

N.V. Luchthaven Schiphol

Primary Credit Analyst:

Olli Rouhiainen, London (44) 20-7176-3769; olli_rouhiainen@standardandpoors.com

Secondary Contact:

Jose R Abos, Madrid (34) 91-389-6951; jose_abos@standardandpoors.com

Table Of Contents

Major Rating Factors

Rationale

Outlook

Business Description

Government Support And GRE Methodology

Business Risk Profile: Excellent; Based On Solid Operations, Supportive Regulation, And High Profitability

Financial Risk Profile: Significant; Due To Weak Financial Performance Over The Past 12 Months

Financial Statistics/Adjustments

Related Criteria And Research

N.V. Luchthaven Schiphol

Major Rating Factors

Strengths:

- Strong competitive position as a European hub airport.
- Supportive regulatory environment.
- Well-diversified revenue base with solid aviation, real estate, and retail operations.
- Flexibility to delay capital expenditures.

Corporate Credit Rating

A/Stable/A-1

Weaknesses:

- Stronger-than-anticipated effect of recession on passenger numbers in 2009.
- High level of transfer passengers and dependence on dominant customer Air France-KLM.
- Significant financial risk profile.

Rationale

The 'A' ratings on N.V. Luchthaven Schiphol and Schiphol Nederland B.V. (collectively, Schiphol group) are based on the group's stand-alone credit profile (SACP), which Standard & Poor's Ratings Services assesses at 'a-', as well as on our opinion that there is a "moderate" likelihood that the Dutch government would provide timely and sufficient extraordinary support to Schiphol group in the event of financial distress.

In accordance with our criteria for government-related entities (GREs), our view of a "moderate" likelihood of extraordinary government support is based on our assessment of the group's:

- "Important" role, based on our view on the essential infrastructure nature of the group's main asset, Amsterdam Airport Schiphol (Schiphol airport); and
- "Limited" link with the Dutch government. The State of The Netherlands (AAA/Stable/A-1+) has limited input into Schiphol group's strategic decisions and no involvement in the group's day-to-day operations.

The SACP on Schiphol group reflects our view that Schiphol airport will maintain a strong competitive position as a European hub airport. The airport operates within a supportive regulatory environment and historically its successful retail and real estate operations have supported its strong operational track record.

These strengths are partially offset by a relatively high level of transfer passengers (43% in 2009); the dependence on a dominant customer, Air France-KLM; and the strong negative effect of the economic downturn on passenger numbers in 2009. Over the long term, we believe that Schiphol group's capacity could also be affected by environmental constraints related to the number of air traffic movements (ATMs) and noise restrictions.

Key business and profitability developments

In the eight months to Aug. 31, 2010, the number of passengers at Schiphol airport increased by 2.0% versus the same period in 2009, and this number was up 3.6% in the month of August, indicating that passenger volumes are continuing to grow. Passenger growth was driven by substantial growth in the number of origin-destination (O&D) passengers (that is, passengers flying direct between two airports), which was up 5.0% over the eight months versus

the same period in 2009, while the number of transfer passengers was down 2.0% in the period.

We believe that growth in passenger numbers will be harder in the remainder of 2010, due to tougher comparisons, and we now anticipate that traffic increases at Schiphol airport will be in the range of 1%-3%. We have slightly lifted our range following good performances in July and August (from 0%-2% previously).

Schiphol group reported steady first-half 2010 results, with EBITDA (excluding restructuring costs and fair value adjustments) down 2.5%, mainly due to lower revenues driven by lower ATMs and a cut in the security charge in April 2009. Aviation operations saw year-to-date revenues down by 3.6%, mainly owing to lower airport charges and disruption caused by the volcanic ash cloud drifting across Europe from Iceland. The group's consumer business reported growth of 2.8%, helped by increased passenger numbers and a higher spend per passenger (up 3.4%). The group's real estate and alliances business units reported flat revenues.

