

Eurozone Risks Will Weigh On Corporates If They Can't Find Growth Globally

Primary Credit Analyst:

Paul Watters, London (44) 20-7176-3542; paul_watters@standardandpoors.com

Secondary Contacts:

Guy Deslondes, Milan (39) 02-72111-213; guy_deslondes@standardandpoors.com

Blaise Ganguin, Paris (33) 1-4420-6698; blaise_ganguin@standardandpoors.com

Tobias Mock, Frankfurt (49) 69-33-999-126; tobias_mock@standardandpoors.com

Peter Tuving, Stockholm (46) 8-440-5913; peter_tuving@standardandpoors.com

Chief Economist, Europe:

Jean-Michel Six, Paris (33)-1-44-20-67-05; jean-michel_six@standardandpoors.com

Table Of Contents

Downgrades Could Loom For Companies With Localized Operations

Tighter Bank Lending May Curb Borrowing And Add To Defaults

Defensive Financial Policies Provide A Credit Buffer

Predominantly Stable Outlooks Mirror Rated Corporates' Strong Global Presence

Appendix: Major Rating Factors For European Corporate Sectors In 2012

Related Criteria And Research

Eurozone Risks Will Weigh On Corporates If They Can't Find Growth Globally

Country risks, rather than cyclical swings, will determine the credit fortunes of European corporates over the coming year, in Standard & Poor's Ratings Services' view. As sovereigns in the European Economic and Monetary Union (EMU or eurozone) struggle to reduce debt while supporting growth, we anticipate that companies with localized operations in countries hardest hit by weak consumer demand and austerity measures will be most exposed to some degree of downgrades. By contrast, corporates that trade goods and services globally should in our opinion be better insulated from the turbulence engulfing the eurozone, irrespective of industry-specific cycles that usually prevail over credit developments. We think these companies will be able to rely on continued relatively strong growth in emerging markets and other commodity-producing countries that are providing most of the momentum for global growth.

In spite of tremendous economic uncertainties, the majority of corporates we rate are entering 2012 with stable outlooks. Only 18.8% currently have a negative outlook or are on CreditWatch negative, a significant drop from 37.0% at the end of 2009. We believe this is because many companies have taken advantage of improved financial market conditions prior to July 2011 to strengthen their liquidity and reduce their leverage. This should help them weather with only limited credit deterioration the short-lived recession in Europe that Standard & Poor's economists expect in the first half of 2012 (see "European Economic Outlook: Back In Recession," published Dec. 1, 2011, on RatingsDirect on the Global Credit Portal).

Overview:

- European corporates with localized operations in regions hardest hit by the eurozone crisis will be most exposed to rating downgrades over the coming months, in our view.
- Companies that sell goods and services globally, especially in strongly growing emerging countries, will be better insulated.
- Rated corporates, particularly investment-grade firms, are better prepared for a renewed downturn than in 2008, owing to tight working capital, conservative financial policies, and higher cash balances.
- Regulatory pressures and the cost of bank funding will continue to constrain bank lending.
- Highly leveraged corporates, particularly legacy LBOs needing to refinance over the next two years, could face refinancing difficulties.
- We expect a mild recession in Europe and still solid growth in emerging markets.

We therefore expect that investment-grade corporates will be able to retain steady access to debt capital markets in the year ahead. Yet, volatile financial markets and competing demands for wholesale funding from governments and banks will create execution challenges and translate into higher risk premiums overall. Not least, we believe it will be difficult to establish appropriate market clearing prices for investment-grade primary deals relative to more expensive transactions from European sovereigns and financial institutions.

Furthermore, we think banks will continue to refocus on their core domestic business and shrink their balance sheets to meet the target 9% core tier 1 capital ratios by end-June 2012, as stipulated by the European Banking Authority (EBA). Ongoing regulatory changes relating to Basel III and Solvency II will also likely continue to shift the

provision of corporate term funding away from banks toward the bond market. High short-term funding costs for banks can only accelerate this move away from bank intermediation, in our view.

While we anticipate the high-yield bond market will continue its long-term growth in 2012, we think investor appetite is likely to be less voracious than in recent years amid prevailing economic uncertainty. We believe issuers will have to be well prepared to capitalize on issuing windows when they arise. Those with U.S. dollar revenue streams will likely capitalize on stronger market conditions to raise financing in the U.S. Weaker 'B' rated companies, and even those in the 'BB' category that additionally face high country exposure and have to complete refinancing ahead of 2012/2013, could face particular difficulties this year, in our view.

