
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 11-K

- ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2005

or

- TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 1-14037

- A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Profit Participation Plan of Moody's Corporation

- B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Moody's Corporation, 99 Church Street, New York, New York 10007

REQUIRED INFORMATION

The required financial statements are attached to this report.

Profit Participation Plan of Moody's Corporation
Index to Financial Statements

	<u>Pages</u>
(a) Financial Statements	
Report of Independent Registered Public Accounting Firm	3
Statements of Net Assets Available for Benefits as of December 31, 2005 and 2004	4
Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2005	5
Notes to Financial Statements	6-12
Schedule of Assets Held for Investment Purposes as of December 31, 2005	13
(Other schedules required by the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.)	
Signature	14
(b) Exhibits	
Consent of Independent Registered Public Accounting Firm	

Report of Independent Registered Public Accounting Firm

To the Participants and Administrator of
the Profit Participation Plan of Moody's Corporation

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Profit Participation Plan of Moody's Corporation (the "Plan") at December 31, 2005 and 2004, and the changes in net assets available for benefits for the year ended December 31, 2005 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held for investment purposes is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PRICEWATERHOUSECOOPERS LLP

PricewaterhouseCoopers LLP
New York, New York
June 29, 2006

Profit Participation Plan of Moody's Corporation
Statements of Net Assets Available for Benefits
(amounts in thousands)

	<u>December 31,</u>	
	<u>2005</u>	<u>2004</u>
ASSETS:		
Investments, at fair value	\$ 241,865	\$ 198,254
Employer contribution receivable	6,558	6,414
Employee contribution receivable	449	390
Total assets	<u>248,872</u>	<u>205,058</u>
LIABILITIES:		
Contribution refund payable	390	—
Total liabilities	<u>390</u>	<u>—</u>
Net assets available for plan benefits	<u>\$ 248,482</u>	<u>\$ 205,058</u>

The accompanying notes are an integral part of the financial statements.

Profit Participation Plan of Moody's Corporation
Statement of Changes in Net Assets Available for Benefits
(amounts in thousands)

	Year ended December 31,
	<u>2005</u>
Additions to net assets:	
Investment income:	
Net appreciation in fair value of investments	\$ 22,941
Interest	204
Dividends	4,671
Total investment income	<u>27,816</u>
Contributions:	
Participant	19,223
Employer	11,938
Total contributions	<u>31,161</u>
Total additions	<u>58,977</u>
Deductions from net assets:	
Benefits paid to participants	15,534
Administrative expenses	19
Total deductions	<u>15,553</u>
Net increase in plan assets	43,424
Net assets available for benefits:	
Beginning of the year	<u>205,058</u>
End of the year	<u>\$ 248,482</u>

The accompanying notes are an integral part of the financial statements.

Profit Participation Plan of Moody's Corporation

Notes to Financial Statements

1. Background and Plan Description

The Profit Participation Plan of Moody's Corporation (the "Plan") is a defined contribution plan established to provide a convenient way for eligible employees to save on a regular and long-term basis. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Prior to September 30, 2000, Moody's Corporation ("Moody's" or the "Company") operated as a subsidiary of The Dun & Bradstreet Corporation ("Old D&B"). On September 30, 2000 (the "Distribution Date"), the Company separated from Old D&B and has since operated as an independent public company. On the Distribution Date, the Company established the Profit Participation Plan of Moody's Corporation for the benefit of its eligible employees. Moody's participants' balances were transferred from the Old D&B Profit Participation Plan to the Moody's Plan in October 2000. The following summary provides an overview of major Plan provisions and is provided for general information purposes. Employees who participate in the Plan or former employees who have assets in the Plan should refer to the Plan document for more complete information and a full description of the Plan provisions and qualifications.

Eligibility

Full time employees of the Company are immediately eligible to participate in the Plan on their date of hire. Part time employees are eligible to participate in the Plan when they work at least one thousand hours either during the consecutive twelve-month period following employment, or in any calendar year following employment.

