Deutsche Bank
2011 Global Financial Services Investor Conference
June 8, 2011

Dominic Frederico, President and CEO
Assured Guaranty

ASSURED GUARANTY®
FAMILY OF COMPANIES

Safe Harbor Disclosure

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- Forward-looking statements are being made in this presentation that reflect the current views of Assured Guaranty Ltd. ("AGL" and, together with its subsidiaries, "Assured Guaranty" or the "Company") with respect to future events and financial performance. They are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially or change in out look from these statements. For example, Assured Guaranty's forward looking statements could be affected by:
  - rating agency action, including a ratings downgrade or change in outlook at any time of Assured Guaranty Ltd. or any of its subsidiaries and/or of transactions insured by AGL's subsidiaries, both of which have occurred in the past, or a change in rating criteria;
  - developments in the world's financial and capital markets that adversely affect issuers' payment rates, Assured Guaranty's loss experience, its ability to cede exposure to reinsurers, its access to capital, its unrealized (losses) gains on derivative financial instruments or its investment returns;
  - changes in the credit markets, segments thereof or general economic conditions;
  - more severe or frequent losses implicating the adequacy of Assured Guaranty's loss reserve;
  - the impact of market volatility on the mark-to-market of its contracts written in credit default swap form;
  - reduction in the amount of insurance and reinsurance opportunities available to Assured Guaranty;
  - deterioration in the financial condition of our reinsurers, the amount and timing of reinsurance recoverables actually received and the risk that reinsurers may dispute amounts owed to us under our reinsurance agreements;
  - the possibility that the Company will not realize insurance loss recoveries or damages expected from originators, sellers, sponsors, underwriters or servicers of residential mortgage-backed securities transactions
  - increased competition;
  - changes in applicable accounting policies or practices;
  - changes in applicable laws or regulations, including insurance and tax laws;
  - other governmental actions;
  - difficulties with the execution of Assured Guaranty's business strategy;
  - contract cancellations;
  - Assured Guaranty's dependence on customers;
  - loss of key personnel;
  - adverse technological developments;
  - the effects of mergers, acquisitions and divestitures;
  - natural or man-made catastrophes;
  - other risks and uncertainties that have not been identified at this time;
  - management's response to these factors; and
  - other risk factors identified in Assured Guaranty's filings with the Securities and Exchange Commission (the "SEC").
- See Assured Guaranty's SEC filings and latest earnings press release and financial supplement, which are available on its website, for more information on factors that could affect its forward-looking statements. Do not place undue reliance on these forward-looking statements, which are made only as of June 8, 2011. Assured Guaranty does not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Conventions and Non-GAAP Financial Measures

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- Unless otherwise noted, the following conventions are used in this presentation:
  - Ratings on our insured portfolio and on bonds purchased pursuant to loss mitigation or risk management strategies are Assured Guaranty's internal rating. Although the Company's ratings scale is similar to that used by the nationally recognized statistical rating organizations, the ratings may not be the same as ratings assigned by any such rating agency.
  - The super senior category, which is not generally used by rating agencies, is used by Assured Guaranty in instances where its AAA-rated exposure has additional credit enhancement due to either (1) the existence of another security rated AAA that is subordinated to Assured Guaranty's exposure or (2) Assured Guaranty's exposure benefitting from a different form of credit enhancement that would pay any claims first in the event that any of the exposures incurs a loss, and such credit enhancement, in management's opinion, causes Assured Guaranty's attachment point to be materially above the AAA attachment point.
  - Exposures rated below investment grade are designated "BIG".
  - Ratings on the investment portfolios are the lower of the ratings from Moody's Investors Service Inc. ("Moody's") or Standard & Poor's Ratings Services ("S&P").
  - Percentages and totals in tables or graphs may not add due to rounding.

- This presentation references financial measures that are not in accordance with U.S. generally accepted accounting principles ("GAAP"), which management uses in order to assist analysts and investors in evaluating Assured Guaranty's financial results. These financial measures not in accordance with GAAP ("non-GAAP financial measures") are defined in the appendix. In each case, the most directly comparable GAAP financial measure, if available, is presented, and a reconciliation of the non-GAAP financial measure and GAAP financial measure is provided. This presentation is consistent with how Assured Guaranty's management, analysts and investors evaluate Assured Guaranty's financial results and is comparable to estimates published by analysts in their research reports on Assured Guaranty.

Assured Guaranty Today

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Assured Guaranty Ltd.