In this context, and given the prospect of €69 billion of speculative-grade debt (that is, rated 'bb+' or below) maturing in 2012-2013, we anticipate that defaults could increase to 6.1% by the end of December 2012. This is up from 4.8% at the end of 2011, combining publicly rated and private credit estimate defaults in Europe. Nevertheless, we expect corporate defaults will stay significantly below the 14.7% peak recorded in the third quarter of 2009 (for further details see "European Corporate Defaults Likely To Rise In 2012 On Gloomy Business And Financing Prospects," published on Jan. 18, 2011, on RatingsDirect).

Downgrades Could Loom For Companies With Localized Operations

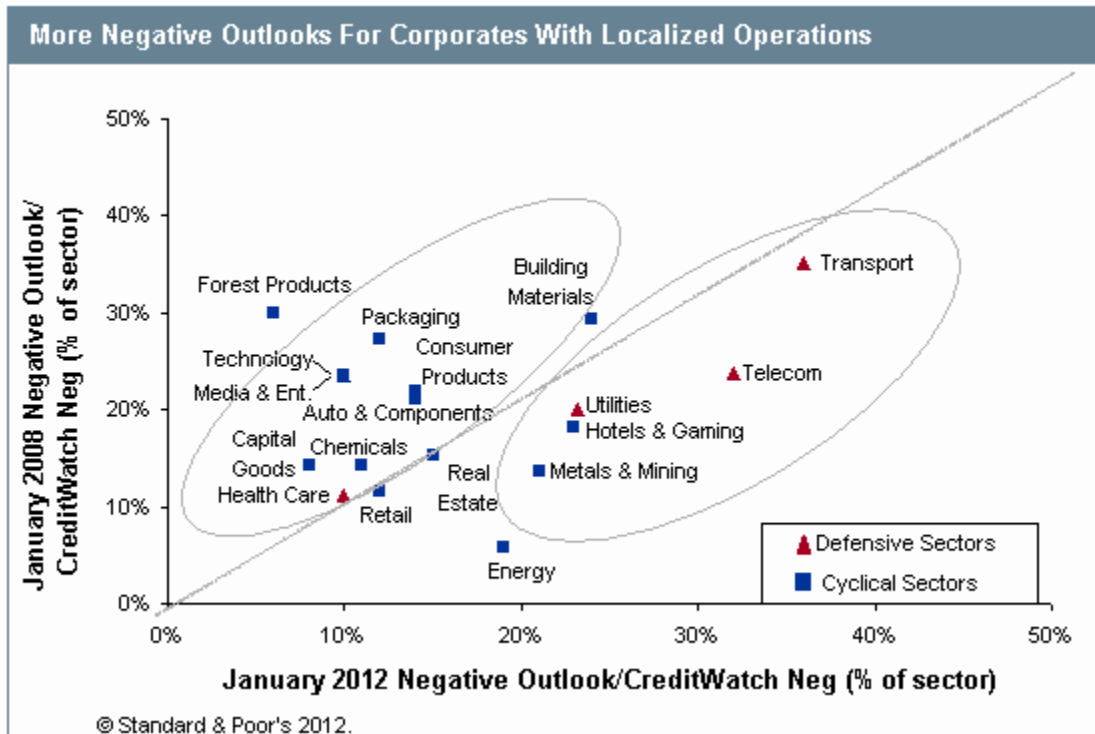
The eurozone sovereign crisis will in our view weigh on the credit prospects of European corporates over the coming months. This could potentially lead to some degree of negative rating actions for companies with significant exposure to GIIPS economies (Greece, Italy, Ireland, Portugal, and Spain), which are hardest hit by the sovereign debt crisis. Progress in resolving the eurozone's financial problems will likely be drawn out. The policy response of fiscal tightening and supply-side reforms will inevitably take time, with no guarantee of success. Business and consumer confidence is likely to continue to suffer, in our view, at least through early 2012. We also consider it highly likely that the weakness in the so-called "peripheral" economies will increasingly spread to the core of Europe. Under our latest base-case economic forecast, eurozone growth as a whole will slide to 0.4% in 2012, with Germany acting as locomotive at 0.6%. Standard & Poor's economists currently forecast a mild recession for the eurozone in the first half of the year, and see a 40% chance of a deeper recession materializing.

We therefore believe that Europe is entering an atypical period in which downward rating pressure will be derived from two key sources: government spending cutbacks and the knock-on impact of austerity measures on local consumers and businesses. We think utilities and incumbent telecoms, which by definition are highly local, could be hardest hit, given that they provide essential services in their host countries. Yet, we also predict some transportation segments, such as regional airports Aeroporti di Roma SpA (BB/Negative/B), and Copenhagen Airports A/S (BBB-/Negative/--), could feel the effects of consumer retrenchment, not helped by higher passenger duties. European steel producers and oil refiners that are exposed to declining profitability, could also feel the effects of harsher times because lower demand and capacity utilization are creating downward price pressures, while traded commodity input costs remain high on China demand.

