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Default, Transition, and Recovery: 2012 Annual Global Corporate Default Study And Rating Transitions

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In 2011, Standard & Poor's Ratings Services' downgrade of the U.S. had spillover effects on corporate borrowers throughout the country. A year later, the same happened with Europe's economic turmoil and sovereign debt crisis. Nevertheless, corporate borrowers showed some resilience during 2012. In the full year, 84 global corporate issuers defaulted, up from 53 in 2011 and nearly the same as the 2010 total of 83 (see table 1). These 84 defaulted issuers accounted for a total of \$86.7 billion in debt, up from \$84.3 billion in 2011. (Watch the related CreditMatters TV segment titled, "The Key Findings Behind Standard & Poor's 2012 Global Corporate Default And Ratings Transition Study," dated March 18, 2013.)

Overall, credit quality deteriorated slightly in 2012 (see table 6). The ratio of downgrades to upgrades increased relative to 2011, though the average number of notches recorded among downgrades fell marginally to 1.38 in 2012 from 1.4 the previous year. The average number of notches for upgrades held steady at 1.16 year over year (see chart 13).

All of the defaulted companies in 2012 that began the year with active ratings (66) had speculative-grade ratings ('BB+' and lower) just prior to default (see table 1). Of the remaining 18, Standard & Poor's assigned ratings on four companies during 2012, and 14 began the year with withdrawn ratings. Also, of the 84 defaulters, 76 initially had speculative-grade ratings, and the majority (59) from the 'B' and 'CCC'/'C' rating categories.

At the end of December 2012, the speculative-grade default rates rose to 2.6% in the U.S., 2.44% in the emerging markets, and 2.2% in Europe from 2%, 0.57%, and 1.6%, respectively. Conversely, the default rate for other developed markets (including Australia, Canada, Japan, and New Zealand) fell to 2.3 from 6% (see table 7). When including all rated entities, the global default rate rose to 1.1% in 2012 from 0.76% a year earlier.

This study includes industrials, utilities, financial institutions (which includes banks, brokerages, asset managers, and other financial entities), and insurance companies around the world with long-term local-currency ratings. We calculated all default rates reported on an issuer-weighted basis. (For a detailed explanation of the data sources and methodology used in the study, see Appendix I.)

Despite an increase in the number of corporate defaults in 2012 from the prior year, the one-year Gini ratio--a key measure of the relative ability of ratings to differentiate risk--rose marginally, to 89.5% in 2012 from 88.7% in 2011. This is the sixth-highest annual Gini ratio in the 32 years the database covers (see chart 30) and is considerably higher than the one-year average of 84.4% (see table 2). (For details on the Gini methodology, refer to Appendix III.) The increase in default activity in 2012 was fairly evenly spread out across industrial sectors; however, most industries still had default rates below their long-term averages (see chart 2). The default rates in this study that we refer to as weighted averages use the number of issuers at the beginning of each year as the basis for each year's weight. With the exception of the 'CCC/C' category, every rating category had an annual default rate in 2012 that was below its long-term average (see table 9).

Table 1

Global Corporate Default Summary							
Year	Total defaults*	Investment-grade defaults	Speculative-grade defaults	Default rate (%)	Investment-grade default rate (%)	Speculative-grade default rate (%)	Total debt outstanding (bil. \$)
1981	2	0	2	0.14	0.00	0.62	0.06
1982	18	2	15	1.19	0.18	4.41	0.90
1983	12	1	10	0.76	0.09	2.93	0.37
1984	14	2	12	0.91	0.17	3.26	0.36
1985	19	0	18	1.11	0.00	4.31	0.31
1986	34	2	30	1.72	0.15	5.66	0.46
1987	19	0	19	0.95	0.00	2.79	1.60
1988	32	0	29	1.38	0.00	3.84	3.30
1989	43	2	35	1.73	0.14	4.67	7.28
1990	70	2	56	2.74	0.14	8.10	21.15
1991	93	2	65	3.27	0.14	11.05	23.65
1992	39	0	32	1.50	0.00	6.10	5.40
1993	26	0	14	0.60	0.00	2.50	2.38
1994	21	1	15	0.62	0.05	2.10	2.30
1995	35	1	29	1.04	0.05	3.52	8.97
1996	20	0	16	0.51	0.00	1.80	2.65
1997	23	2	20	0.63	0.08	2.00	4.93
1998	56	4	48	1.27	0.14	3.65	11.27
1999	109	5	92	2.13	0.17	5.55	39.38
2000	136	7	109	2.46	0.24	6.17	43.28
2001	229	7	173	3.75	0.23	9.77	118.79
2002	225	13	158	3.54	0.41	9.33	190.92
2003	120	3	89	1.90	0.10	4.98	62.89
2004	55	1	38	0.77	0.03	1.99	20.66
2005	40	1	31	0.60	0.03	1.49	42.00
2006	29	0	25	0.45	0.00	1.12	7.13
2007	24	0	21	0.37	0.00	0.89	8.15
2008	127	14	89	1.77	0.42	3.61	429.63
2009	266	11	224	4.09	0.32	9.60	627.70
2010	83	0	64	1.17	0.00	2.88	97.48
2011	53	1	43	0.76	0.03	1.73	84.30
2012	84	0	66	1.10	0.00	2.47	86.70