As of March 31, 2011

($ in billions)	
Net par outstanding	$602.3
Total investment portfolio	$10.5
Total assets[1]	$19.5
Net unearned premium reserve[2]	$5.8
Shareholders' equity	$3.9
Claims paying resources	$12.7

- **We are the world's leading financial guaranty franchise**
  - More than 22 years of experience in the municipal and structured finance markets
  - The only active company today
- **We serve the market through two platforms:**
  - Assured Guaranty Municipal Corp. ("AGM") focuses on public finance and infrastructure transactions
  - Assured Guaranty Corp. ("AGC") guarantees public finance, global infrastructure and structured finance transactions
- **We are also the largest financial guaranty reinsurer through Assured Guaranty Re Ltd. ("AG Re"), domiciled in Bermuda**

1. Includes $3.7 billion in financial guaranty VIE assets.
2. Unearned premium reserve net of ceded unearned premium reserve.

2011 Key Activities

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During 2011, we are focused on three principal areas that affect our business:

- **S&P's proposal for new rating criteria for bond insurance**
- **Pursue put backs of mortgage loans underlying residential mortgage-backed securities ("RMBS") due to breaches of representation and warranties ("R&W")**
- **New business development, especially in the U.S. public finance market**

Financial Strength Ratings Goals

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- **We manage our business with the goal of attaining the highest financial strength ratings possible from Moody's and S&P**
- **S&P proposed criteria in January 2011 that, if implemented, could negatively affect our rating**
  - Our February 1, 2011 conference call and presentation addressed our concerns with some of the proposed rating criteria
  - S&P requested comments by March 25, 2011; indicated timing of final rating criteria is expected early in 3Q-11 with publication of updated ratings by September 30, 2011
  - S&P published summary of comments which coincided with our view and we expect that revisions may follow
- **S&P rated AGC and AGM AA+ (stable) in October 2010, with no indication of new criteria underway**
- **Moody's annual review is in process**

Financial Strength Ratings

As of June 8, 2011

	Moody's (rating/outlook)	S&P (rating/outlook)
AGC	Aa3 / negative	AA+ / stable
AGM	Aa3 / negative	AA+ / stable
AG Re	A1 / negative	AA / stable

Our Initiatives to Address S&P Proposal

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Strategy

- **Submit comment letters from Assured Guaranty**
  - Encourage market participation
- **Actively pursue termination of contracts**
  - At beneficiary's request; keep all economics, possibly more
  - At our request; share economics with beneficiary
  - To eliminate high capital charges; share or possibly give up some economics
- **Pursue capital accretive reinsurance commutations**
- **Purchase wrapped bonds**
- **Negotiate R&W settlements**

2011 Results

- **YTD[1] terminations of approximately $7.0 billion of CDS par with expected capital relief of $200 to $400 million**
- **1Q-11 reinsurance commutation resulting in pre-tax income of $24.1 million, up from $14.5 million in 1Q-10, with minimal capital benefit**
- **1Q-11 repurchases of insured securities with par of $455 million at a purchase price of $175 million with estimated capital benefit of $143 million**
- **Run-off of structured finance book creates estimated $250 million of capital relief per quarter**

Result: Potential rating agency capital creation of $2 billion

1. YTD through May 9, 2011

Bank of America Agreement

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- **We have been pursuing reimbursement for mortgage put backs for breaches of R&W since 2008.**
- **We resolved our R&W claims on 29 transactions with Bank of America/Countrywide on April 14, 2011.**
  - $1.1 billion cash payment to be received by March 31, 2012; $850 million was paid in April 2011
  - Reimbursement[1] of 80% of paid losses on 21 first lien transactions until collateral losses in those securitizations equal $6.6 billion; as of March 31, 2011, collateral losses are expected to be $4.8 billion, generating $538 million of estimated gross economic loss to Assured Guaranty's tranches, before consideration of R&W benefits
- **We continue to pursue reimbursement from other R&W providers; Deutsche Bank, UBS and Credit Suisse comprise most of our non-Bank of America future net R&W benefit as of March 31, 2011**

($ in millions)	Future Net R&W Benefit as of	
	March 31, 2011	December 31, 2010
Bank of America/Countrywide	$1,401.4	$1,049.7
Other R&W providers (11)	993.8	621.0
Total	**$2,395.2**	**$1,670.7**

1. On April 14, 2011, Bank of America placed $1 billion of eligible assets into trust in order to collateralize the reimbursement obligation relating to the first lien transactions. The amount of assets required to be posted may increase or decrease from time to time, as determined by rating agency requirements.