By contrast, we think that companies that trade goods and services globally should be better insulated from the eurozone turbulence, even in highly cyclical sectors. They should be able to rely on continued relatively strong growth in the developing world and other commodity-producing countries. Since the last downturn of 2008/2009, for example, we think European auto manufacturers have become more global players. They have taken strides to improve their operational efficiency, strengthen their balance sheets, and diversify their sales and operations outside

Western Europe. Nonetheless, we see the luxury rated car makers BMW AG (A-/Positive/A-2) and Daimler AG (BBB+/Positive/A-2) as better placed, in view of the brand consciousness of the aspiring middle classes in developing markets, than the volume producers Peugeot S.A., Renault S.A. (both BB+/Stable/B), and Fiat SpA (BB/Negative/B), which still have a higher percentage of unit sales in Europe. Mirroring our expectation of diverging fortunes between locally and globally operating companies 2012, we currently have a relatively higher proportion of negative outlooks or CreditWatch negative placements in utilities, telecoms, steel, oil and gas, and some transportation segments than at a similar point in the cycle in January 2008 (see chart 1).

Chart 1



Should budget deficits in countries with austerity programs deteriorate further, we believe governments may resort to windfall taxes on corporate profits or other state intervention, such as selling minority government stakes in companies, which could also dent credit quality. Highly rated government-related entities (GREs) could see negative rating actions if host sovereign ratings were lowered, according to our criteria. Yet ratings may also be affected if we were to reassess our view on the likely extent of extraordinary state support. This arose, for example, in the case of power grid operator REN-Redes Energeticas Nacionais SGPS S.A. (BBB-/Watch Neg/A-3) and rail infrastructure manager Rede Ferroviaria Nacional REFER E.P.E. (B-/Watch Neg/--) in Portugal last March 2011, when we revised our opinion on the ability of the Portuguese government to provide timely support, if required, because of growing demands placed on the government's limited resource base.

Austerity programs and rising unemployment in the GIIPS will also keep consumer demand under considerable pressure, in our opinion. This is likely to be to the detriment of the performance and credit quality of those companies most exposed to these regions. We project that locally operating clothes and shoe retailers in the mid to low market segments, as well as consumer electronics, and even food retailers are likely to struggle. Carrefour S.A.

(BBB+/Negative/A-2) and Tesco PLC (A-/Stable/A-2), the second- and third-largest food retailers in the world, are both currently experiencing margin pressures, owing to significant exposure to their core markets of Western Europe and the U.K., respectively. Nevertheless, their emerging market activities and Internet sales could provide some support. The prospect of lower inflation on the back of falling commodity and energy prices should also help alleviate margin pressure and provide some limited respite for consumers' real disposable incomes. By contrast, we believe the performance of global branded consumer goods companies will be supported by the super rich and the aspirant middle class in the BRIC countries (Brazil, Russia, India, and China) and will continue to outperform the broader consumer goods sector in the coming years. Companies such as LVMH Moët Hennessy Louis Vuitton S.A. (LVMH; A/Stable/A-1) and PPR S.A. (BBB-/Positive/A-3) should be well placed to capitalize on this trend (for further details see "Can Luxury Goods Continue To Deliver Rich Returns In An Era Of Austerity?" published on Nov. 14, 2011, on RatingsDirect).

Another drag on corporate ratings, in our view, is that certain sectors have exhausted their flexibility to defer growth capital investments as a means of preserving cash amid the uncertain economic outlook. Having cut back on capital expenditure in recent years, we think that firms in retail, leisure, and building materials now have little option but to invest to protect their longer term competitive positions. We expect high-grade telecom companies, for example, to further increase capital investments to acquire 4G licenses and build out the necessary infrastructure.

Similarly, while corporates' generally prudent financial policies over recent years should continue to underpin credit quality through 2012, this support could be eroded if a deeper recession materializes. Capital expenditures, dividends, and share buybacks are already low in sectors such as steel and building materials, where funds from operations (FFO) have not improved since 2007. Some sectors still have some discretion to cut back to improve liquidity, in our estimation. This is either because their FFO has improved--such as in chemicals and capital goods--or because dividends are substantial--such as in telcos, oil and gas, health care, utilities, and consumer products.

