

Public Firm EDFs

Irina Makarova
1.212.553.4307
irina.makarova@moodys.com
Sue Zhang
1.415.874.6233
sue.zhang@mkmv.com

Figure 1. Average EDF versus Default Rate for North American Speculative Grade Universe

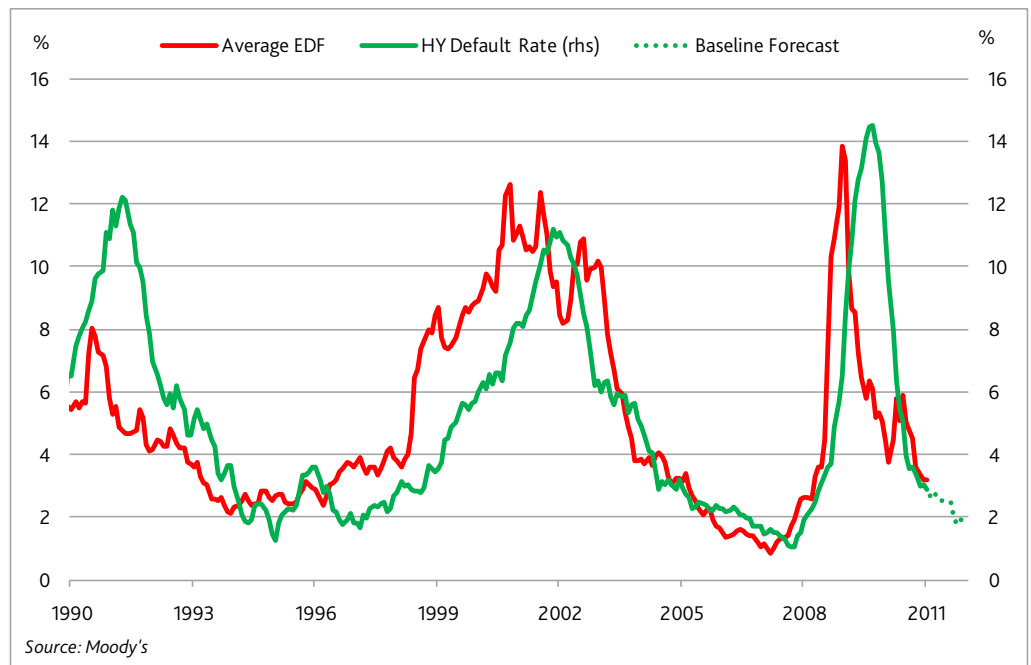


Figure 2. Median EDFs for North American Speculative Grade and Investment Grade Corporates