Contributions

Participants contribute to the Plan by authorizing payroll deductions between 1% and 16% of their compensation as defined in the Plan. The Company makes matching contributions (the "Company Matching Contribution") equal to 50% of the first 6% of annual compensation that is contributed to the Plan. Participants' contributions under the Plan may be made from after-tax earnings and/or from before-tax earnings, the latter form of contribution having the effect of reducing the participant's current taxable earnings for federal income tax purposes. A participant's aggregate contributions may not exceed 16% of the participant's compensation subject to an overall limit on before-tax contributions imposed by the Internal Revenue Code (the "IRC"). Year-end payroll deductions for participant contributions and the corresponding Company Matching Contribution not remitted to the Plan until after year-end are recorded as receivables in the Plan financial statements. At December 31, 2005, the employee contribution receivable was approximately \$449,000 and the Company Matching Contribution receivable was approximately \$140,000.

The Plan provides for additional Company matching contributions based on the Company's earnings per share ("EPS") (the "EPS Match"). In 2005 and 2004, an EPS Match was accrued when the Company's growth in EPS versus the prior year was greater than 7%. The aggregate EPS Match for all eligible Plan participants was \$6.4 million for 2005 and \$6.3 million for 2004. These amounts were included in the employer contributions receivable balance in the financial statements at December 31, 2005 and 2004 and paid to the Plan in March 2006 and March 2005, respectively. Participants at their discretion may invest their contributions in any or all of the investment fund options offered under the Plan, including the Moody's Corporation Stock Fund but excluding the Dun & Bradstreet Legacy Fund, the Fidelity Low-Priced Stock Fund and the Fidelity Aggressive Growth Fund, which are not open to new investments.

Participant Accounts

A separate account is established and maintained for each Plan participant. Contributions are invested in one or more of the Plan's investment funds as designated by the participant. Participants are not permitted to invest more than 25% of their account balance in the Moody's Common Stock Fund. Income earned and net appreciation or depreciation on Plan investments for a given fund is allocated on a daily basis in proportion to the participant's account balance in that fund.

Distributions

Upon retirement or other termination of service with the Company, participants become eligible for a lump sum distribution of the vested portion of their account balance. In the case of account balances in excess of \$1,000, participants may select a deferred distribution method from various options available under the Plan. Participants' vested benefits that are less than \$1,000 will receive an automatic distribution of their balance.

Participant Loans

Participants may obtain loans from the Plan, which are collateralized by the participant's account balance. The Plan limits the total number of loans outstanding at any time for each participant to two general-purpose loans and a principal residence loan. The minimum loan permitted by the Plan is \$500 and the maximum permissible amount of all loans outstanding at any time is the lower of 50% of a participant's vested account balance or \$50,000. Interest rates applicable to Plan loans are based on the prime rate as reported in The Wall Street Journal on the last business day of the month before the loan is processed plus 200 basis points. At December 31, 2005 and 2004, interest rates on participant loans ranged from 5.75% to 11.5% and from 6.0% to 11.5%, respectively.

Vested Benefits and Forfeitures

Participants immediately vest in their own contributions to the Plan, as well as any earnings thereon. The Plan provides for vesting in the value of Company contributions to a participant's Plan account after three years of service beginning on the participant's initial employment date with the Company. In addition, a participant becomes 100% vested in the value of Company contributions immediately upon attainment of age 65, upon death, or if they become totally and permanently disabled. When Moody's separated from Old D&B, all Company contributions through the Distribution Date became fully vested. Subsequent Company contributions are subject to the aforementioned vesting provisions.

Amounts forfeited by nonvested participants who terminated employment during the year ended December 31, 2005 were approximately \$1.4 million. Forfeited amounts can be used to reduce future Company contributions. During the year ended December 31, 2005, approximately \$27,000 was used to offset Company contributions. As of December 31, 2005 and 2004, the Plan held forfeited amounts totaling \$1.8 million and \$0.4 million, respectively.

Administration of the Plan

The Plan is administered by the Governance and Compensation Committee of the Board of Directors of Moody's Corporation, which has delegated certain authority related to the Plan to the Management Benefits and Compensation Committee. Fidelity Management Trust Company (the "Trustee") is Trustee of the Plan and has custody of the Plan's assets.

Related Party Transactions

Certain Plan investments are managed by the Trustee, and therefore qualify as party-in-interest transactions. Plan investments in the common stock of the Company also qualify as party-in-interest transactions. The

expenses of administering the Plan are paid by the Company except for certain Trustee fees, which are charged to the Plan and totaled approximately \$19,000 for the year ended December 31, 2005. At December 31, 2005 and 2004, the Plan held 865,125 and 490,005 shares, respectively, of common stock in Moody's Corporation, the Plan sponsor, with a cost basis of \$21.8 million and \$23.4 million, respectively. The Plan earned dividends of approximately \$182,000 from Moody's Corporation common stock during the year ended December 31, 2005.