Tighter Bank Lending May Curb Borrowing And Add To Defaults

Further adding to corporate credit pressures, we expect the lending relationship between banks and corporates to remain in flux over the coming year. In the near term, the European Banking Authority-mandated rush for banks to increase Tier 1 core equity to 9% by June 2012 will in our view dampen new money corporate lending as most affected banks seek to reduce risk-weighted assets, including through the sale of non-core assets. In the longer run, we think that as banks' business models adapt to a lower leveraged and more capital-intensive regulatory environment, they will likely further ration corporate credit. For further details see "Why Basel III And Solvency II Will Hurt Corporate Borrowing In Europe More Than In The U.S.," published Sept. 27, 2011, on RatingsDirect. This would favor shorter term and unfunded facilities, albeit on more expensive terms. We anticipate that the requirement for ancillary business will over time reduce the size of syndicate groups.

In this volatile funding environment, we think it will be paramount that corporates maintain at least adequate liquidity. We anticipate that they will extend committed facilities beyond 12 months and wherever possible seek to refinance bank debt at least 15-18 months in advance of maturity. This will be more palatable for banks' loan exposures in the speculative grade arena, where the principle outstanding can be reduced through a repayment or refinanced in whole or in part via the bond market. However, we believe that smaller companies and vulnerable LBOs--rated and unrated--with highly leveraged credit profiles will struggle to access external debt funding on terms

they can afford. This includes many smaller firms operating in the supply chain, which are already under severe pressure from retailers and manufacturers to absorb higher costs. They could also experience a renewed credit crunch as debt financing becomes more restrictive.

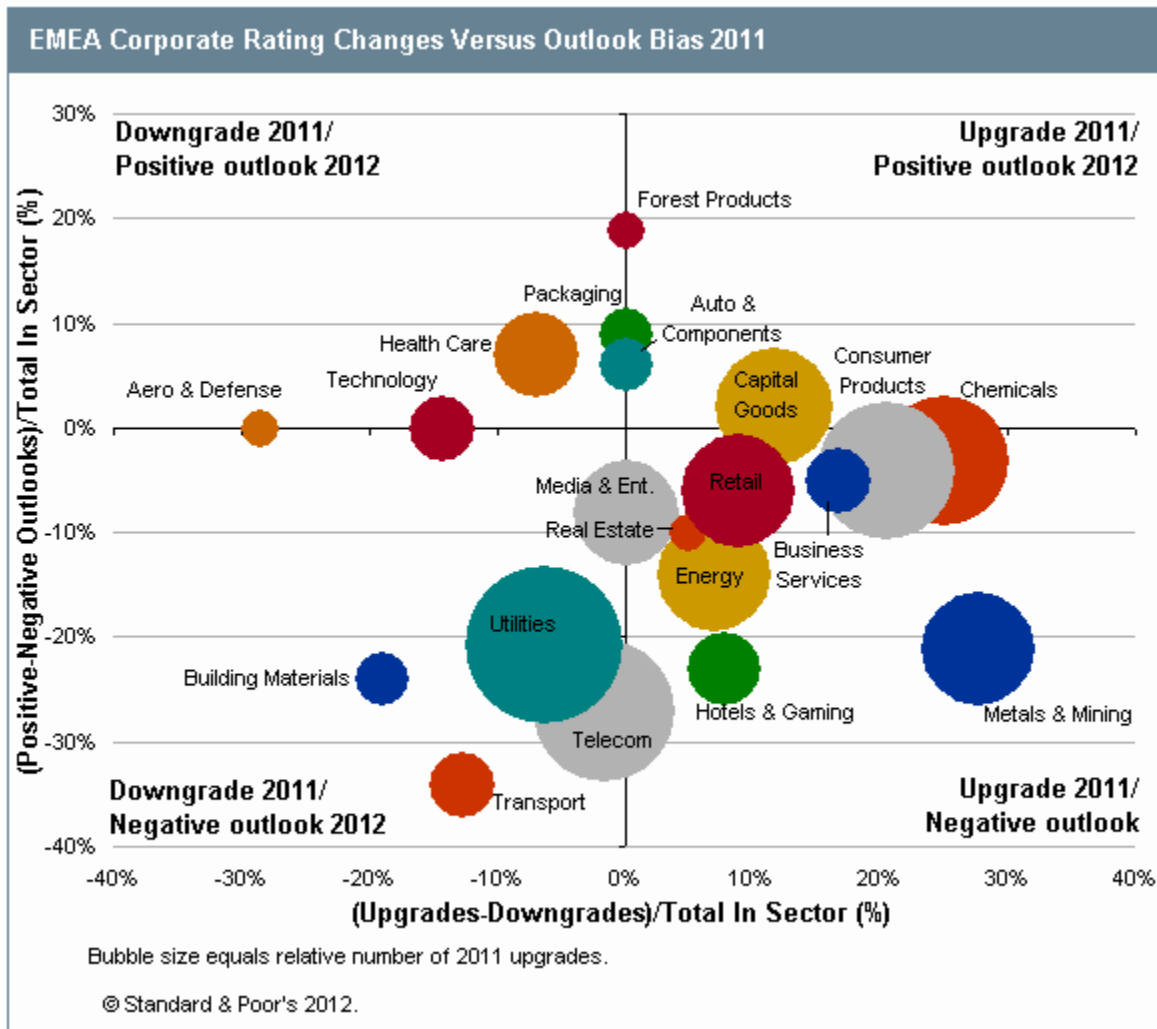
Weaker LBOs are also vulnerable to a less forgiving approach from senior bank lenders, in our view. Their recent policy to offer temporary relief through loan amendments and extensions for borrowers in distress is reaching its limits in the current climate. The ongoing focus on recapitalizing the European banking system and the tighter regulatory capital regime will, sooner or later, require a more conservative and transparent accounting treatment of legacy assets, essential for restoring credibility to European banks' balance sheets. This is likely to usher in a new round of restructurings for LBOs that we view as unsustainably leveraged (at above 6x debt to EBITDA) ahead of the final 2013-2014 debt maturity date of many 2006-2008 vintage LBOs.

