New Issue: Moody's assigns Aa2 rating to Seattle's new electric revenue bonds and affirms Aa2 rating on existing debt. Rating outlook is stable.

Global Credit Research - 12 Jun 2012

Approximately $2 billion of securities affected

SEATTLE (CITY OF) WA
Electric Distribution and Generation
WA

Moody's Rating

ISSUE		**RATING**
Municipal Light and Power Improvement and Refunding Revenue Bonds, 2012A		Aa2
Sale Amount	$298,935,000	
Expected Sale Date	06/26/12	
Rating Description	Revenue: Government Enterprise	
Municipal Light and Power Improvement Revenue Bonds, 2012C (Taxable New Clean Renewable Energy Bonds - Direct Payment)		Aa2
Sale Amount	$43,000,000	
Expected Sale Date	06/26/12	
Rating Description	Revenue: Government Enterprise	
Municipal Light and Power Refunding Revenue Bonds, 2012B (Taxable)		Aa2
Sale Amount	$9,385,000	
Expected Sale Date	06/26/12	
Rating Description	Revenue: Government Enterprise	

Moody's Outlook STA

Opinion

NEW YORK, June 12, 2012 --Moody's has assigned Aa2 ratings to $351.4 million of City of Seattle's (Seattle) City Light Department (Seattle City Light or SCL) debt obligations comprising of $299 million of Municipal Light and Power Improvement and Refunding Revenue Bonds, 2012A and $9.4 million Municipal Light and Power Refunding Revenue Bonds, 2012B (Taxable) and $43 million of Municipal Light and Power Improvement Revenue Bonds, 2012C (Taxable New Clean Renewable Energy Bonds - Direct Payment). Moody's also affirmed Seattle City Light's Aa2 rating on outstanding revenue bonds. The rating outlook is stable.

SUMMARY RATING RATIONALE

The Aa2 rating considers SCL's financial policies including the Rate Stabilization Account (RSA), strong historical willingness to raise rates when necessary and SCL's access to the City of Seattle's (Unlimited tax GO: Aaa/stable) consolidated money pool. The rating is also supported by SCL's ownership of low cost hydro, long-term contract with Bonneville Power Administration (BPA, Aa1/stable), attractive service area and competitive retail rates.

The Aa2 rating also incorporates SCL's meaningful wholesale price exposure, hydrology risk and expected sizeable increases in debt over time to fund SCL's 6-year capital improvement plans (CIP) totaling $1.8 billion. The rating also considers debt service coverage improving to 1.5 times (post city tax) by 2014 and liquidity stabilizing around 100 days cash on hand over the longer term.

DETAILED CREDIT DISCUSSION

Seattle City Light is a department of the City of Seattle, which operates a utility system that primarily generates and delivers electricity to approximately 400,350 customers in the City of Seattle and several surrounding communities under franchise agreements. The City of Seattle is located in the western part of Washington State and is commercial hub for the Pacific Northwest. SCL's service area comprises of 131 square miles and a population of approximately 788,500. The major economic activities in the greater Puget Sound region are technology, manufacturing, healthcare, military and education.

In 2011, SCL received approximately 44% of its power from owned generation, 36% from BPA, 10% under long term or exchange contracts and 10% from the wholesale market. Owned generation totals 1,872 MW of nameplate capacity and primarily comprises of the 1,022 MW Boundary hydro project (Boundary Project) and the 802 MW Skagit Hydro projects (Skagit Projects). The Boundary Project is located in Pend Oreille county in Washington state and its original FERC license expired in September 2011. FERC has issued a one-year extension and Moody's expects further one-year annual extensions until a final long-term license is issued. The Skagit Projects comprise of three hydro projects that operate as one system since they are located on the same ten-mile section of the Skagit River. SCL also has smaller hydro facilities totaling 48 MW.

SCL is subject to ordinances and resolutions adopted by Seattle's city council and approved by the mayor. Seattle's mayor and city council also approves SCL's budget, sets rates and approves financing. In March 2010, the City Light Review Panel (Review Panel) was established to review and assess SCL's strategic plan, financing policies and rates. Review Panel members are drawn from SCL's customers and are appointed to staggered 1 to 3 year terms by Seattle's mayor and the city council.