Key cash flow and capital-structure developments

While the first-half 2010 results were in line with our expectations regarding profitability, funds from operations (FFO) was weaker than we anticipated. This was mainly due to a significant increase in cash finance costs in the period, mainly owing to differences in the timing of interest payments and some effects of cash restructuring payments. Therefore, coverage ratios for the 12 months to June 30, 2010, weakened from those a year earlier. Standard & Poor's-adjusted FFO to debt was 12.8% and adjusted FFO interest coverage was 3.1x. We anticipate that these ratios will improve in the second half of the year as the effects of the timing of interest payments should be negated. Overall, we currently anticipate adjusted FFO to debt and adjusted FFO interest coverage to be about 14% and 3.5x, respectively, for 2010.

Liquidity

Schiphol group's liquidity, which we consider to be adequate under our criteria, is supported by significant cash balances and a good debt maturity profile. On June 30, 2010, the group had €346.4 million in cash and marketable securities. In addition, it had access to €175 million of undrawn committed credit lines and an undrawn €350 million European Investment Bank (EIB; AAA/Stable/A-1+) facility. However, the €175 million credit lines have relatively short maturities (one year, with an extension of one year if drawn).

We anticipate that Schiphol group will be cash flow negative (after capital expenditures [capex] and dividend payments) in 2010, as we anticipate a material increase in capex on the back of increasing passenger volumes and a brighter long-term outlook. Schiphol group has €40.3 million of debt maturing in the next 12 months. We believe that exposure to margin calls on derivative instruments should be limited.

The above sources of liquidity are significantly larger than the estimated call on cash over the next 12 months. Looking ahead, we believe that the sources-to-uses ratio will be about 2.3x in 2010, declining to 1.3x in 2011, mainly due to lower available facilities.

Further cash calls could come from the EIB, which could ask for an early loan repayment (€32 million outstanding on Dec. 31, 2009) if we were to lower the rating on Schiphol group to below 'A', if new terms cannot be agreed. The new €350 million EIB loan (undrawn) can also be accelerated if the rating on Schiphol group drops below 'BBB' and no suitable guarantor is found.

In addition, the €120 million of notes issued under the group's €1 billion medium-term note program, due 2038, have an early redemption option that would be triggered by a downgrade by either Standard & Poor's or Moody's

Corp. (BBB+/Stable/A-2) to speculative-grade from investment-grade, or by the withdrawal by both rating agencies of the long-term senior unsecured debt rating.

Outlook

The stable outlook on Schiphol group reflects our assumptions that the group's adjusted FFO to debt will migrate toward the upper end of the 15%-20% range from 2011 onward, and that the airport will remain the hub for Air France-KLM.

We could lower the ratings if Schiphol group's financial profile were to weaken to FFO to debt materially below 15%; if passenger volumes were weaker than anticipated by us; or if other negative developments were to affect the group's business risk profile--for example, significant aggressive growth in the group's real estate business.

We could upgrade Schiphol group if it were to demonstrate an improved financial risk profile, for example, if FFO to debt were to increase to more than 20% on a sustainable basis, all else being equal.

Business Description

Schiphol group is the operator of Schiphol airport, which is the main airport in The Netherlands and one of Air France-KLM's two major hubs. In 2009, Schiphol airport handled 43.6 million passengers.

In addition, the group owns and operates Lelystad Airport, Rotterdam Airport, and 51% of Eindhoven Airport. The group's international operations include an 8% stake in Aeroports de Paris (AdP, AA-/Negative/--), a managing contract for Terminal 4 of John F Kennedy Airport in the U.S., and a 16% stake in Brisbane Airport Corp. Pty Ltd. (BBB/Stable/--) in Australia.

Government Support And GRE Methodology

As Schiphol group is 69.7% owned by the Dutch government, we apply our GRE criteria to the group. There are other shareholders that are also government-linked: The City of Amsterdam owns 20% and the City of Rotterdam 2.2%. The group's only private shareholder is AdP, which owns 8%.