In this context, we expect the rate of defaults could increase among highly leveraged companies. We forecast that the speculative-grade default rate will rise to 6.1% by the end of December 2012, from 4.8% at the end of December 2011. This is based on our pool of corporates in the EU27 countries (plus Iceland, Norway, and Switzerland) that either have public ratings or for which we have provided private credit estimates. We see an upside risk of defaults rising to 8.3% by the end of this year. This is a modest upward revision to our previous forecast of 5.5%-7.5% for 2012/13 made at the end of 2010. (For further details see "European Corporate Defaults Likely To Rise In 2012 On Gloomy Business And Financing Prospects," published Jan. 18, 2012, on RatingsDirect).

Defensive Financial Policies Provide A Credit Buffer

In spite of these adverse conditions, we anticipate any deterioration in credit quality of our European rated corporates would be generally limited to a rating outlook change or a one-notch downgrade. One reason for this is that many companies appear to have capitalized on the stronger than expected recovery over the past two years to improve their financial performance by implementing efficiency programs, prioritizing free operating cash flow, strengthening balance sheets, and improving liquidity. This has led to some rating upgrades (see chart 2), or provided good headroom for their credit ratios at current rating levels. For instance, strongly improved operating performance and/or a supportive financial policy resulted in upgrades for a number of chemical companies early in 2011, including Evonik Industries (BBB/Stable/A-2), Rhodia (BBB+/Negative/A-2), SPCM S.A. (BB/Stable/--), and Ineos Group Holdings S.A. (B-/Stable/--), as well as for capital goods companies such as Sandvik AB (BBB+/Stable/A-2) and Assa Abloy AB (A-/Negative/A-2).

Chart 2



Most rated companies have also taken advantage of improved financial market conditions prior to July 2011 to refinance debt due over the coming few years, strengthening their liquidity position in the process. We calculate, for example, that our rated European corporates prudently increased their cash balances, including short-term investments, by 33% between 2007 and the end of 2010 to a total €680 billion at the end of 2010. This provides substantial flexibility, not least for sectors such as oil and gas, utilities, and mining, which have substantial capital expenditure needs for expansion that they are unlikely to fund completely out of operating cash flows. The uncertain economic outlook, lack of available debt financing, and relatively high valuations, have also put the brakes on spending on mergers and acquisitions. We envisage some pick-up, however, if opportunities arise to make midsize strategic acquisitions at an attractive price. What's more, hoarding cash, while prudent for companies individually, is likely to reinforce the downturn if applied collectively, and we can envisage that companies will increasingly be pressured to deploy the excess cash balances that they have accumulated over the course of 2012.

Further underpinning the credit strength of exporting companies, we expect demand from developing and emerging markets in general to stay strong in 2012. In China, for instance, our economists anticipate growth remaining high at about 8% in 2012. This is slower than over 2010-2011 (about 9.5%) but more sustainable, in our view (for