Other Capital Creation Initiatives

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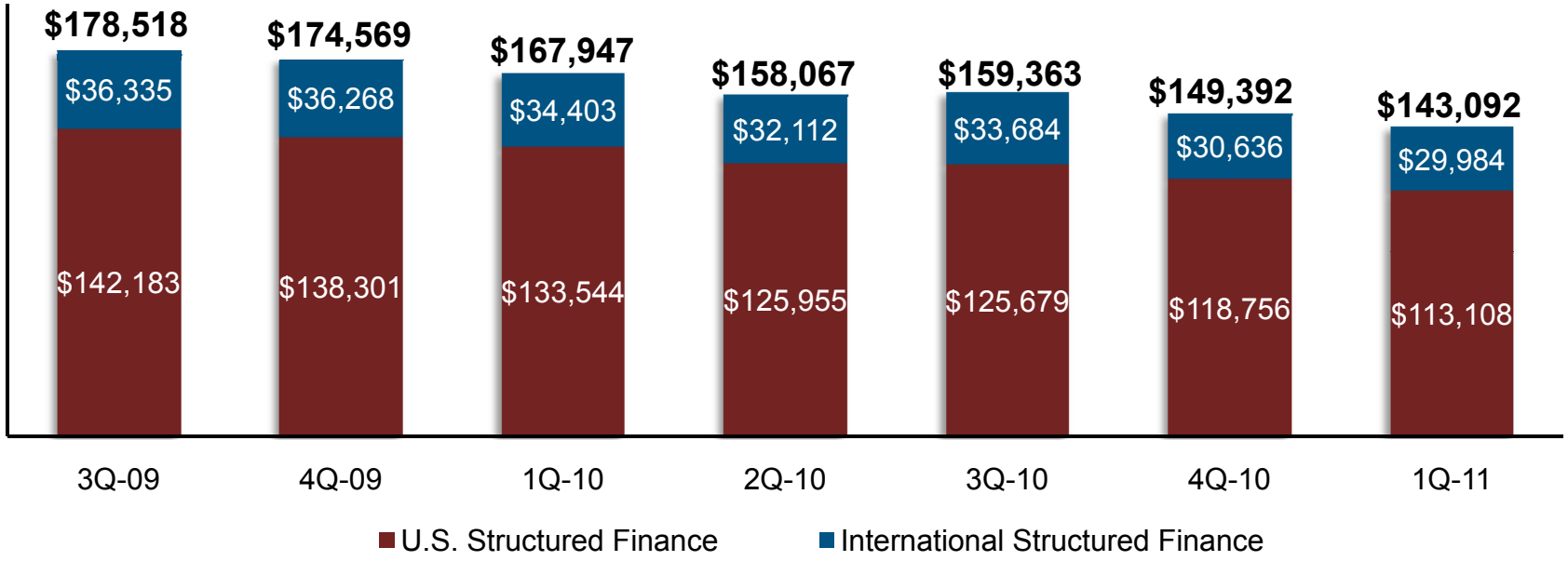
- **We also have a wrapped bond repurchase program, in which we purchase bonds we have insured in order to reduce our losses**
  - Have purchased over $1 billion of par on insured securities through March 31, 2011 with an initial purchase price of approximately $450 million; current carrying value of approximately $260 million
- **We generate excess capital as our RMBS and other structured finance exposures run off**
  - 20% of structured finance portfolio has run off since September 30, 2009
  - Additional 27% of our structured finance portfolio is expected to run off from 1Q-11 through year end 2012
  - U.S. RMBS run-off will free up the most capital; expect $8.3 billion to run off in 2011 and 2012

Structured Finance Run-off

($ in millions)