In our view, the likelihood of extraordinary government support--at a time when Schiphol group is under financial stress--is "moderate", based on our assessment of the group's:

- "Important" role, based on our view on the essential infrastructure nature of the group's main asset, Schiphol airport, as a key element of The Netherlands' open and service-oriented economy. In our view, there is a clear need for the airport to continue to operate without disruption, as any interruption of its operations would hurt the international reputation of The Netherlands; and
- "Limited" link with the Dutch government. In our view, Schiphol group is managed as a stand-alone entity with limited government interference. Its directors are appointed by a supervisory board that is not controlled by government-linked members. The Dutch government also has a limited track record of supporting entities of this nature.

We will, however, continue to monitor the link between the government and the group--especially as we feel that

Schiphol group is likely to remain under government control--and could change our assessment if positive signs of support were to emerge. Such signs would include further public statements of support for Schiphol group, state support provided to other infrastructure-related assets, or the government's closer involvement in Schiphol group's key decisions.

Business Risk Profile: Excellent; Based On Solid Operations, Supportive Regulation, And High Profitability

The key supporting factors for the group's excellent business risk profile are:

- Its strong competitive position and leading market share in the Dutch market. Schiphol is the fifth-largest airport in Europe in terms of passenger numbers, after London Heathrow, Paris Charles de Gaulle, Frankfurt, and Madrid; and it is the third-largest in terms of cargo transport. Its catchment area covers approximately 34 million people living within 200 kilometers of the airport. However, at the outer edges of this catchment area, Schiphol airport is competing for customers with major airports such as Frankfurt.
- The well-diversified revenue base. The group's excellent business risk profile is supported primarily by its regulated aviation operations, which contributed 58% of the group's revenue (43% of EBITDA) in 2009. The nonaviation income is well-balanced and represented about 42% of total revenues (57% of EBITDA) in 2009.
- Our view of consumer revenues as the strongest among the group's nonaviation revenues, as they benefit from the captive audience of passengers in the airport. We consider the real estate division to be a strong business because Schiphol airport's location is in demand, as illustrated by its high occupancy even in the current depressed macroeconomic environment. However, in our opinion, the success of these operations is tied to the success of Schiphol group's aviation business.
- The supportive regulatory regime at the airport. Schiphol group generates revenues under a dual-till framework with predictable rates set for the cost of capital on its aviation assets. In 2009, the weighted average cost of capital (WACC) in aviation operations was broadly the same as in 2008, at 5.82%. We expect the WACC to decline going forward, due to the low interest rate environment. Schiphol group operates under a license that is granted for an indefinite period of time.
- Sufficient environmental capacity to accommodate traffic growth in the medium term. The airport had about 391,000 ATMs in 2009, although this number has fallen by about 3.2% in the first eight months of 2010. The current framework provides for stepped growth of up to 480,000 ATMs in 2010, with long-term growth of up to 510,000 ATMs in 2020. However, in order to support ATM growth, Schiphol group needs to continue to make capital investments in its aviation infrastructure.
- Schiphol group's profitability, as measured by EBITDA margin and return on capital, is in line with that of larger peers, such as AdP. In 2009, Schiphol group had an adjusted EBITDA margin of 40.3% and return on capital of 5.9%, which compares with 34.1% and 9.2%, respectively, for AdP; and 24.5% and 7.6%, respectively, for Dublin Airport Authority PLC.
- Air France-KLM's assurance to the Dutch government that it will operate a dual-hub system for the combined airline group until 2012, an arrangement that has worked well so far. In addition, we view the cross-shareholding of Schiphol group and AdP as further evidence that the two states value a long-term relationship, not only between KLM and Air France, but also between the airports. We believe that Schiphol group's acquisition of the JFK Terminal 4 management company is beneficial for the relationship.