Plan Termination

While the Company has not expressed any intent to discontinue its contributions or to terminate the Plan, it is free to do so at any time subject to the provisions of ERISA and the IRC which state that, in such event, all participants of the Plan shall be fully vested in the amounts credited to their accounts.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan have been prepared using the accrual method of accounting. For financial statement purposes, participant withdrawals and distributions ("Benefit Payments") are recorded when paid. At December 31, 2005, all Benefit Payments processed and approved for payment had been paid by the Plan.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the Statements of Net Assets Available for Benefits and disclosures at the date of the financial statements and the reported amounts of additions and deductions in the Statement of Changes in Net Assets Available for Benefits. The most significant estimate relates to the valuation of investments. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan provides for various investment options consisting of common stocks, mutual funds, and other investment securities. Investment securities are exposed to various risks, such as interest rate fluctuations, market conditions and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is possible that changes in valuations in the near term could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits. Plan participants that are invested in the Moody's Corporation Stock Fund are exposed to market risk in the event of a significant decline in the value of Moody's Corporation common stock.

Investment Valuation

Moody's Corporation common stock and The Dun & Bradstreet Corporation common stock are stated at the market value determined by the closing quoted price for the companies' common stock on the last business day of the year. Investments in mutual funds are valued at the net asset value of the shares held by the Plan on the last business day of the year and generally are based on reference to published market data. Common trust funds are valued at the net asset value of the shares held by the Plan on the last business day of the year and generally are based on the fair value of the underlying assets and on information provided by the funds' managers. Participant loans are valued at cost which approximates fair value.

Investment Transactions and Investment Income

Purchases and sales of securities are reflected on a trade-date basis. Dividend income is recorded on the ex-dividend date. Other investment income is recorded as earned on an accrual basis.

Net Appreciation/(Depreciation) of Investments

The net appreciation (depreciation) in the fair value of plan investments presented in the Statement of Changes in Net Assets Available for Benefits consists of realized gains or losses and unrealized appreciation (depreciation) on those investments.

3. Investments

The Plan currently consists of the following fifteen funds:

1. The Special Fixed Income Fund is invested in Fidelity's Managed Income Portfolio II ("MIP II"). MIP II invests in investment contracts offered by major insurance companies and other approved financial institutions and in certain types of fixed income securities. Investment contracts provide for the payment of a specified rate of interest to MIP II and for the repayment of principal when the contract matures.
2. The Fidelity U.S. Bond Index Fund is mainly invested in bonds included in the Lehman Brothers Aggregate Bond Index, which is comprised of fixed-rate debt issues including government, corporate, asset-backed and mortgage-backed securities.
3. The Fidelity PIMCO Total Return Fund is invested in all types of bonds, including U.S. government, corporate, mortgage-backed and foreign bonds.
4. The Fidelity Equity-Income Fund is mainly invested in income-producing equity securities, which tends to lead to investments in large-capitalization stocks. The fund may also invest in other types of equity and debt securities, including lower-quality debt securities.
5. The Fidelity U.S. Equity Index Commingled Pool is primarily invested in common stocks included in the S&P 500 Index, which contains 500 large U.S. based companies.
6. The Fidelity Aggressive Growth Fund is primarily invested in common stocks of foreign and domestic issuers. The fund invests in companies that the fund believes offer the potential for accelerated earnings or revenue growth. The fund closed to new investments in August 2005.
7. The Fidelity Blue Chip Growth Fund is primarily invested in common stocks of well-known and established companies considered "blue chip" by the fund's investment manager. The fund may also invest in companies with strong earnings and future growth potential that the fund's investment manager believes are positioned to become the "blue chips" of the future.
8. The Fidelity Low-Priced Stock Fund is primarily invested in "low-priced" common stocks, which are priced at or below \$35 per share at the time of investment. The fund may potentially invest in stocks not considered low-priced. The fund closed to new investments on July 30, 2004.
9. The Fidelity Mid-Cap Stock Fund is primarily invested in common stocks of companies with market capitalizations that are similar to those of companies in the S&P MidCap 400 Index. The fund may also consider investing in companies with smaller or larger market capitalizations.
10. The Fidelity Diversified International Fund invests the majority of its assets in foreign securities. Normally assets are invested primarily in common stock.
11. The Spartan Extended Market Index Fund is primarily invested in common stocks included in the Wilshire 4500, which represents the performance of stock of mid- to small capitalization U.S. companies.
12. The Spartan International Index Fund is primarily invested in common stocks included in the Morgan Stanley Capital International Europe, Australasia, and Far East Index, which represents the performance of foreign stock markets.
13. Fidelity Asset Manager allocates the fund's assets among stocks, bonds, and short-term and money market instruments, with the long-term objective of maintaining the asset allocation at 50%, 40% and 10%, respectively. At any point in time, the fund's asset allocation can be within the following ranges: stock class—30% to 70%; bond class—20% to 60%; and short-term/money market class—0% to 50%.