New Business Production

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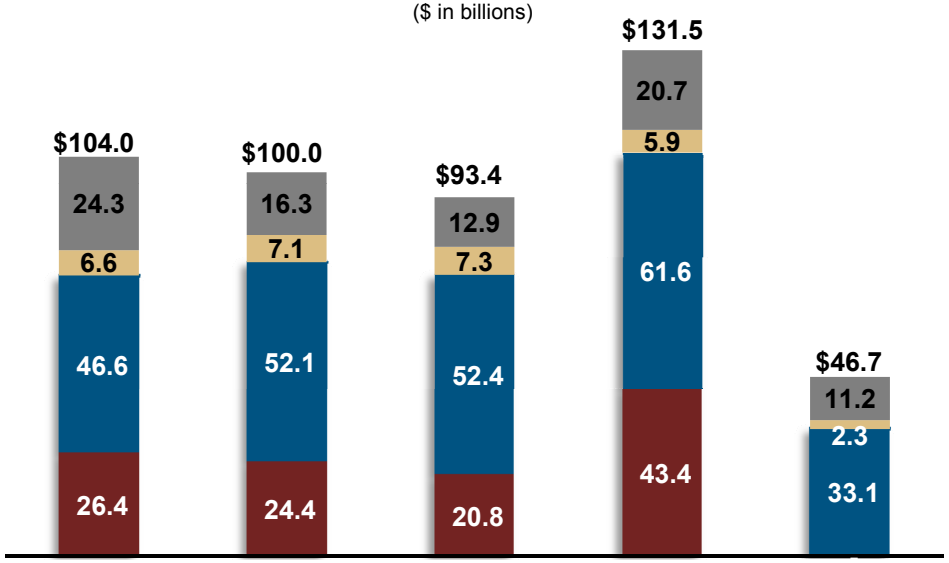
- **We are focused on building demand for our guaranties, which was challenged in 1Q-11 and 2010 for several reasons:**
  - November 2009 downgrade to Aa3 (negative) by Moody's and October 2010 downgrade to AA+ (stable) by S&P
  - Recalibration of public finance ratings by Moody's in 2010, which resulted in upgrades
  - Proposed new criteria for rating bond insurers by S&P in 1Q-11
  - Sharp decline in new issue volume in 2011 as a result of Build America Bonds ("BABs") program in 2010 and wide credit spreads

U.S. New Issue Public Finance Insured Penetration

(As of March 31, 2011)
($ in billions)



	1Q-10	2Q-10	3Q-10	4Q-10	1Q-11
Total insured penetration:	**6.3%**	**7.0%**	**7.8%**	**4.4%**	**4.9%**
Insured penetration of A and BBB market:	**16.7%**	**21.0%**	**25.4%**	**13.3%**	**14.2%**

- BABs
- AAA, AA, BIG and NR
- Insured securities*
- BBB and A securities uninsured in the primary market

Source: SDC database, adjusted for underlying rating.
*Insured securities includes BABs, AA or NR securities that were insured by the Company.

Operating Shareholders' Equity and Adjusted Book Value Per Share Growth

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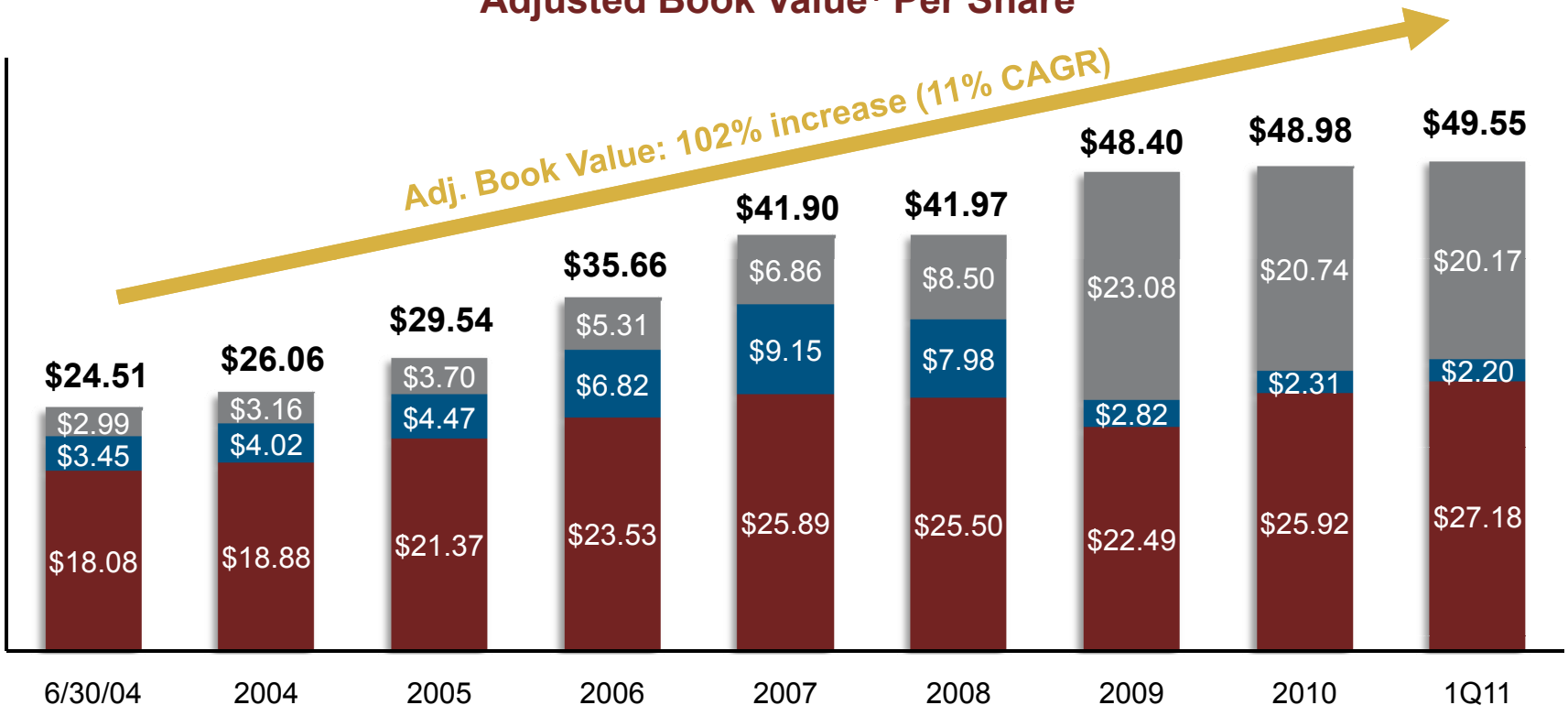
Adjusted Book Value[1] Per Share