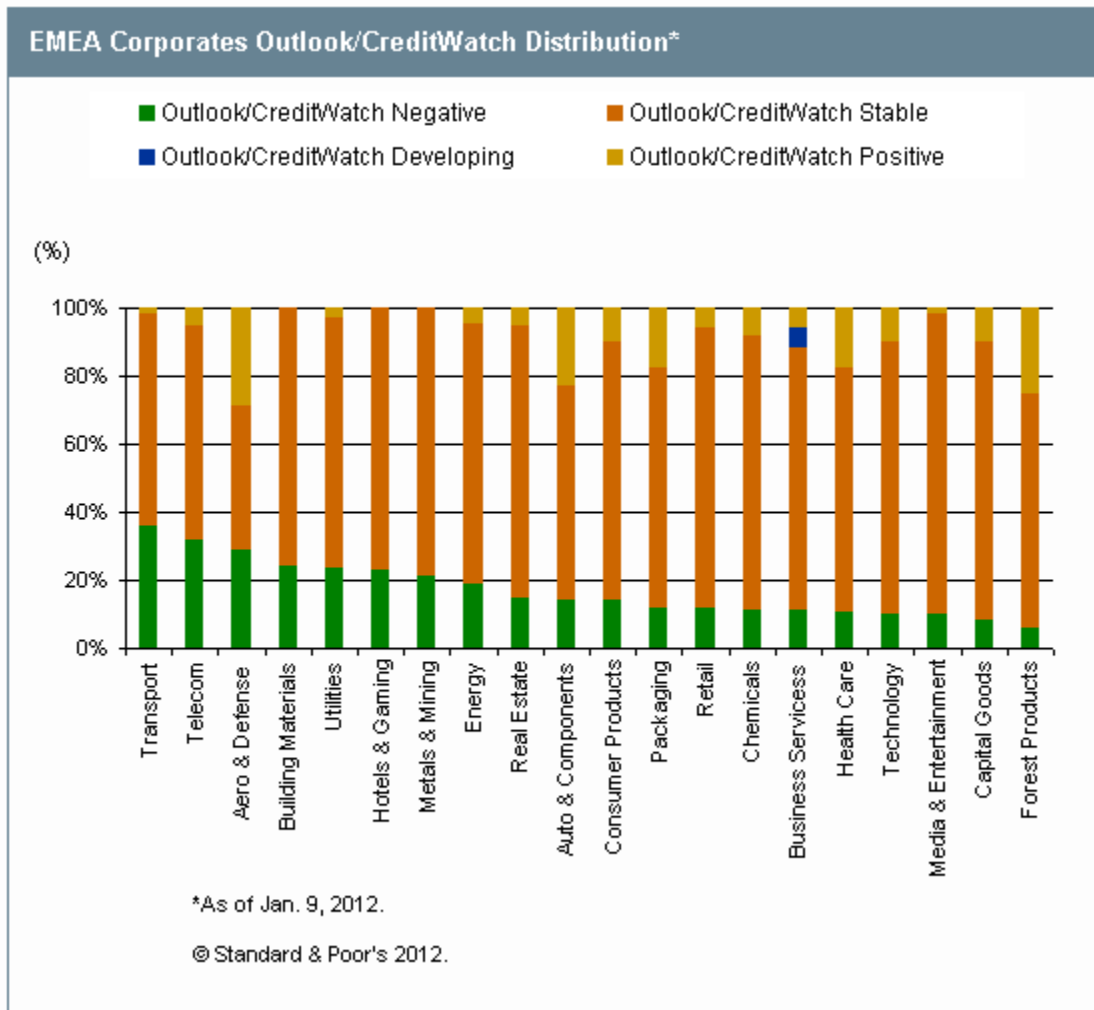
further details see "People's Republic of China," published Dec. 23, 2011, on RatingsDirect). We also anticipate that the prospect of inflation in the euro area falling below 2% in the coming months, according to our economists, could give the European Central Bank (AAA/Stable/A-1+) some flexibility to ease monetary policy further. Together with the likely further weakness in the euro, this should improve the competitiveness of European exporters.

Finally, we also anticipate that monetary policy will stay unconventional and highly stimulative in Europe and the U.K. until 2013, which should at least mitigate ongoing fiscal consolidation efforts and boost credit support for corporates. The shape of sovereign yield curves will continue to be a strong signal attesting to the credibility of budget stabilization programs in austerity countries, in our view.

Predominantly Stable Outlooks Mirror Rated Corporates' Strong Global Presence

Given our base-case forecast for anemic growth in the eurozone and the U.K. through 2012, it may seem incongruous that the rating outlook bias for companies across all sectors is more stable than it has been for several years. The proportion of negative outlooks on rated companies does not exceed 30% in any sector (see chart 3). We see a number of reasons for this, all of which bode well for rated companies' credit prospects. First, it illustrates the prudent financial policies companies have adopted over the past two to three years to defend themselves against more adverse economic conditions, such as implementing efficiency programs, prioritizing free operating cash flow, strengthening balance sheets, and improving liquidity. Second, it reflects the strong export orientation of many rated companies. Lastly, we note that our rated pool of companies is biased toward multinational corporates with a strong operational presence in global markets, including stronger growing BRIC and other emerging markets. We believe this makes them more resilient against weakness in their home markets than the European corporate credit sector as a whole.