*This column includes companies that were no longer rated one year prior to default. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Chart 1

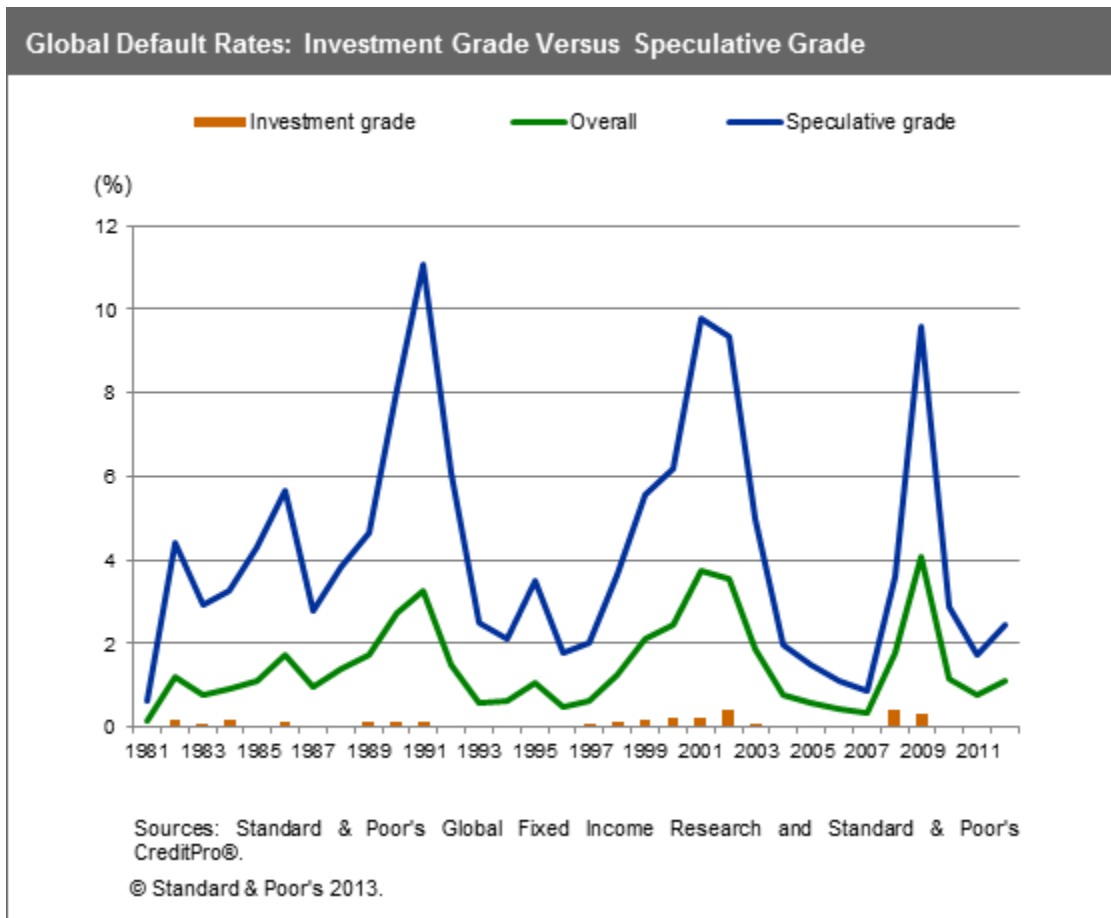
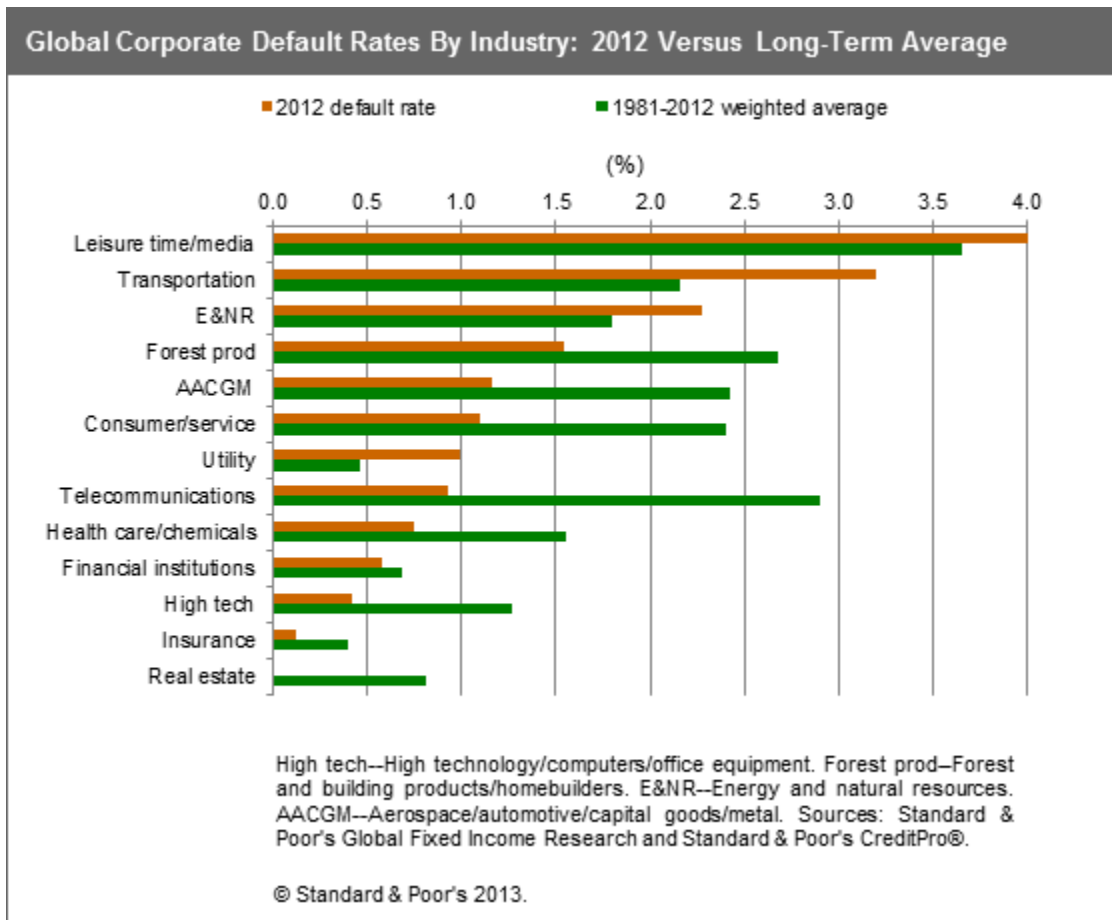
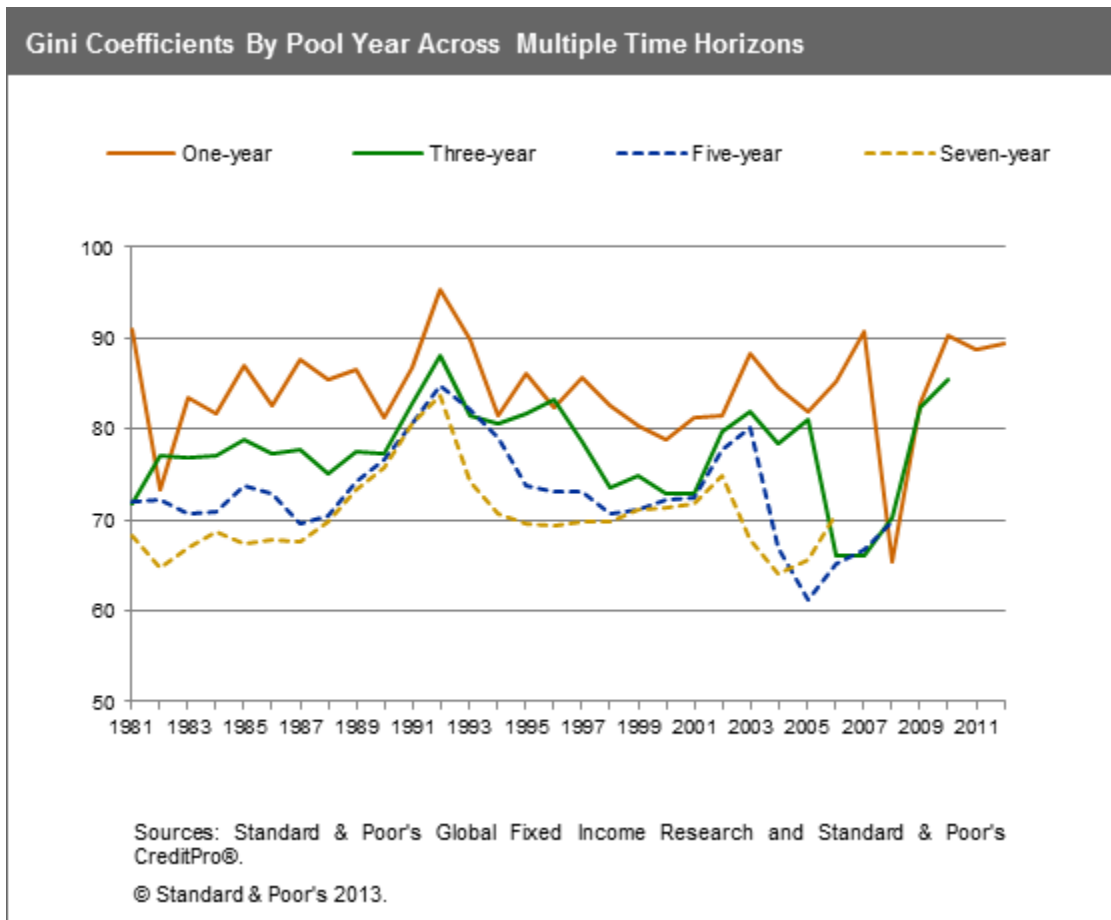