SCL pays a utility tax (city tax) to the City of Seattle equal to 6% of gross revenues from retail sales, less certain adjustments. The City of Seattle's Charter does not permit SCL to pay taxes to the City of Seattle's general fund until ample provision has been made for the servicing of the debts and obligations of the utility and for necessary betterments and replacements for the current year. SCL also pays a separate state public utility tax equal to 3.873% of Gross Revenues from sales within the State, less certain adjustments.

As of December 31, 2011, Seattle City Light had total debt of approximately $1.68 billion.

USE OF PROCEEDS:

Approximately $200 million of the issuance represents new money and the proceeds are expected to be used to pay transaction costs, fund a portion of SCL's large capital program and provide for incremental funding of the debt service reserve. Seattle City Light's CIP includes major expenditures on the distribution system, generation improvements and general plant. The remaining funds totaling approximately $153 million are expected to refund existing revenue bonds and pay transaction costs.

LEGAL SECURITY:

SCL's bonds are secured by a pledge of the gross revenues of Seattle City Light and covenants require that the City of Seattle set rates to fund debt service, operating costs and other costs to maintain the system. Moody's considers the rate covenant to be weaker than typical for similar issuers. For additional indebtedness, SCL is required to meet a 1.25 times debt service coverage ratio based on net system revenues incorporating draws from and deposits into the RSA. Furthermore, the bonds have a debt service reserve sized to the lesser of maximum annual debt service or reasonably required reserve or replacement fund per the tax code. The latter threshold has been interpreted as 125% of average annual debt service and the reserve is currently based on 125% of average annual debt service. After debt issuance, the reserve is expected to be funded with a $77 million surety from Assured Guaranty (insurance strength: Aa3/under review for downgrade) and $36 million of cash.

Interest Rate Derivatives:

SCL does not have any derivatives other than those for power hedging.

KEY RATING FACTORS

1.HISTORICAL WILLINGLESS TO RAISE RATES TO MAINTAIN FINANCIAL CONDITION IS A STRONG FUNDAMENTAL CREDIT FACTOR

SCL's rate process is not regulated by the state regulatory board and Seattle's city council has shown a demonstrated willingness to use its authority to raise retail rates to support SCL's financial condition. For example, SCL raised rates 39% in 2001 and 13% in 2002 in response to extremely low hydro and high power prices during the 2001 power crisis. Seattle City Light subsequently implemented a net decrease in rates over time resulting in rates 11% less in 2008 than in 2002. In January 2010, SCL implemented a 13.8% increase primarily due to lower expected wholesale revenues and higher operating costs. In March 2010, the city council also adopted the RSA with a target balance of $100-125 million and an automatic quarterly surcharge ranging from 1.5% to 4.5% to achieve a $100 million balance. The RSA's starting balance of $25 million in May 2010 resulted in an initial 4.5% surcharge and the surcharge has stepped down as the RSA balance reached $70 million (see factor 3 for further analysis of the RSA). At year-end 2011, the RSA had approximately $141 million due to strong regional hydrology leading to robust wholesale revenue. SCL also reserved greater funds in the RSA on the expectation that 2012 would likely be a challenging year and Moody's views such action as prudent for credit quality. For 2011 and 2012, the city council approved 4.3% and 3.2% base rate increases, respectively. SCL also completed its Draft Strategic Plan which calls for a 4.7% average annual increase from 2013 to 2018 and the city council is expected to approve the plan in July 2012. The city council's continued willingness to implement rate increases and implementation of the RSA are considered strong credit support factors. A material weakening of the willingness to raise rates or the RSA mechanism would be credit negatives.

Even with the rates increases, Seattle City Light's average system rates of 6.8 cents/kwh are well below Puget Sound Energy, the main investor owned utility in the area and they remain modestly below Washington State's average of 7.1 cents/kwh based on EIA data.

2.SCL HAS A MEANINGFUL EXPOSURE TO MARKET BASED REVENUES AND HYDROLOGY RISK WHICH HAS CONTRIBUTED TO VOLATILE CREDIT METRICS

SCL relies on market based revenues estimated at around 20% of consolidated revenues (gross basis) from 2006 to 2008 and net wholesale revenue (i.e. net of market purchases), which totaled an average of $124 million per year during this period. Market prices in the region and associated wholesale revenues have declined steeply since mid-2008 given the recession and the decline in natural gas prices. Additionally, water levels were significantly below average in 2009 and 2010 resulting in less power available for sale into the wholesale market. For 2010, net wholesale revenue was around $50 million compared to almost $117 million in 2008. For 2011, net wholesale revenue jumped to $91 million based on extraordinarily high water flows. Over the longer term, net wholesale revenue is expected to represent a lower share of total revenues based on growing retail revenue, lower power from BPA and relatively low forward market prices. SCL's latest forecast assumes net wholesale revenue around $50-$55 million in 2012 and 2013. These net revenue figures are lower than previously expected and it is likely to put pressure on SCL's metrics especially in 2012.