Chart 3



Any unexpected weakening of emerging markets, however, in particular in the BRIC economies, would likely have a material impact on the ratings outlook for our European cyclical sectors. The continued strength of these markets underpins our assumption of relative stability for cyclical global sectors, such as autos, chemicals, oil and gas, metals and mining, and capital goods. Neither our base-case nor our downside scenarios for the coming months factor in any significant weakening in emerging market demand. This is, nonetheless, one of the low-probability but high-impact tail risks that we keep under review. Others include a disorderly breakup of the EMU or an unexpected acceleration of inflation induced by either excessive quantitative easing and/or sharp escalation in commodity and energy prices. We nevertheless view all three scenarios as very unlikely over our rating horizon.

Appendix: Major Rating Factors For European Corporate Sectors In 2012

Key Ratings Factors For European Corporate Sectors In 2012

	Positive Credit Factors	Main Risks
Utilities	Active management of capital expenditure, continued deleveraging, and a focus on cost efficiencies. Regulated utilities' cash flow should be relatively stable.	Exposure to sovereign rating actions, due to high share of government-related entities and high sensitivity to country risk. High political risks. High reinvestment needs with uncertain long-term return profile.
Oil & Gas (refining)	Further refinery closures, restructuring, and consolidation expected.	Oil spike could stretch working capital and liquidity. Refining margins remain weak in Europe.
Steel	Lower inventories than in 2008-2009, which should limit the amount of destocking.	Capacity utilization below 80% in Europe. Potential squeeze between steel and raw material prices if China production remains high.
Media	Tight cost controls, with margins often close to pre-2009 levels. Accumulated rating headroom. More stable subscription-based revenues.	Potential declines in advertising rates in 2012 could impact earnings. Entities absorbing debt-funded acquisitions or exposed to GIIPS regions have less financial flexibility.
Shipping	Gradually declining order books of new ships, which should somewhat relieve oversupply in the near to medium term.	Weakening demand and declining trade volumes. Structural oversupply. Excess capacity is depressing rates and profits. Funding is becoming increasingly scarce and expensive.
Building Materials	Maintenance and repair should be relatively recession-resilient. Cash flow still robust, despite weaker earnings.	Little industry recovery since 2009. Construction markets remain depressed.
Forest Products	Capacity reduction likely in 2012, with some restructuring costs. Adequate to strong liquidity in most cases. Prospects for lower input costs.	Weakening demand could impact volumes and selling prices negatively. Mismatch of growth capital expenditure as the economy slows.
Consumer Products	Cost savings and working capital rationalization implemented over the past three years should counter weak consumption. Commodity prices likely to be flat or declining.	Retailers failing in austerity countries. Slowing demand in emerging markets. Declining market share due to underinvestment in new product development and marketing.
Health Care	Pharmaceuticals are well placed to balance regulatory pressure and patent expirations with new business and emerging-market growth.	Health care service providers exposed to competition and regulation.
Aero & Defence	Multiyear order backlogs underpin outlook in civil aerospace. Production run rate for aircraft should increase by 10%-15% in 2012 due to demand and new launches.	Defense procurement spending set to decline over time in Europe, while Middle East and North Africa and emerging markets should see continued growth.
Capital Goods	Good order backlog to cushion the slowdown. Most companies able to stay free operating cash flow-positive through the downturn.	Potentially more aggressive financial policies. Less scope to cut inventory/working capital.
Automakers	Replacement demand and low inventories underpin production. Western European car market expected to decline mid-single-digit percentages in 2012 while demand in the rest of the world (including in North America) should be positive.	Weak European markets offset by growing sales in emerging markets and the U.S. Cost inflation and increased competition may pressure 2012 earnings, especially for Southern Europe's volume producers.
Autosuppliers	Industry still profitable if auto sales fall by 7%. Ratings should stay stable despite lower profits in 2012.	Tier 1 suppliers may need to support Tier 2. Margin pressure to weigh modestly on liquidity in 2012.
Trucks	European market not overheated compared to 2008. Solid U.S. replacement demand for heavy trucks. Sound balance sheets and cash flows among investment-grade rated truck makers in Europe.	Extended recession in Europe combined with a reversal in strong demand conditions in the U.S. would pressure margins and cash flow.
Chemicals	Margins to revert to midcycle in 2012, as capacity utilization eases. Financial performance in 2012 should be satisfactory given strengthened cash flow generation/balance sheets over 2010-2011.	Volumes in 2012 expected to be down by 5% (or by 10% in a severe recession), but destocking less severe than in 2008/2009, when volumes fell by 20%-30%. Downward revision to growth in China could create supply imbalances.
Mining	Growth and urbanization in China represents a structural driver for the industry.	Multiyear capital expenditure programs. Hard landing in China would cause a severe decline in commodity prices and damage miners' cash flows.
Leisure	Some companies have good headroom at the current ratings. Few short-term refinancing needs at the low end of the rating scale.	Maintaining liquidity and covenant compliance will be key. Travel, lodging, and U.K. pubs vulnerable to consumer sentiment.