Chart 2



The Gini ratios are a measure of the rank-ordering power of ratings over a given time horizon--one through seven years (see chart 3). It shows the ratio of actual rank-ordering performance to theoretically perfect rank ordering.

Chart 3



All of Standard & Poor's default studies have found a clear correlation between ratings and defaults: The higher the rating, the lower the observed frequency of default, and vice versa. Over each time span, lower ratings correspond to higher default rates (see chart 4 and chart 25). We found that the same is true when we broke out the data by rating (see table 24 and table 26), as well as by region (see table 25). As the Gini ratios show, the ability of corporate ratings to serve as an effective measure of relative risk remains intact, particularly in low-default years. Many default studies, including this one, also look at transition rates, which gauge the degree to which ratings change--either up or down--over a particular time. Transition studies have repeatedly confirmed that higher ratings tend to be more stable and that speculative-grade ratings generally experience more volatility. However, with the financial turmoil that many European sovereigns experienced in 2012, many corporations in the region--particularly those in the financial sector--experienced subsequent downgrades. This decreased the relative stability of the highest rating categories.

Table 2

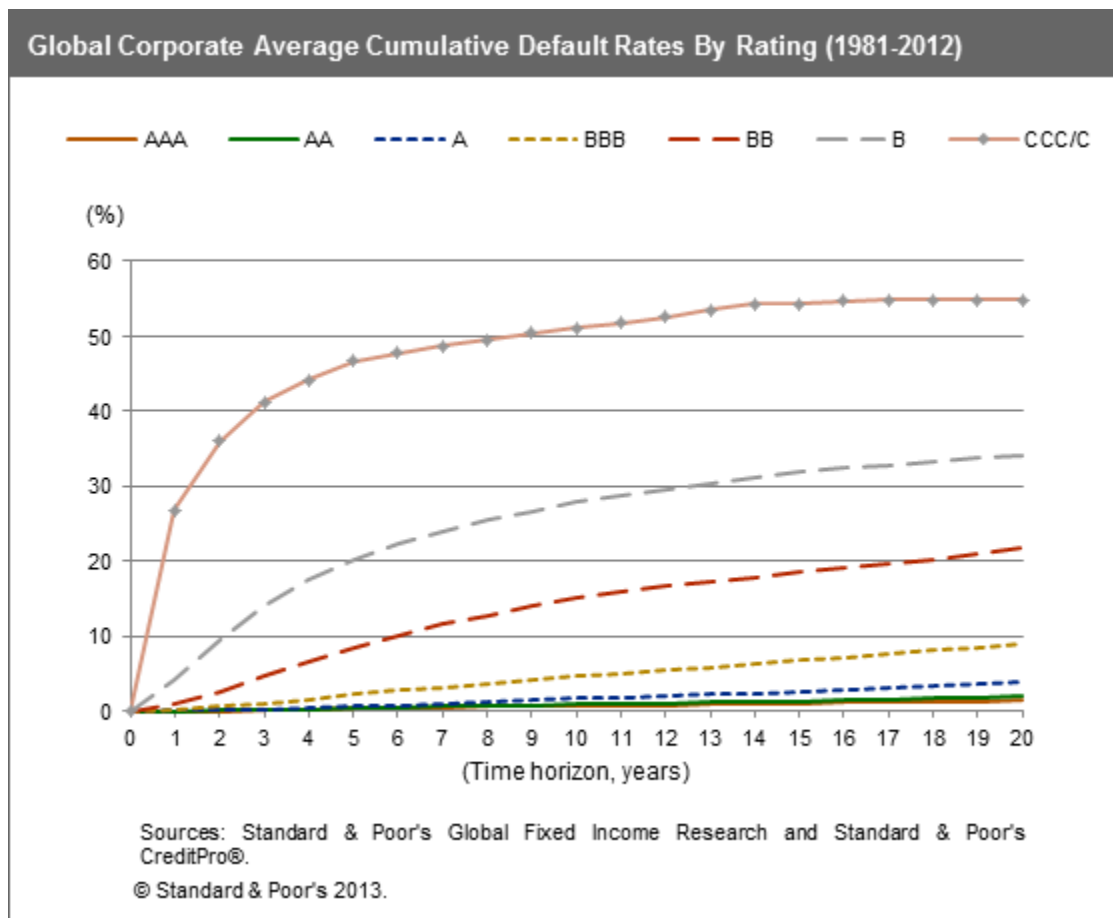
Sector	--Time horizon--			
	One year	Three year	Five year	Seven year
Global				
Weighted average	82.16	75.48	71.46	69.40