These factors are partially offset by:

- Schiphol group's exposure to concentration risk from its major customer, Air France-KLM, which, together with other SkyTeam Alliance members, carried 64% of the airport's total passenger traffic in 2009. Schiphol group depends to an extent on the success of Air France-KLM's strategy. Although concentration in one airline is typical for hub airports, it is nevertheless a rating concern.
- Schiphol airports group's attractiveness to Air France-KLM, which will, in the long-term, be determined by its ability to provide a high-quality business and an operating environment that supports high levels of transfer traffic (43% in 2009). Should it fall behind competing airports, this could lead to the decision by Air France-KLM to gradually move operations out of Schiphol airport.
- Strong competition for transfer traffic from the other main European hubs, mainly Paris Charles de Gaulle, owned by AdP; London Heathrow, owned by BAA Ltd.; Fraport AG Frankfurt Airport Services Worldwide, the operator of Frankfurt Airport; and AENA, which operates Madrid airport. Moreover, in our view, competition from other, smaller airports that host "no frills" carriers, in particular from across the German border or Brussels, could take some O&D traffic away from Schiphol airport.
- The potential for an unmitigated growth in nonregulated activities to form a significantly higher proportion of profits than in 2008 or 2009, which could dilute Schiphol's business risk profile because we consider nonregulated revenues to be of lower quality than the regulated aviation revenues.

Financial Risk Profile: Significant; Due To Weak Financial Performance Over The Past 12 Months

The main weaknesses of the group's significant financial risk profile are:

- Its aggressive financial ratios. We anticipate that adjusted FFO to debt will be about 14% in 2010, and adjusted FFO to interest will be over 3x in the same period. We also believe that adjusted debt to EBITDA will be high for the rating. However, we anticipate that debt-to-capital ratios will remain in line with the rating. We believe that these ratios will improve over the next three years as industry conditions improve.
- A high dividend payout ratio. Schiphol group's policy is to pay out 50% of post-tax income (excluding fair value gains) in dividends. This payout ratio was 40% in 2008, and 30% in 2006. On the positive side, we note that Schiphol group continued to follow this policy in 2009, leading to a reduction in the overall dividend payment as net profit declined.
- Significant capex needs over the medium term. We anticipate that Schiphol group will spend between €1.5 billion and €2.0 billion in capex over the next five years to maintain the airport's competitive position, increase facilities for growth, deliver real estate improvements, and to invest in alliances. This is somewhat mitigated by the group's flexibility to postpone planned investments in response to difficult market conditions, as indicated by actions taken in 2009.
- The group's anticipated negative discretionary cash flow each year over the next four to five years. If this were to arise, we believe that the group could need to access the debt markets for additional funding unless it alters its dividend policy.

These risks are partially mitigated by:

- The fact that financial policies communicated in the group's annual results presentation are in line with a significant financial risk profile. We therefore anticipate that management will be committed to improving the group's credit ratios should they drop below the levels outlined in its policies. Under our analysis, adjusted FFO

to debt and adjusted FFO to interest coverage could drop below 15% and 4x respectively, in 2010, but should improve thereafter--helped by a modest recovery in passenger numbers.

- An adequate liquidity position with significant cash balances that should allow Schiphol group to mitigate refinancing risks and operational underperformance. On June 30, 2010, the group had €357.5 million in cash and marketable securities as well as access to €175.0 million of undrawn credit lines. The company signed a new €350 million EIB facility in July 2010, further improving liquidity.
- The indication from Schiphol group's main shareholder, the Dutch government, that it is not looking to request additional dividends unless the group's financial profile can support an 'A' rating after dividend payments.
- The group's balanced debt maturity profile. The next refinancing peak is not until 2014, when about €815 million of debt matures.

Financial Statistics/Adjustments

Schiphol group prepares audited financial statements annually in accordance with International Financial Reporting Standards. We adjust reported EBITDA by stripping out the gain on property sales and fair value gains and losses on property included in operating income (€40.0 million losses in 2009; see table 1).