Key Ratings Factors For European Corporate Sectors In 2012 (cont.)		
Retail	Lower inflation could ease margin pressure. Stronger EU regions more resilient to adverse sector trends. Critical size and exposure to emerging markets likely to mitigate pressure in domestic markets.	Ongoing austerity risks could undermine consumer confidence and damage sales. Competitive pricing to reduce profits in 2012.
Hi Tech	Solid liquidity provides underlying support, especially for investment-grade companies. Declines in EBITDA and operating cash flow would be partly offset by lower working capital needs.	Weaker IT spend, owing to consumer and government cutbacks. Weaker free cash flow, tightening covenant headroom and refinancing risk could put pressure on ratings of highly leveraged credits.
Investment-Grade Telco (including satellites)	Operating resilience and cash generation largely expected to offset economic pressures. Cable and emerging market operators should benefit from positive demand.	Sustained higher capital expenditure (spectrum auctions?) and aggressive dividends policy. Refinancing risks for GIIPS telcos.
Airports	Efficiency improvements since 2009. Adequate liquidity and some capital expenditure flexibility supports credit quality.	Hubs are better protected than regional airports. Airline passenger taxes likely to hinder growth. GIIPS airports on a privatization path.
Transportation (Airlines)	Strong financial ratios compared to their financial risk profiles should help airlines cope with a significantly weaker operating environment.	Lower business confidence is likely to lead to a material drop in high-yielding premium travel. Higher oil price. Recessionary pressures on consumer discretionary spending.
Service Companies	Slow economic growth is positive for first time outsourcing. Emerging market acquisitions to expand footprints. More complex service to existing clients to maintain revenues. Liquidity adequate to strong in most cases.	Continued outsourcing, but at lower margins. Input cost inflation (wages, food), albeit more constrained given weaker economic outlook.
Packaging	Our rated entities are quite reliant on more stable food and beverage end markets.	Volatility of energy and other input costs, but expected to be more stable than in 2011 to the benefit of operating margins and working capital.
Oil & Gas (upstream)	We expect that our oil price assumptions for rating purposes will remain at \$90 per barrel in 2012. This will benefit operating cash flow but partly reflects high capital expenditure and lower return on capital.	Large committed capital expenditure programs likely to result in negative free operating cash flow in our view. Exposed to country and fiscal risks.
REITs	Geographic diversity and prime assets support recurring earnings. High portfolio quality facilitates potential refinancing from various sources. Development activities are limited in the current climate.	Shrinking of property lending negatively impacts cost of refinancing and REITs' debt service. Rents likely to remain stable until 2013, when pressured by economic issues.
Toll Roads	Stable cash flow generation. Long-term contractual framework with some protection against unforeseen events.	Economy-induced traffic declines could damage credit metrics. Increased country risk in austerity countries (notably for Italian-based operators). Refinancing risk particularly if financial market disruption persists for an extended period in Europe.

Related Criteria And Research

- European Corporate Defaults Likely To Rise In 2012 On Gloomy Business And Financing Prospects, Jan. 18, 2011
- European Economic Outlook: Back In Recession, Dec. 1, 2011
- Can Luxury Goods Continue To Deliver Rich Returns In An Era Of Austerity? published on Nov. 14, 2011
- Why Basel III And Solvency II Will Hurt Corporate Borrowing In Europe More Than In The U.S. Sept. 27, 2011
- How Well Positioned Are European Automakers For A 2012 Double-Dip?, Nov 8, 2011

Additional Contact:

Industrial Ratings Europe; CorporateFinanceEurope@standardandpoors.com

Copyright © 2012 by Standard & Poors Financial Services LLC (S&P), a subsidiary of The McGraw-Hill Companies, Inc. All rights reserved.

No content (including ratings, credit-related analyses and data, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P. The Content shall not be used for any unlawful or unauthorized purposes. S&P, its affiliates, and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P's opinions and analyses do not address the suitability of any security. S&P does not act as a fiduciary or an investment advisor. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.