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Recovery Ratings Assigned To European Unsecured Speculative-Grade Corporate Debt

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LONDON (Standard & Poor's) March 19, 2008--Standard & Poor's Ratings Services today reports the results of a review of its portfolio of nearly 2,000 global, including 150 European, issue-level ratings on speculative-grade unsecured loans and bonds. As part of the review, we assigned recovery ratings to this debt.

This follows the June 7, 2007, review of more than 2,200 global and 150 European issue-level ratings on speculative-grade secured loans and bonds, and the subsequent assignment of recovery ratings to that debt.

The principal driver of the present review was the extension of Standard & Poor's revised issue-level rating framework and expanded recovery scale to unsecured debt.

We expanded our recovery rating scale to support our extension of recovery ratings to unsecured debt and to reflect market responses to our Request for Comment of Oct. 4, 2006.

"The rollout of our recovery ratings to unsecured debt issues comes at a time when recovery prospects and recovery ratings are playing an increasing role in the pricing of speculative-grade debt," said Bill Chew, managing director and global head of Standard & Poor's recovery ratings team. "With the increasing focus on credit and the potential for rising defaults on corporate leveraged debt, secondary market prices have begun to show an expanding focus on recovery. This is reflected in rising price differences between debt issues as determined by their recovery ratings."

"Our recovery reports provide an analysis of a simulated default

scenario, our valuation assumption at default, and a view on how this value is shared among the different debt issues for each company or group of companies," said Standard & Poor's recovery analyst David Gillmor. "These analyses help discern differences among the numerous and varied debt instruments, often across a number of different European jurisdictions."

About 63% of Standard & Poor's issue-level ratings on European unsecured speculative-grade debt instruments remain unchanged as a result of today's assignment of recovery ratings. We revised our issue-level ratings on the remaining 37% because our previous approach to rating these instruments did not fully reflect the effect of issue-specific recovery estimates.

For further information, please see the articles titled, "Standard & Poor's Extends Recovery Ratings To Unsecured Speculative-Grade Corporate Issues" and "Recovery Ratings Are Extended To European Unsecured Speculative-Grade Corporate Debt," both of which were published today on RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis, at www.ratingsdirect.com.

For further information on Standard & Poor's recovery rating scale, see the article titled, "Recovery Analytics Update: Enhanced Recovery Scale And Issue Ratings Framework," published on May 30, 2007, on RatingsDirect.

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