- Operating shareholders' equity per share
- Net present value of estimated net future credit derivative revenue in force and net unearned revenue on credit derivatives, after tax
- Net unearned premium reserve on financial guaranty contracts in excess of net expected loss to be expensed less deferred acquisition costs, after tax

1. For explanations of adjusted book value and net present value of estimated net future credit derivative revenue and operating shareholders' equity, which are non-GAAP financial measures, please refer to the appendix. Effective January 1, 2010, GAAP accounting required the consolidation of VIEs where the Company is determined to be the control party through rights under our financial guaranty insurance contracts. For those VIEs that the Company consolidates, it records all of the activities of the VIE and eliminates the related insurance accounting. Operating shareholders' equity reverses the financial effect of consolidating these entities and accounts for them as financial guaranty insurance contracts in order to present the Company's insured obligations on a consistent basis.

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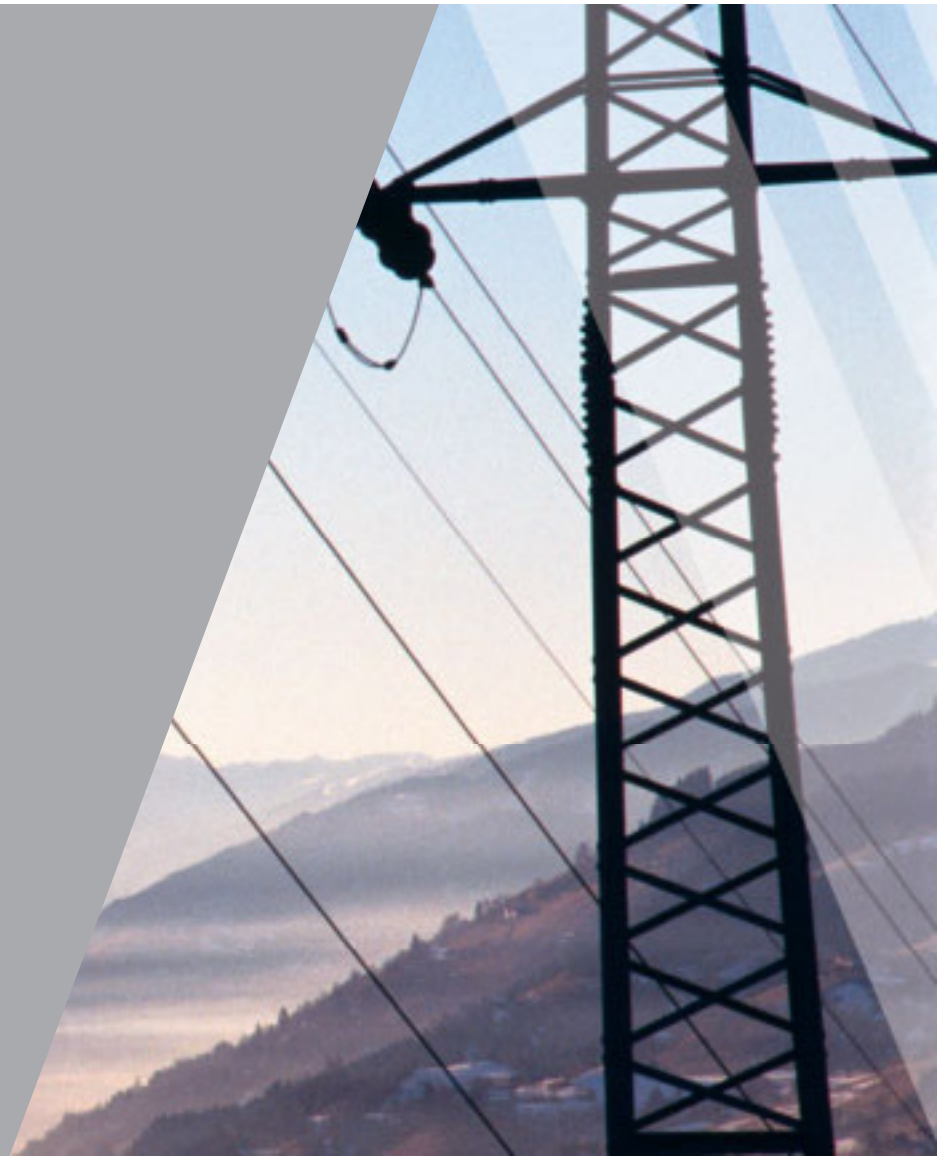
Appendix