We add to debt €64.5 million of various contingent liabilities, including payment commitments for motorway and road works, as well as other guarantees and bank guarantees.

Table 1

Reconciliation Of N.V. Luchthaven Schiphol Reported Amounts With Standard & Poor's Adjusted Amounts (Mil. €)*					
--Fiscal year ended Dec. 31, 2009--					
N.V. Luchthaven Schiphol reported amounts					
	Debt	Operating income (before D&A)	Interest expense	Cash flow from operations	Capital expenditures
Reported	2,027.8	383.2	103.5	326.9	214.7
Standard & Poor's adjustments					
Operating leases	41.9	2.2	2.2	6.0	9.8
Postretirement benefit obligations	31.2	1.8	1.9	(3.4)	--
Additional items included in debt	64.5	--	--	--	--
Accrued interest not included in reported debt	73.5	--	--	--	--
Capitalized interest	--	--	8.2	(8.2)	(8.2)
Reclassification of nonoperating income (expenses)	--	--	--	--	--
Reclassification of working capital cash flow changes	--	--	--	48.3	--
Minority interests	--	--	--	--	--
Fair value losses and restructuring costs	--	71.3	--	--	--
Total adjustments	211.1	75.4	12.4	42.6	1.6
Standard & Poor's adjusted amounts					
	Debt	EBITDA	Interest expense	Funds from operations	Capital expenditures
Adjusted	2,238.9	458.5	115.9	369.6	216.3

Table 1

Reconciliation Of N.V. Luchthaven Schiphol Reported Amounts With Standard & Poor's Adjusted Amounts (Mil. €)* (cont.)

*Please note that two reported amounts (operating income before D&A and cash flow from operations) are used to derive more than one Standard & Poor's-adjusted amount (operating income before D&A and EBITDA, and cash flow from operations and funds from operations, respectively). Consequently, the first section in some tables may feature duplicate descriptions and amounts. D&A--Depreciation and amortization.

Table 2

N.V. Luchthaven Schiphol Peer Comparison*

	N.V. Luchthaven Schiphol	Aeroports de Paris	Copenhagen Airports Denmark Holdings ApS†	Dublin Airport Authority PLC	Brussels Airport Co. (The)
Business risk profile	Excellent	Excellent	Strong	Strong	Strong
Financial risk profile	Significant	Intermediate	Significant	Significant	Aggressive
Rating on Oct. 11, 2010	A/Stable/A-1	A+/Stable/--	BBB-/Negative/--	BBB+/Negative/A-2	BB+/Stable/--
(Mil.€)	--Fiscal year ended Dec. 31, 2009--				
Revenues	1,153.8	2,633.4	392.6	546.7	373.9
EBITDA	458.5	897.6	203.9	126.6	191.1
Net income from continuing operations	132.1	269.5	82.5	(13.3)	(43.2)
Funds from operations (FFO)	369.6	660.1	125.5	120.4	108.4
Capital expenditures	216.3	406.0	77.9	522.8	62.2
Free operating cash flow (FOCF)	104.9	279.7	52.2	(399.2)	44.3
Discretionary cash flow	35.7	143.2	(17.6)	(423.3)	44.3
Debt	2,238.9	2,654.0	1104.3	645.7	1,236.7
Equity	2,972.8	3,262.9	428.5	970.4	549.8
Adjusted ratios					
Operating income (before D&A)/revenues (%)	40.3	34.1	52.0	24.5	51.1
EBIT interest coverage (x)	2.6	4.0	1.9	1.5	0.8
EBITDA interest coverage (x)	4.0	6.6	2.7	1.7	1.9
Return on capital (%)	5.9	9.2	8.6	7.6	4.2
FFO/debt (%)	16.5	24.9	11.4	18.7	8.8
FOCF/debt (%)	4.7	10.5	4.7	(61.8)	3.6
Discretionary cash flow/debt (%)	1.6	5.4	(1.6)	(65.6)	3.6
Debt/EBITDA (x)	4.9	3.0	5.4	5.1	6.5

*Fully adjusted (including postretirement obligations). Excess cash and investments netted against debt. †Amounts converted from Danish krone to euro using exchange rate of 0.13431. D&A--Depreciation and amortization.