Table 2

Global Average Gini Coefficients By Broad Sector (1981-2012) (cont.)				
Average	84.35	77.64	73.01	70.63
Standard deviation	(5.54)	(5.13)	(5.21)	(4.49)
Financial				
Weighted average	78.50	67.43	59.10	56.39
Average	83.45	71.87	63.15	58.61
Standard deviation	(16.49)	(14.40)	(15.66)	(14.49)
Nonfinancial				
Weighted average	80.95	73.98	70.15	67.90
Average	83.71	76.64	72.29	69.31
Standard deviation	(6.48)	(5.47)	(5.44)	(5.15)

Note: Numbers in parentheses are standard deviations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Chart 4



All of the defaulters in 2012 began the year rated in the lowest rating categories--particularly 'B' and 'CCC'/'C' (see table 3). With the exception of the 'CCC'/'C' rating category, one-year default rates are now close to levels not seen since prior to the financial crisis that began in late 2007, and 2012 default rates are well below their long-term

weighted averages (see table 4). Once again, the default rate in the 'AAA' rating category was zero, which maintains the unblemished default record for corporate ratings in this category and is consistent with historical trends.

Table 3

Global Corporate Annual Default Rates By Rating Category							
(%)	AAA	AA	A	BBB	BB	B	CCC/C
1981	0.00	0.00	0.00	0.00	0.00	2.27	0.00
1982	0.00	0.00	0.21	0.34	4.22	3.13	21.43
1983	0.00	0.00	0.00	0.32	1.16	4.55	6.67
1984	0.00	0.00	0.00	0.66	1.14	3.39	25.00
1985	0.00	0.00	0.00	0.00	1.48	6.44	15.38
1986	0.00	0.00	0.18	0.33	1.31	8.33	23.08
1987	0.00	0.00	0.00	0.00	0.38	3.08	12.28
1988	0.00	0.00	0.00	0.00	1.05	3.62	20.37
1989	0.00	0.00	0.00	0.60	0.72	3.37	33.33
1990	0.00	0.00	0.00	0.57	3.57	8.54	31.25
1991	0.00	0.00	0.00	0.55	1.69	13.84	33.87
1992	0.00	0.00	0.00	0.00	0.00	6.99	30.19
1993	0.00	0.00	0.00	0.00	0.70	2.62	13.33
1994	0.00	0.00	0.14	0.00	0.27	3.08	16.67
1995	0.00	0.00	0.00	0.17	0.99	4.58	28.00
1996	0.00	0.00	0.00	0.00	0.67	2.90	4.17
1997	0.00	0.00	0.00	0.25	0.19	3.49	12.00
1998	0.00	0.00	0.00	0.41	0.81	4.61	42.86
1999	0.00	0.17	0.18	0.20	0.95	7.29	33.33
2000	0.00	0.00	0.26	0.37	1.27	7.85	34.12
2001	0.00	0.00	0.27	0.33	3.16	11.25	45.87
2002	0.00	0.00	0.00	1.02	2.85	8.11	44.38
2003	0.00	0.00	0.00	0.23	0.57	4.02	32.93
2004	0.00	0.00	0.08	0.00	0.43	1.56	15.56
2005	0.00	0.00	0.00	0.07	0.31	1.72	9.09
2006	0.00	0.00	0.00	0.00	0.30	0.81	12.38
2007	0.00	0.00	0.00	0.00	0.20	0.25	14.95
2008	0.00	0.38	0.38	0.48	0.79	4.01	26.47
2009	0.00	0.00	0.22	0.54	0.73	10.56	48.94
2010	0.00	0.00	0.00	0.00	0.56	0.82	22.52
2011	0.00	0.00	0.00	0.07	0.00	1.53	15.83
2012	0.00	0.00	0.00	0.00	0.29	1.50	26.62

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 4

Descriptive Statistics On One-Year Global Default Rates								
(%)	AAA	AA	A	BBB	BB	B	CCC/C	
Minimum	0.00	0.00	0.00	0.00	0.00	0.25	0.00	

Table 4

Descriptive Statistics On One-Year Global Default Rates (cont.)							
Maximum	0.00	0.38	0.38	1.02	4.22	13.84	48.94
Weighted long-term average	0.00	0.02	0.07	0.22	0.86	4.28	26.85
Median	0.00	0.00	0.00	0.18	0.72	3.55	22.80
Standard deviation	0.00	0.07	0.11	0.26	1.04	3.32	12.48
2008 default rates	0.00	0.38	0.38	0.48	0.79	4.01	26.47
Latest four quarters (Q1 2012 - Q4 2012)	0.00	0.00	0.00	0.00	0.29	1.50	26.62
Difference between last four quarters and average	0.00	(0.02)	(0.07)	(0.22)	(0.58)	(2.78)	(0.23)
Number of standard deviations	0.00	(0.31)	(0.64)	(0.85)	(0.55)	(0.84)	(0.02)