Appendix
Explanation of Non-GAAP Financial Measures

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Endnotes related to non-GAAP financial measures discussed in the presentation:

The Company references financial measures that are not in accordance with GAAP.

Assured Guaranty's management and board of directors utilize non-GAAP measures in evaluating the Company's financial performance and as a basis for determining senior management incentive compensation. By providing these non-GAAP financial measures, investors, analysts and financial news reporters have access to the same information that management reviews internally. In addition, Assured Guaranty's presentation of non-GAAP financial measures is consistent with how analysts calculate their estimates of Assured Guaranty's financial results in their research reports on Assured Guaranty and with how investors, analysts and the financial news media evaluate Assured Guaranty's financial results.

The following paragraphs define each non-GAAP financial measure and describe why it is useful. A reconciliation of the non-GAAP financial measure and the most directly comparable GAAP financial measure, if available, is presented within this presentation. Non-GAAP financial measures should not be viewed as substitutes for their most directly comparable GAAP measures.

Operating Income: Management believes that operating income is a useful measure because it clarifies the understanding of the underwriting results of the Company's financial guaranty insurance business, and also includes financing costs and net investment income, and enables investors and analysts to evaluate the Company's financial results as compared to the consensus analyst estimates distributed publicly by financial databases. Operating income is defined as net income (loss) attributable to Assured Guaranty Ltd., as reported under GAAP, adjusted for the following:

1) Elimination of the after-tax realized gains (losses) on the Company's investments, including other than temporary impairments, and credit and interest rate related gains and losses from sales of securities. Impairments and losses from sales of credit−impaired securities, the timing of which depends largely on market credit cycles, can vary considerably across periods. The timing of other sales that would result in gains or losses, such as interest rate related gains or losses, is largely subject to the Company's discretion and influenced by market opportunities, as well as the Company's tax and capital profile. Trends in the underlying profitability of the Company's business can be more clearly identified without the fluctuating effects of these transactions.

2) Elimination of the after-tax non-credit impairment unrealized fair value gains (losses) on credit derivatives, which is the amount in excess of the present value of the expected estimated economic credit losses. Such fair value adjustments are heavily affected by, and in part fluctuate with, changes in market interest rates, credit spreads and other market factors and are not expected to result in an economic gain or loss. Additionally, such adjustments present all financial guaranty contracts on a more consistent basis of accounting, whether or not they are subject to derivative accounting rules.

3) Elimination of the after-tax fair value gains (losses) on the Company's committed capital securities. Such amounts are heavily affected by, and in part fluctuate with, changes in market interest rates, credit spreads and other market factors and are not expected to result in an economic gain or loss.

4) Elimination of the after-tax foreign exchange gains (losses) on revaluation of net premium receivables. Long-dated receivables constitute a significant portion of the net premium receivable balance and represent the present value of future contractual or expected collections. Therefore, the current period's foreign exchange revaluation gains (losses) are not necessarily indicative of the total foreign exchange gains (losses) that the Company will ultimately recognize.