Since dropping to 1.0 times (post city tax) for senior debt service coverage ratio (DSCR) in 2009, SCL's debt service coverage metrics significantly improved to 1.6 times (post city tax) and 2 times (post city tax) for 2010 and 2011, respectively. The improvement was based on a combination of rising retail sales, RSA surcharges and SCL's 13.8% base rate increase. For 2011, improved net wholesale revenue also significantly boosted net revenue. Based on SCL's forecast, debt service coverage for 2012 and 2013 is likely to drop significantly to around 1.30 times and 1.45 times (post city tax), respectively, given lower wholesale revenue, growing operating costs and higher debt service. These DSCRs corresponding to a Baa category under Moody's US Public Power with generation methodology. Starting in 2014, consolidated debt service coverage ratios are expected to improve back to around 1.5 times (post city tax) and higher over time given forecasted RSA surcharges, higher retail revenues and higher net wholesale revenue. Seattle City Light also assumes approximately $18 million in efficiency savings by 2015 and significantly rising interest income over time, which Moody's views as aggressive. That said, SCL should be able to average around 1.5 times post 2014 even with reduced efficiency savings and lower interest income assumptions. The long term forecasted DSCR of around 1.5 times (post city tax) s considered low for the rating and correspond to the low end of the A range in Moody's methodology and an inability to reach and maintain these credit metrics could lead to negative rating action.

3.THE RSA MECHANISM REMAINS A KEY TOOL TO MINIMIZE WHOLESALE REVENUE VOLATILITY WHILE ACCESS TO THE CITY OF SEATTLE'S MONEY POOL REMAINS AN IMPORTANT SOURCE OF LIQUIDITY

In 2010, SCL established the RSA to improve SCL's liquidity and to smooth out volatile wholesale revenue on a year to year basis. The RSA targets $100 million to $125 million in the RSA and an automatic surcharge is triggered if the cash balance drops below specific thresholds. The quarterly surcharge is 1.5% if the RSA is less than $90 million, 3% if the RSA is less than $80 million and 4.5% if the RSA is less than $70 million. If the RSA drops to $50 million or below after reaching its $100 million target, the city council will convene a rate review to try to bring the RSA up to $100 million within 12 months. If the RSA is above $125 million, excess funds could be used to refund ratepayers or be used for other purposes such as capital expenditures. A pre-existing $25 million contingency reserve used to initially fund the RSA in 2010 and SCL made further contributions in 2010 and 2011 resulting in $141 million balance at year end 2011. Seattle City Light made contributions above the $125 million target based on expected usage in 2012 and onward due to low forecasted wholesale revenue.

Moody's views the RSA as a key risk management tool for SCL and its importance is demonstrated by its expected usage over the next several years. Seattle City Light forecasts the RSA balance will drop to an estimated $70 million by year-end 2013 compared to $141 million at year end 2011. Since the RSA balance will be below set thresholds, SCL estimates the automatic surcharges will take effect for quite a few years after 2013. Moody's views the RSA as a key mechanism to both supporting SCL's debt service coverage and liquidity. If the RSA mechanism is weakened or eliminated, SCL's rating would likely be negatively impacted.

An important source of liquidity is SCL's access to the City of Seattle's money pool, which totaled $1.3 billion ($904 million net of SCL's share) at year end 2011. Seattle's Director of Finance is authorized to make loans to Seattle's various enterprise funds including SCL for up to 90 days. For loans beyond the 90-day period, city council approval is required. Loans bear interest at the cash pool's rate of return.

Seattle City Light's access to the money pool was demonstrated during the 2001 power crisis when SCL borrowed up to $107 million from the money pool. More recently, the low wholesale revenues resulted in SCL borrowing approximately $14 million from the money pool during February and March 2010 while SCL's $25 million contingency reserve at that time was maintained.