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

2012 Summary

Below are some of our key findings about the 2012 defaulters:

- The count of global defaulters increased to 84 in 2012 from a historically low 53 in 2011. This includes publicly and confidentially rated entities as well as entities that we did not rate at the time of default (see chart 5).
- By count, the U.S. and associated tax havens (Bermuda and the Cayman Islands) accounted for 47 of these defaults, while the other developed nations had four, and Europe had nine. Emerging markets accounted for 25 defaulters in 2012--11 of which came from Latin America.
- Although distressed exchanges have remained popular over the past few years, missed principal or interest payments were responsible for the largest proportion of defaults in 2012, at 38.1% of the total. Distressed exchanges accounted for 27.4% of all defaults.
- As of Dec. 31, 2012, 12-month-trailing speculative-grade default rates had fallen considerably from a year earlier. The global speculative-grade default rate was 2.47% at the end of 2012. By region, default rates were 2.59% in the U.S., 2.22% in Europe, and 2.44% in the emerging markets (see table 7). If we include all rated corporate entities, the default rates were 1.1% globally, 1.33% in the U.S., 0.59% in Europe, and 1.38% in the emerging markets.
- All of the 66 defaulters that we rated at the beginning of the year had speculative-grade ratings ('BB+' or lower) at that time. The remainder of the 2012 defaulters began the year without active ratings or were first assigned ratings later in the year. None began the year rated investment grade.
- Of the entities that defaulted in 2012 (and that had ratings as of Jan. 1, 2012), we rated 77.2% 'B-' or lower at the start of the year.
- Fueled by some of the lowest borrowing costs in history, global corporate bond issuance surged in 2012, with 9,674 new issues coming to market during the year, up from 8,541 in 2011. Speculative-grade and investment-grade new issues increased to 875 and 3,503, respectively. Unrated new issuance in 2012 hit an all-time high of 5,296 new issues, up from 5,157 in 2011. At the issuer level, Standard & Poor's assigned first ratings on 762 entities in 2012, up from 689 in 2011. We note that we consider companies that reemerge from default--including distressed exchanges--as new entities for the purposes of this study.
- With U.S. Treasury yields hitting an all-time low in 2012, investors piled into corporate bonds in an effort to claim yield. This pushed corporate borrowing costs in the U.S. to historical lows, with the five-year speculative-grade spread finishing the year at 605 basis points (bps), down from 753 bps at the end of 2011. The investment-grade spread ended 2012 at 177 bps, compared with 235 bps in 2011.
- Despite continued uncertainties in Europe and the looming prospect of gridlock over the "fiscal cliff" in the U.S., CDS spreads also finished lower at the end of the year. The Markit Partners five-year North American High-Yield

composite index fell nearly 200 bps to 4.9 on Dec. 31 from 6.8 a year earlier. The European and emerging markets series also showed similar decreases over the course of the year.

- The outstanding debt volume affected by defaults increased marginally in 2012, to \$86.7 billion from \$84.3 billion in 2011, though it is substantially lower than the all-time high of \$627.7 billion in 2009 (see chart 6).
- BTA Bank J.S.C. was the single largest defaulter in 2012 based on debt volume. The company, which filed for Chapter 15 on July 16, accounted for \$10.2 billion in debt (see table 5).
- Just as the downgrade of the U.S. in 2011 led to many subsequent downgrades of corporations shortly after, the same occurred in European countries in 2012. Many highly rated financial institutions, insurance companies, and even utilities saw widespread downgrades following closely behind the downgrades of their respective sovereigns. At the end of 2012, the number of issuers in the investment-grade segment in Europe was down by an approximately net 20% from the beginning of the year.
- The percentage of defaulters with confidential ratings hit an all-time high in 2012. Of the 84 defaulters, 22 had confidential issuer credit ratings. At 26.2% of the total, this far exceeds the long-term average of 6.46% and the 9.4% in 2011. Of the 22 confidentially rated defaulters, 13 were from the emerging markets.
- Eight of the total defaulters in 2012 were initially rated 'BBB-' or higher, and the other 76 (90.5% of the total) had initial ratings of 'BB+' or lower.
- Of the defaulted entities in 2012 that Standard & Poor's initially rated investment grade, the average time to default--the time between first rating and date of default--was 17.6 years, with an associated standard deviation of 8.37 years.
- In contrast, the average time to default among entities initially rated 'BB+' or lower was 4.72 years, with an associated standard deviation of 3.42 years.
- For all of the issuers that defaulted in 2012, the average time to default from first rating was 5.95 years, with a median was 5.05 years and standard deviation of 5.57 years.
- The issuer with the longest time to default in 2012 was U.S.-based Eastman Kodak Co., which took 29.1 years to default from its initial rating of 'AAA'.
- At the opposite end of the spectrum, the issuer with the shortest time to default--30 days--was a confidentially rated financial institution in Israel.
- The 2012 defaulters came from 12 of the 13 industry groups. The only sector without a default was real estate. The industry with the largest number of defaulters last year was leisure time/media, with 17, or 20% of the total. Of these, 11 were U.S.-based.