5) Elimination of the effects of consolidating certain financial guaranty VIEs in order to present all financial guaranty contracts on a more consistent basis of accounting, whether or not GAAP requires consolidation. GAAP requires the Company to consolidate certain VIEs that have issued debt obligations insured by the Company even though the Company does not own such VIEs.

Appendix (Cont'd)
Explanation of Non-GAAP Financial Measures

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Operating Shareholders' Equity: Management believes that operating shareholders' equity is a useful measure because it presents the equity of Assured Guaranty Ltd. with all financial guaranty contracts accounted for on a more consistent basis and excluding fair value adjustments that are not expected to result in economic loss. Many investors, analysts and financial news reporters use operating shareholders' equity as the principal financial measure for valuing Assured Guaranty Ltd.'s current share price or projected share price and also as the basis of their decision to recommend, buy or sell the Assured Guaranty Ltd.'s common shares. Many of the Company's fixed income investors also use operating shareholders' equity to evaluate the Company's capital adequacy. Operating shareholders' equity is the basis of the calculation of adjusted book value (see below). Operating shareholders' equity is defined as shareholders' equity attributable to Assured Guaranty Ltd., as reported under GAAP, adjusted for the following:

1) Elimination of the effects of consolidating certain VIEs in order to present all financial guaranty contracts on a more consistent basis of accounting, whether or not GAAP requires consolidation. GAAP requires the Company to consolidate certain VIEs that have issued debt obligations insured by the Company even though the Company does not own such VIEs.

2) Elimination of the after-tax non-credit impairment unrealized fair value gains (losses) on credit derivatives, which is the amount in excess of the present value of the expected estimated economic credit losses. Such fair value adjustments are heavily affected by, and in part fluctuate with, changes in market interest rates, credit spreads and other market factors and are not expected to result in an economic gain or loss.

3) Elimination of the after-tax fair value gains (losses) on the Company's committed capital securities. Such amounts are heavily affected by, and in part fluctuate with, changes in market interest rates, credit spreads and other market factors and are not expected to result in an economic gain or loss.

4) Elimination of the after-tax unrealized gains (losses) on the Company's investments, that are recorded as a component of accumulated other comprehensive income (AOCI) (excluding foreign exchange revaluation). The AOCI component of the fair value adjustment on the investment portfolio is not deemed economic because the Company generally holds these investments to maturity and therefore will not recognize an economic loss.

Appendix (Cont'd)
Explanation of Non-GAAP Financial Measures

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Adjusted Book Value: Management believes that adjusted book value is a useful measure because it enables an evaluation of the net present value of the Company's in force premiums and revenues in addition to operating shareholders' equity. The premiums and revenues included in adjusted book value will be earned in future periods, but actual earnings may differ materially from the estimated amounts used in determining current adjusted book value due to changes in, foreign exchange rates, refinancing or refunding activity, prepayment speeds, terminations, credit defaults and other factors. Many investors, analysts and financial news reporters use adjusted book value to evaluate Assured Guaranty Ltd.'s share price and as the basis of their decision to recommend, buy or sell the Assured Guaranty Ltd. common shares. Adjusted book value is operating shareholders' equity, as defined above, further adjusted for the following:

1) Elimination of after-tax deferred acquisition costs. These amounts represent net deferred expenses that have already been paid or accrued that will be expensed in future accounting periods.

2) Addition of the after-tax net present value of estimated net future credit derivative revenue. See below.

3) Addition of the after-tax value of the unearned premium reserve on financial guaranty contracts in excess of net expected loss to be expensed, net of reinsurance. This amount represents the expected future net earned premiums, net of expected losses to be expensed, which are not reflected in GAAP equity.

Net present value of estimated net future credit derivative revenue: Management believes that this amount is a useful measure because it enables an evaluation of the value of future estimated credit derivative revenue. There is no corresponding GAAP financial measure. This amount represents the present value of estimated future revenue from the Company's credit derivative in-force book of business, net of reinsurance, ceding commissions and premium taxes in excess of expected losses, and is discounted at 6% (which represents the Company's tax-equivalent pre-tax investment yield on its investment portfolio). Estimated net future credit derivative revenue may change from period to period due to changes in foreign exchange rates, prepayment speeds, terminations, credit defaults or other factors that affect par outstanding or the ultimate maturity of an obligation.