4.BPA CONTRACT SUPPLEMENTED BY OWNERSHIP OF HYDRO SYSTEM PROVIDES LOW COST POWER

SCL benefits from ownership in 1,872 MW of low cost hydro generation and a long-term contract from BPA and these two sources provided approximately 80% of SCL's power in 2011. Seattle City Light's largest generation asset is the 1,022 MW Boundary Project whose FERC license expired in 2011 and is currently renewed annual by FERC until a new long term license is issued. SCL filed a revised application with FERC in March 2010 to renew the license based on a settlement with multiple stakeholders and SCL has incorporated into its long-term capital plan the various improvements under the settlement including environmental mitigation. Moody's expects that SCL will be successful in ultimately renewing the Boundary Project's license albeit some uncertainty remains on the renewal conditions. The remaining assets have license maturities from 2025 to 2028 except for the 30 MW Cedar Falls project, which does not fall under FERC jurisdiction.

In October 2011, SCL entered into a new long term contract with BPA that provides a 3.63% slice of the federal hydro system and 268 aMW of firm power shaped through the year. BPA's contract is considered an attractive long term source of power and the average cost in 2011 was around $25/MWh, though Moody's recognizes this figure benefited from the high hydro levels in 2011 and a mixture of new and old contracts. The new contract represents 531 aMW under critical water conditions and is 57 aMW less power than the previous BPA contract that expired in September 2011. The reduced power from BPA primarily results in lower power available for market sales since SCL expects to have sufficient energy on an annual basis to meet load through 2020. Over the longer term, the reduced power levels from BPA also contributes to SCL having to reduce future load growth through conservation or sourcing additional generation resources.

SCL also has long-term agreements with the other hydro projects such as the Priest Rapids and Grand Coulee projects that provide low cost power. Additionally, long-term agreements with wind, landfill and biomass projects and acquisition of renewable energy credits (RECs) allow Seattle City Light to meet Washington State's renewable portfolio standards through 2015. Seattle City Light plans to meet the 2016 increase in renewable requirements by additional planned renewable resources, purchases of RECs and incremental increase in Boundary dam production capability.

5.LARGE CAPITAL EXPENDITURE PROGRAM IS LIKELY TO LEAD TO INCREASED DEBT ISSUANCE OVER THE NEXT SIX YEARS

Seattle City Light's forecasted capital program remains sizeable at approximately $1.8 billion from 2012 to 2017 which is comparable to the previous $1.8 billion forecasted over the 2011 to 2016. Annual capital expenditure is around $300 million per year and over 2012 to 2017 period, the largest focus of the CIP is on the distribution system at $786 million, which include capacity additions, service connections and transportation related costs. Forecasted generation related expenditures total $300 million and include environmental mitigation and plant improvements. Costs of conservation is also sizable at around $251 million.

SCL plans to fund these expenditures approximately 63% with debt, 28% from operations and 9% from grants and contributions. While the sizeable program and associated substantial increase in debt remain credit challenges for SCL, the risk remains manageable given the Seattle city council's demonstrated willingness to raise SCL's rates as necessary, the RSA and SCL's forecast of meeting 1.8 times debt service coverage (pre city tax). If any of these credit factors were to weaken, SCL's ratings will likely be negatively affected especially given the sizeable CIP.

Outlook

The stable outlook considers the benefit of the RSA mechanism, expected average DSCR of at least 1.5 times (post city tax) by 2014 and city council's demonstrated willingness to support credit quality. The stable outlook is also supported by the City of Seattle's strong economy and SCL's access to the City of Seattle's consolidated money pool.

What could move the rating - DOWN

SCL's ratings could be negatively pressured if the RSA mechanism is removed or weakened, the city council's willingness to increase rates weakens or if SCL is unable to improve its DSCR to 1.5 times (post city tax) over time. SCL's rating could be also be negatively pressured if the Seattle's money pool were to significantly deteriorate, if SCL's financial policy targets were to weaken or if the underlying regional economy were to weaken.

What could move the rating - UP

The ratings could be positively affected if SCL is able accumulate and maintain sizeable internal liquidity comfortably exceeding the 'Aaa' category under Moody's methodology and sustain significantly stronger than expected debt service coverage ratios commensurate with 'Aa' category.