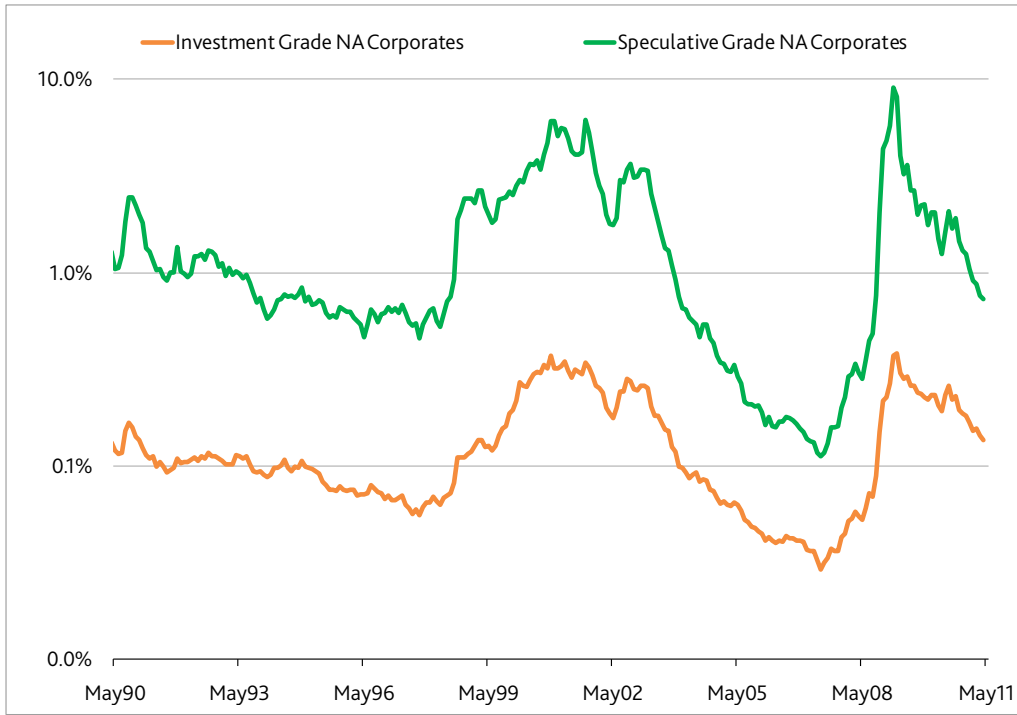
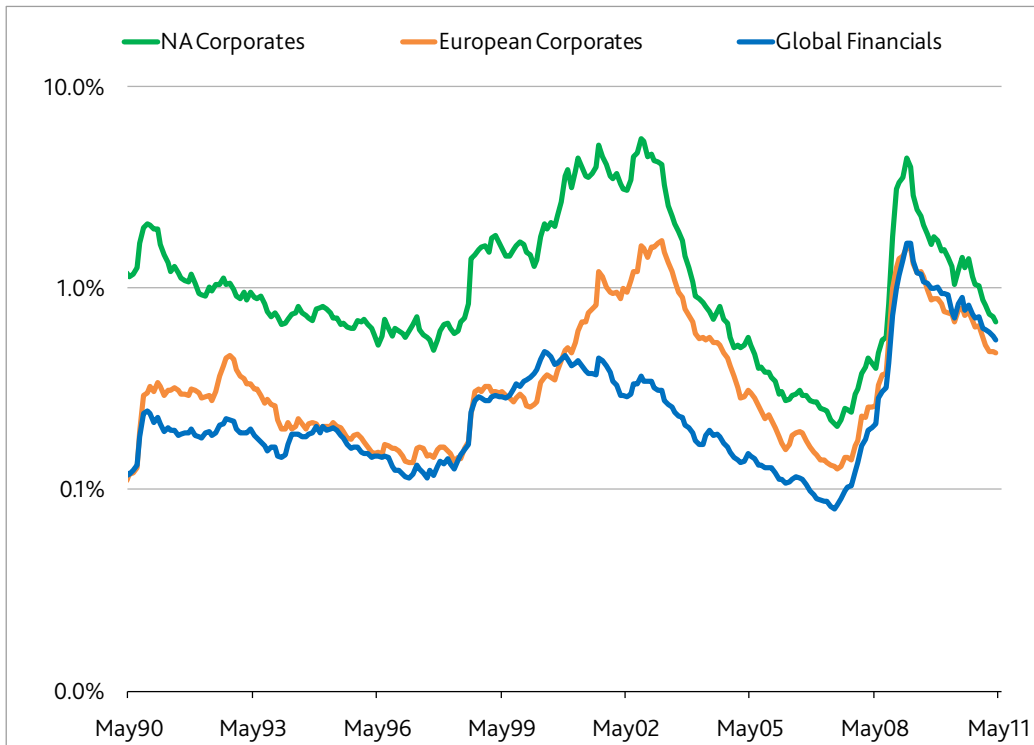


Figure 3. Median EDFs for Different Regions



© Copyright 2011, Moody's Capital Markets Research, Inc., and/or its licensors and affiliates (together, "MOODY'S"). All rights reserved. ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY 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, such information is provided "as is" without warranty of any kind and MOODY'S, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. 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 credit ratings and financial reporting analysis 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. 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. Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding or selling. MOODY'S hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MOODY'S have, prior to assignment of any rating, agreed to pay to MOODY'S for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,400,000. Moody's Corporation (MCO) and its wholly-owned credit rating agency subsidiary, Moody's Investors Service (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 on Moody's website at www.moody's.com under the heading "Shareholder Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

The statements contained in this research report are based solely upon the opinions of Moody's Capital Markets Research, Inc. and the data and information available to the authors at the time of publication of this report. There is no assurance that any predicted results will actually occur. Past performance is no guarantee of future results.

The analysis in this report has not been made available to any issuer prior to publication.

When making an investment decision, investors should use additional sources of information and consult with their investment advisor. Investing in securities involves certain risks including possible fluctuations in investment return and loss of principal. Investing in bonds presents additional risks, including changes in interest rates and credit risk.

All Capital Markets Research Group information is provided by Moody's Capital Markets Research, Inc., a subsidiary of Moody's Corporation. Please note that Moody's Analytics, Inc., an affiliate of Moody's Capital Markets Research, Inc. and a subsidiary of MCO, provides a wide range of research and analytical products and services to corporations and participants in the financial markets. Customers of Moody's Analytics, Inc. may include companies mentioned in this report. Please be advised that a conflict may exist and that any investment decisions you make are your own responsibility. The Moody's Analytics logo is used on certain Capital Markets Research Group products for marketing purposes only. Moody's Analytics is not a part of the Capital Markets Research Group nor is it a part of Moody's Capital Markets Research, Inc.