Annual Global Trends

After a relatively low number of corporate defaults in 2011, the count rose in 2012 to roughly the same level seen in 2010 (see chart 5), while the amount of affected debt remained close to the 2011 amount (see chart 6). Consistent with historical trends, the U.S. accounted for the majority of both default counts and affected debt in 2012. This is mostly attributable to the larger rated population in the U.S. However, emerging markets account for a larger percentage of defaulters in 2012 than at any time in the prior 10 years. The largest defaulter by debt amount outstanding was Kazakhstan-based BTA Bank J.S.C., which filed for Chapter 15 bankruptcy in New York in July. At the time of its filing, BTA had \$10.2 billion in debt. This was the smallest amount of affected debt attributable to a single defaulter since 2007 (see table 5).

Alongside an increase in relative default activity in 2012, downgrades as a proportion of rating actions also increased. This is largely due to a drop-off in the percentage of upgrades in 2012 relative to 2011 (see table 6). This decline in

upgrades pushed the downgrade-to-upgrade ratio to 1.43 from 0.96 in the previous year. A ratio of 1 indicates that the percentage of upgrades and the percentage of downgrades is equal. Globally, this trend stemmed primarily from the credit deterioration in Europe, which saw downgrades far outpace upgrades in nearly every month of the year. Conversely, the U.S. region had a more equitable number of upgrades and downgrades over the course of the year, with upgrades outpacing downgrades in the first six months of the year.

Table 5

Largest Global Rated Defaulters In Each Year

Largest Corporate Defaulters By Outstanding Debt Amount

Year defaulted	Issuer	Amount (mil. \$)
1991	Columbia Gas System	2,292
1992	Macy (R.H.) & Co.	1,396
1993	Mesa, Inc.	600
1994	Confederation Life Insurance	2,415
1995	Grand Union Co./Grand Union Capital	2,163
1996	Tiphook Finance	700
1997	Flagstar Corp.	1,021
1998	Service Merchandise Co.	1,326
1999	Integrated Health Services Inc.	3,394
2000	Owens Corning	3,299
2001	Enron Corp.	10,779
2002	WorldCom Inc.	30,000
2003	Parmalat Finanziaria SpA	7,177
2004	RCN Corp.	1,800
2005	Calpine Corp.	9,559
2006	Pliant Corp.	1,644
2007	Movie Gallery Inc.	1,225
2008	Lehman Brothers Holdings Inc.	144,426
2009	Ford Motor Co.	70,989
2010	Energy Future Holdings Corp.	47,648
2011	Texas Competitive Electric Holdings Co. LLC	32,460
2012	BTA Bank J.S.C.	10,184

