ 754.2	$ 383.7	$ 203.0	$ (19.6)	$ 567.1
Operating, selling, general and administrative expense	283.1	196.8	(21.9)	458.0	227.5	166.5	(19.6)	374.4
Adjusted operating income	255.4	40.8	-	296.2	156.2	36.5	-	192.7
Depreciation and amortization	11.4	12.4	-	23.8	10.3	10.4	-	20.7
Restructuring	-	-	-	-	(0.1)	-	-	(0.1)
Goodwill impairment charge	-	12.2	-	12.2	-	-	-	-
Operating income	$ 244.0	$ 16.2	$ -	$ 260.2	$ 146.0	$ 26.1	$ -	$ 172.1
Adjusted operating margin	47.4%	17.2%		39.3%	40.7%	18.0%		34.0%
Operating margin	45.3%	6.8%		34.5%	38.1%	12.9%		30.3%

	Year Ended December 31,							
	2012				2011			
	MIS	MA	Eliminations	Consolidated	MIS	MA	Eliminations	Consolidated
Revenue	$ 1,958.3	$ 855.3	$ (83.3)	$ 2,730.3	$ 1,634.7	$ 722.4	$ (76.4)	$ 2,280.7
Operating, selling, general and administrative expense	967.1	663.4	(83.3)	1,547.2	833.6	555.9	(76.4)	1,313.1
Adjusted operating income	991.2	191.9	-	1,183.1	801.1	166.5	-	967.6
Depreciation and amortization	44.3	49.2	-	93.5	41.3	37.9	-	79.2
Goodwill impairment charge	-	12.2	-	12.2	-		-	-
Operating income	$ 946.9	$ 130.5	$ -	$ 1,077.4	$ 759.8	$ 128.6	$ -	$ 888.4
Adjusted operating margin	50.6%	22.4%		43.3%	49.0%	23.0%		42.4%
Operating margin	48.4%	15.3%		39.5%	46.5%	17.8%		39.0%

Refer to “Moody’s Corporation Reports Results for Fourth Quarter 2012” press release for table details

Transaction and Relationship Revenue

	Three Months Ended December 31,					
	2012			2011		
	Transaction	Relationship	Total	Transaction	Relationship	Total
Corporate Finance	76%	24%	100%	65%	35%	100%
Structured Finance	62%	38%	100%	54%	46%	100%
Financial Institutions	40%	60%	100%	23%	77%	100%
Public, Project and Infrastructure Finance	62%	38%	100%	60%	40%	100%
Total MIS	**65%**	**35%**	**100%**	54%	46%	100%
Moody's Analytics	**28%**	**72%**	**100%**	25%	75%	100%
Total Moody's Corporation	**54%**	**46%**	**100%**	44%	56%	100%

	Year Ended December 31,					
	2012			2011		
	Transaction	Relationship	Total	Transaction	Relationship	Total
Corporate Finance	74%	26%	100%	71%	29%	100%
Structured Finance	58%	42%	100%	52%	48%	100%
Financial Institutions	37%	63%	100%	34%	66%	100%
Public, Project and Infrastructure Finance	61%	39%	100%	58%	42%	100%
Total MIS	**62%**	**38%**	**100%**	58%	42%	100%
Moody's Analytics	**23%**	**77%**	**100%**	20%	80%	100%
Total Moody's Corporation	**50%**	**50%**	**100%**	46%	54%	100%

Refer to “Moody’s Corporation Reports Results for Fourth Quarter 2012” press release for table details

Non-GAAP Financial Measures

	Year Ended December 31,	
	2012	2011
Diluted earnings per share attributable to Moody's common shareholders	$ 3.05	$ 2.49
Legacy Tax	$ (0.06)	$ (0.03)
Pro forma diluted earnings per share attributable to Moody's common shareholders	$ 2.99	$ 2.46

Refer to “Moody’s Corporation Reports Results for Fourth Quarter 2012” press release for table details

Adjusted Operating Income and Adjusted Operating Margin

	Three Months Ended December 31,		Year Ended December 31,	
	2012	**2011**	**2012**	**2011**
Operating income	**$ 260.2**	$ 172.1	**$ 1,077.4**	$ 888.4
Depreciation & amortization	**23.8**	20.7	**93.5**	79.2
Restructuring	**-**	(0.1)	**-**	-
Goodwill impairment charge	**12.2**	-	**12.2**	-
Adjusted operating income	**$ 296.2**	$ 192.7	**$ 1,183.1**	$ 967.6
Operating margin	**34.5%**	30.3%	**39.5%**	39.0%
Adjusted operating margin	**39.3%**	34.0%	**43.3%**	42.4%

	Full-Year Ended December 31, 2013
Operating Margin Guidance	42 - 43%
Depreciation and amortization	4%
Adjusted Operating Margin Guidance	**46 - 47%**

Refer to “Moody’s Corporation Reports Results for Fourth Quarter 2012” press release for table details

Free Cash Flow

	Year Ended December 31,	
	2012	**2011**
Net cash flows from operating activities	$ **823.1**	$ 803.3
Capital additions	**(45.0)**	(67.7)
Free cash flow	$ **778.1**	$ 735.6
Net cash used in investing activities	$ **(50.2)**	$ (267.6)
Net cash provided by (used in) financing activities	$ **202.6**	$ (417.7)

Refer to “Moody’s Corporation Reports Results for Fourth Quarter 2012” press release for table details

Website: http://ir.moodys.com

Email: ir@moodys.com



© 2013 Moody's Corporation and/or its licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. ("MIS") AND ITS AFFILIATES ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND CREDIT RATINGS AND RESEARCH PUBLICATIONS PUBLISHED BY MOODY'S ("MOODY'S PUBLICATIONS") MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED,

DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The ratings, financial reporting analysis, projections, and other observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. Each user of the information contained herein must make its own study and evaluation of each security it may consider purchasing, holding or selling.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

MIS, a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MIS have, prior to assignment of any rating, agreed to pay to MIS for appraisal and rating services rendered by it fees ranging from $1,500 to approximately $2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading "Shareholder Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

For Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657, AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail clients. It would be dangerous for retail clients to make any investment decision based on MOODY'S credit rating. If in doubt you should contact your financial or other professional adviser.