14. The Moody's Corporation Stock Fund is invested in the common stock of Moody's Corporation. Ownership is measured in units of the fund instead of shares of stock.
15. The Dun & Bradstreet Legacy Fund is primarily invested in the common stock of The Dun & Bradstreet Corporation. Ownership is measured in units of the fund instead of shares of stock. This fund consists only of amounts transferred from the Old D&B Plan, and as of the Plan inception date was not open to new investments.

At December 31, 2005 and 2004, the Plan's assets were invested as described below. Individual investment balances that represent 5% or more of net assets at December 31, 2005 and 2004 are listed separately as of the applicable date.

	<u>December 31,</u>	
	<u>2005</u>	<u>2004</u>
	(in thousands)	
Common Trust Funds:		
Fidelity Managed Income Portfolio II (36,097,479 and 34,584,788 shares, respectively)	\$ 36,097	\$ 34,585
Fidelity U.S. Equity Index Commingled Pool (1,147,632 and 1,093,042 shares, respectively)	<u>45,033</u>	<u>40,902</u>
Total Common Trust Funds	<u>81,130</u>	<u>75,487</u>
Common Stock Funds:		
Moody's Corporation Stock Fund* (1,194,783 and 1,343,442 units, respectively)	54,135	43,326
Common stock funds individually less than 5% of net assets	<u>2,612</u>	<u>2,646</u>
Total Common Stock Funds	<u>56,747</u>	<u>45,972</u>
Mutual Funds:		
Fidelity Diversified International Fund (435,475 shares)	14,170	**
Fidelity Low-Priced Stock Fund (344,395 and 279,249 shares, respectively)	14,065	11,240
Mutual funds individually less than 5% of net assets	<u>75,753</u>	<u>65,555</u>
Total Mutual Funds	<u>\$103,988</u>	<u>\$ 76,795</u>
Total Investments	<u>\$241,865</u>	<u>\$198,254</u>

* Includes nonparticipant-directed investments.

** Included in mutual funds individually less than 5% for 2004, since it represents less than 5% of net assets at December 31, 2004.

During the year ended December 31, 2005, the Plan's investments, including gains and losses on investments bought and sold, as well as held during the year, appreciated in value as follows:

	<u>December 31,</u>
	<u>2005</u>
	(in thousands)
Mutual Funds	\$ 4,758
Common Trust Funds—Fidelity Managed Income Portfolio II and the Fidelity U.S. Equity Index Commingled Pool	2,157
Moody's Corporation Stock Fund	15,735
The Dun & Bradstreet Legacy Fund	<u>291</u>
Net Appreciation	<u>\$ 22,941</u>

4. Nonparticipant-Directed Investments

From 2001 through 2004, for participants who were younger than age 50, the EPS Match was invested and held in the Moody's Corporation Stock Fund and could not be transferred to another Plan fund prior to the participant reaching age 50 ("nonparticipant-directed investment"). For participants age 50 and over, the EPS Match was invested consistent with the participants' normal investment elections. Beginning in 2005, the EPS Match is invested consistent with the participants' normal investment elections for all employees regardless of age. The components of the market value of the Moody's Corporation Stock Fund are as follows:

	December 31,	
	2005	2004
	(in thousands)	
Participant-Directed	\$15,430	\$15,875
Nonparticipant-Directed	38,705	27,451
Total market value	<u>\$54,135</u>	<u>\$43,326</u>