Table 3

N.V. Luchthaven Schiphol Financial Summary*

	--Fiscal year ended Dec. 31--				
(Mil. €)	2009	2008	2007	2006	2005
Rating history	A/Stable/A-1	A/Negative/A-1	AA-/Negative/--	AA-/Negative/--	AA-/Stable/--
Revenues	1,153.8	1,154.0	1,146.2	1,036.7	947.6
EBITDA	458.5	447.7	477.5	440.4	442.7
Net income from continuing operations	132.1	186.9	315.8	526.9	192.9

Table 3

N.V. Luchthaven Schiphol Financial Summary* (cont.)					
Funds from operations (FFO)	369.6	343.8	315.5	348.6	286.0
Capital expenditures	216.3	344.7	349.1	241.4	323.3
Free operating cash flow (FOCF)	104.9	71.9	(39.6)	117.9	(25.8)
Discretionary cash flow	35.7	(521.3)	(118.8)	62.5	(72.3)
Debt	2,238.9	2,092.1	1,082.8	1,075.0	1,094.7
Equity	2,972.8	2,886.4	2,955.5	2,721.3	2,243.0
Adjusted ratios					
Operating income (before D&A)/revenues (%)	40.3	39.2	42.0	42.8	46.9
EBIT interest coverage (x)	2.6	4.5	5.7	5.1	5.0
EBITDA interest coverage (x)	4.0	6.7	8.3	7.3	7.9
Return on capital (%)	5.9	6.7	8.4	8.5	8.6
FFO/debt (%)	16.5	16.4	29.1	32.4	26.1
FOCF/debt (%)	4.7	3.4	(3.7)	11.0	(2.4)
Discretionary cash flow/debt (%)	1.6	(24.9)	(11.0)	5.8	(6.6)
Debt/EBITDA (x)	4.9	4.7	2.3	2.4	2.5

*Fully adjusted (including postretirement obligations). D&A--Depreciation and amortization.

Related Criteria And Research

- Principles Of Corporate And Government Ratings, June 26, 2007
- Enhanced Methodology And Assumptions For Rating Government-Related Entities, June 29, 2009
- Criteria Methodology: Business Risk/Financial Risk Matrix Expanded, May 27, 2009

Ratings Detail (As Of October 11, 2010)*	
N.V. Luchthaven Schiphol	
Corporate Credit Rating	A/Stable/A-1
Commercial Paper	
Local Currency	A-1
Senior Unsecured (8 Issues)	A
Corporate Credit Ratings History	
14-Sep-2009	A/Stable/A-1
24-Oct-2008	A/Negative/A-1
18-Apr-2008	A/Stable/--
02-Apr-2008	AA-/Watch Neg/--
29-Jun-2006	AA-/Negative/--
Business Risk Profile	Excellent
Financial Risk Profile	Significant

Ratings Detail (As Of October 11, 2010)*(cont.)**Debt Maturities**

On Dec. 31, 2009:
 2010: €66 mil.
 2011: €182 mil.
 2012: €24 mil.
 2013: €315 mil.
 2014: €815 mil.
 Thereafter: €399 mil.

Related Entities**Schiphol Nederland B.V.**

Issuer Credit Rating	A/Stable/A-1
Commercial Paper	
<i>Local Currency</i>	A-1
Senior Unsecured (2 Issues)	A

*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.

Additional Contact:

Infrastructure Finance Ratings Europe; InfrastructureEurope@standardandpoors.com

Additional Contact:

Infrastructure Finance Ratings Europe; InfrastructureEurope@standardandpoors.com

Copyright © 2010 by Standard & Poor's Financial Services LLC (S&P), a subsidiary of The McGraw-Hill Companies,

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.