PVP or present value of new business production: Management believes that PVP is a useful measure because it enables the evaluation of the value of new business production for Assured Guaranty by taking into account the value of estimated future installment premiums on all new contracts underwritten in a reporting period as well as premium supplements and additional installment premium on existing contracts as to which the issuer has the right to call the insured obligation but has not exercised such right, whether in insurance or credit derivative contract form, which GAAP gross premiums written and the net credit derivative premiums received and receivable portion of net realized gains and other settlement on credit derivatives ("Credit Derivative Revenues") do not adequately measure. PVP in respect of insurance and credit derivative contracts written in a specified period is defined as gross upfront and installment premiums received and the present value of gross estimated future installment premiums, in each case, discounted at 6% (the Company's tax-equivalent pre-tax investment yield on its investment portfolio). For purposes of the PVP calculation, management discounts estimated future installment premiums on insurance contracts at 6%, while under GAAP, these amounts are discounted at a risk free rate. Additionally, under GAAP, management records future installment premiums on financial guaranty insurance contracts covering non-homogeneous pools of assets based on the contractual term of the transaction, whereas for PVP purposes, management records an estimate of the future installment premiums the Company expects to receive, which may be based upon a shorter period of time than the contractual term of the transaction. Actual future net earned or written premiums and Credit Derivative Revenues may differ from PVP due to factors including, but not limited to, changes in foreign exchange rates, refinancing or refunding activity, prepayment speeds, terminations, credit defaults, or other factors that affect par outstanding or the ultimate maturity of an obligation.

Appendix
PVP[1] – Reconciliation to Gross Written Premiums ("GWP")

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($ in millions)

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010	% Change versus 1Q-10
Consolidated new business production analysis:			
Present value of new business production ("PVP")			
Public finance - U.S.:			
Primary markets	$ 26.7	$ 60.4	(56)%
Secondary markets	7.3	13.9	(47)
Public finance - non-U.S.			
Primary markets	-	-	NM
Secondary markets	-	-	NM
Structured finance - U.S.	11.3	4.5	151
Structured finance - non-U.S.	7.2	-	NM
Total PVP	52.5	78.8	(33)
Less: PVP of credit derivatives	-	-	NM
PVP of financial guaranty insurance	52.5	78.8	(33.4)
Less: Financial guaranty installment premium PVP	18.7	4.5	316
Total: Financial guaranty upfront GWP	33.8	74.3	(55)
Plus: Financial guaranty installment PVP adjustment [2]	(45.3)	17.8	NM
Total GWP	**$ (11.5)**	**$ 92.1**	NM

NM = Not meaningful

1. For an explanation of PVP, a non-GAAP financial measure, please refer to the appendix.
2. Represents present value of new business on installment policies plus GWP adjustment on existing installment deals due to changes in assumptions and any cancellations of assumed reinsurance contracts

Appendix
Reconciliation of Net Income (Loss) to Operating Income

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($ in millions, except per share data)

Reconciliation of Consolidated Net Income to Operating Income[1]

	1Q-11	1Q-10
Net income (loss)	**$125.4**	**$322.0**
Less: Realized gains (losses) on investments, after tax	1.9	6.7
Less: Non-credit impairment unrealized fair value gains (losses) on credit derivatives, after tax	(217.4)	230.8
Less: Fair value gains (losses) on committed capital securities, after tax	0.3	(0.8)
Less: Foreign exchange gains (losses) on revaluation of premiums receivable, after tax	9.2	(23.0)
Less: Effect of consolidating financial guaranty VIEs, after tax	82.5	(4.3)
Operating income	**$248.9**	**$112.6**

Per Diluted Share

	1Q-11	1Q-10
Net income (loss)	**$0.67**	**$1.69**
Less: Realized gains (losses) on investments, after tax	0.01	0.03
Less: Non-credit impairment unrealized fair value gains (losses) on credit derivatives, after tax	(1.16)	1.21
Less: Fair value gains (losses) on committed capital securities, after tax	-	-
Less: Foreign exchange gains (losses) on revaluation of premiums receivable, after tax	0.05	(0.12)
Less: Effect of consolidating financial guaranty VIEs, after tax	0.44	(0.02)
Operating income	**$1.33**	**$0.59**

1. The Company has revised its definition of operating income in second quarter 2010 to exclude foreign exchange revaluation gains and losses on premiums receivable. First quarter 2010 is presented on a consistent basis.

Assured Guaranty Contacts:

Robert Tucker
Investor Relations
Direct: 212.339.0861
rtucker@assuredguaranty.com

Ross Aron
Investor Relations
Direct: 212.261.5509
raron@assuredguaranty.com

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