The components of the changes in the market value of the nonparticipant-directed investments are as follows:

	Year Ended December 31, 2005 (in thousands)
Changes in Net Assets:	
Net appreciation in fair value of investments	\$ 16,280
Dividends	132
Contributions	586
Benefits paid to participants	(1,153)
Administrative expenses	(4)
Net loan activity	4
Forfeitures	(754)
Transfers to participant-directed investments	<u>(3,837)</u>
Change in Net Assets	11,254
Balance, beginning of the year	27,451
Balance, end of the year	<u>\$ 38,705</u>

5. Tax Status

The Internal Revenue Service has determined and informed the Company, by a letter dated July 23, 2002, that the Plan and related trust are designed in accordance with applicable sections of the IRC. Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

6. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of participant contributions and contribution refund payable per the financial statements as of and for the year ended December 31, 2005, to Form 5500:

	<u>(In thousands)</u>
Contribution refund payable per the financial statements	\$ 390
Less: Contributions refund payable due to corrective distributions	390
Contribution refund payable per Form 5500	<u>\$ —</u>
Participant contributions per financial statements	\$ 19,223
Add: Contributions refund payable due to corrective distributions	390
Participant contributions per Form 5500	<u>\$ 19,613</u>

Subsequent to the end of the year, the Company was notified that it failed the Internal Revenue Code Section 415(c), Annual Additions Limitation Test. This test examines the relationship of participant contributions between highly compensated and non-highly compensated participants. As a result of the test results, the Plan is required to make corrective distributions to highly compensated participants for the 2005 plan year. These corrective distributions were made in 2006 and were recorded as a contribution refund payable at December 31, 2005.

Profit Participation Plan of Moody's Corporation
Schedule H, Line 4i—Schedule of Assets Held for Investment Purposes
As of December 31, 2005
(tabular dollar amounts in thousands)

<u>Identity of issuer, borrower or similar party</u>	<u>Maturity date</u>	<u>Annual interest rate</u>	<u>Number of shares/ units/ or principal amount</u>	<u>Current value</u>
Employer-related investments:				
** Moody's Corporation Stock Fund			1,194,783	\$ 54,135
*** The Dun & Bradstreet Legacy Fund			104,364	2,612
Total employer-related investments				<u>56,747</u>
Common trust funds:				
* Fidelity U.S. Equity Index Commingled Pool			1,147,632	45,033
* Fidelity Managed Income Portfolio II			36,097,479	36,097
Total common trust funds				<u>81,130</u>
Mutual funds:				
* Fidelity U.S. Bond Index Fund			1,051,619	11,463
* Fidelity PIMCO Total Return Fund			688,463	7,229
* Fidelity Equity-Income Fund			148,726	7,850
* Fidelity Aggressive Growth Fund			410,719	7,311
* Fidelity Blue Chip Growth Fund			227,278	9,809
* Fidelity Low-Priced Stock Fund			344,395	14,065
* Fidelity Mid-Cap Stock Fund			325,508	8,649
* Fidelity Diversified International Fund			435,475	14,170
* Spartan Extended Market Index Fund			329,061	11,431
* Spartan International Index Fund			204,449	7,305
* Fidelity Asset Manager			121,319	1,947
Total mutual funds				<u>101,229</u>
Participant loans	1 month to 10 years	5.75% to 11.5%	2,758,972	2,759
				<u><u>\$ 241,865</u></u>

* Trustee of the Plan and therefore a party-in-interest for which a statutory exemption exists.

** Investment qualifies as a party-in-interest for the Plan. The fair value and historical cost of the nonparticipant-directed portion of the Moody's Corporation Stock Fund was \$38,704,864 and \$16,126,610 respectively. This represents 865,125 shares of Moody's Corporation common stock and \$1,045,719 in cash.

*** This represents 37,872 shares of Dun & Bradstreet Corporation common stock and \$75,544 in cash.

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-47848) of Moody's Corporation of our report dated June 29, 2006 relating to the financial statements of the Profit Participation Plan of Moody's Corporation, which appears in this Form 11-K.

/s/ PRICEWATERHOUSECOOPERS LLP

PricewaterhouseCoopers LLP
New York, New York
June 29, 2006