KEY STATISTICS:

Total Restricted & Unrestricted Cash and Investments, 2011: $375 million

Boundary Project Hydro Capacity (Nameplate): 1,022 MW

Skagit Projects Hydro Capacity (Nameplate: 802 MW

Moody's Total Debt Service Coverage 2011: 2.28 times (pre city tax) / 2.0 times (post city tax)

Senior Debt Service Coverage 2011: 1.84 times (per resolution)

Cash to Debt Ratio, 2011: 18%

Debt Ratio, 2011: 67%

Consolidated Days Cash on Hand, 2011: 234 days

City of Seattle's Cash and Investment Pool, 2011: $1.29 billion ($904 million net of SCL's share)

Average System Rate, 2011: Approximately 6.8 cents/kwh

Revenue Bonds, 2011: $1.68 billion

Public Power Rating Methodology Factors-Seattle City Light

1 Cost Recovery Framework: (25% weight) (Aaa)

2. Willingness to Recover Costs and Maintain Sound Financial Metrics (25% weight) (Aa)

3. Management of Generation Risk- (10% weight) (A)

4. Rate Competitiveness: (10% weight) (A)

5. Financial Strength:

Sub factor a) Adjusted Days Liquidity on Hand: (10% weight) (124) (A)

Sub factor b) Debt Ratio: (10% weight) (69%) (A)

Sub factor c) Adjusted Debt Service Coverage: (10% weight) (1.5x) (A)

Grid Indicated Rating: Aa3

Notching: +1 (access to Seattle's consolidated money pool)

Scorecard Indicated Rating: Aa2

The last rating action was on January 6, 2011 when Seattle City Light's Aa2 ratings were affirmed.

PRINCIPAL RATING METHODOLOGY

The principal methodology used in this rating was U.S. Public Power Electric Utilities With Generation Ownership Exposure published in November 2011. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

The Global Scale Credit Ratings on this press release that are issued by one of Moody's affiliates outside the EU are endorsed by Moody's Investors Service Ltd., One Canada Square, Canary Wharf, London E 14 5FA, UK, in accordance with Art.4 paragraph 3 of the Regulation (EC) No 1060/2009 on Credit Rating Agencies. Further information on the EU endorsement status and on the Moody's office that has issued a particular Credit Rating is available on www.moodys.com.

For ratings issued on a program, series or category/class of debt, this announcement provides relevant regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides relevant regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides relevant regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

Information sources used to prepare the rating are the following: parties involved in the ratings, parties not involved in the ratings, and public information.

Moody's considers the quality of information available on the rated entity, obligation or credit satisfactory for the purposes of issuing a rating.

Moody's adopts all necessary measures so that the information it uses in assigning a 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.

Please see the ratings disclosure page on www.moodys.com for general disclosure on potential conflicts of interests.

Please see the ratings disclosure page on www.moodys.com for information on (A) MCO's major shareholders (above 5%) and for (B) further information regarding certain affiliations that may exist between directors of MCO and rated entities as well as (C) the names of entities that hold ratings from MIS that have also publicly reported to the SEC an ownership interest in MCO of more than 5%. A member of the board of directors of this rated entity may also be a member of the board of directors of a shareholder of Moody's Corporation; however, Moody's has not independently verified this matter.

Please see Moody's Rating Symbols and Definitions on the Rating Process page on www.moodys.com for further information on the meaning of each rating category and the definition of default and recovery.

Please see ratings tab on the issuer/entity page on www.moodys.com for the last rating action and the rating history.

The date on which some ratings were first released goes back to a time before Moody's ratings were fully digitized and accurate data may not be available. Consequently, Moody's provides a date that it believes is the most reliable and accurate based on the information that is available to it. Please see the ratings disclosure page on our website www.moodys.com for further information.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Analysts

Clifford J Kim
Lead Analyst
Public Finance Group
Moody's Investors Service

Maria Matesanz
Additional Contact
Public Finance Group
Moody's Investors Service

Contacts

Journalists: (212) 553-0376
Research Clients: (212) 553-1653

Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
USA

MOODY'S
INVESTORS SERVICE

© 2012 Moody's Investors Service, Inc. 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."

Any publication into Australia of this document is by MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657, which holds Australian Financial Services License no. 336969.

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.

Notwithstanding the foregoing, credit ratings assigned on and after October 1, 2010 by Moody's Japan K.K. ("MJKK") are MJKK's current opinions of the relative future credit risk of entities, credit commitments, or debt or debt-like securities. In such a case, "MIS" in the foregoing statements shall be deemed to be replaced with "MJKK". MJKK is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO.

This 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 investors. It would be dangerous for retail investors to make any investment decision based on this credit rating. If in doubt you should contact your financial or other professional adviser.