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Chart 5

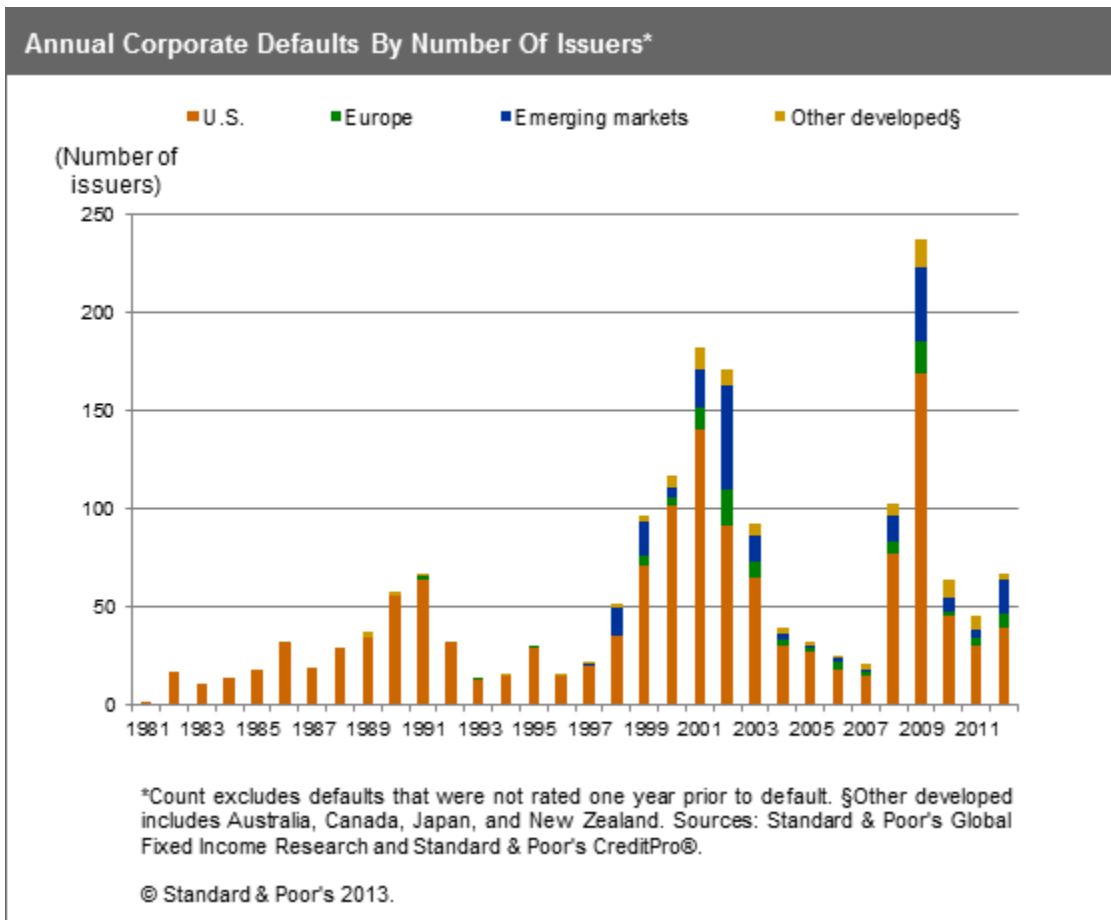


Chart 6

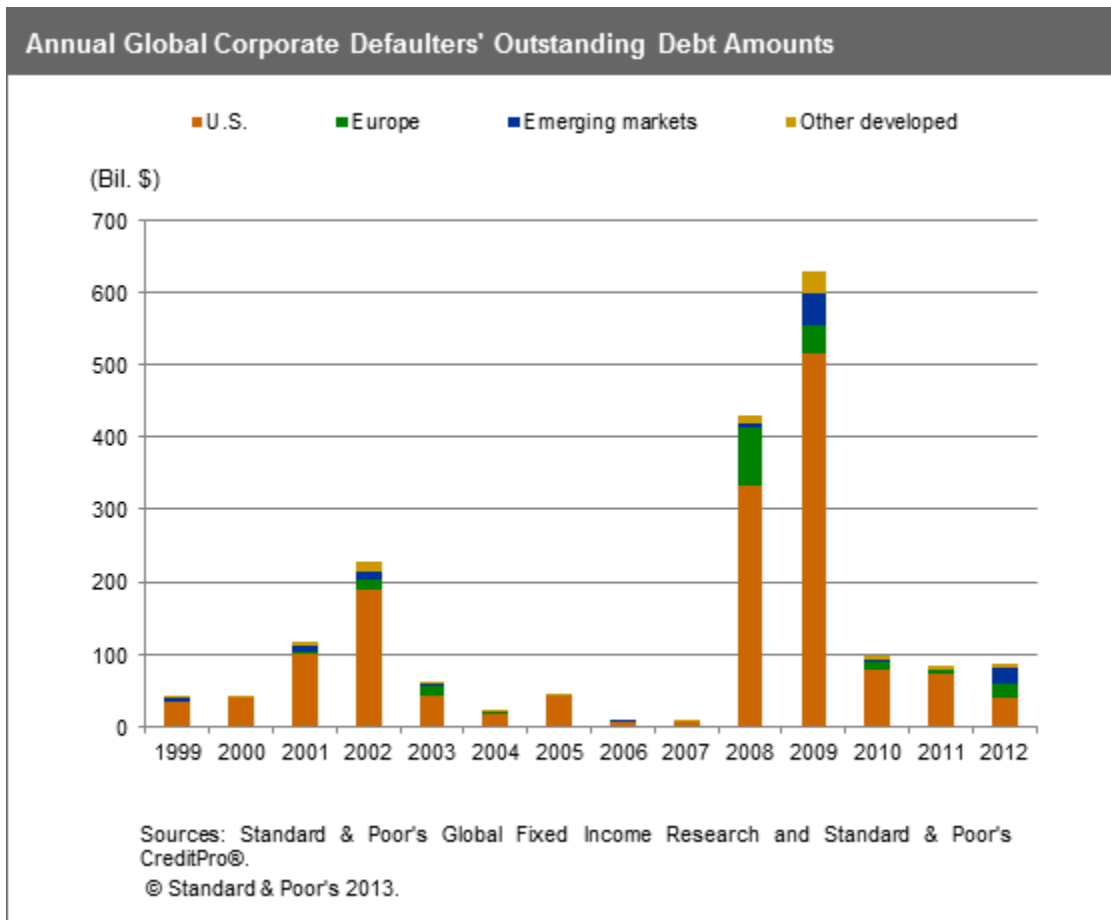


Table 6

Summary Of Annual Corporate Rating Changes (%)*

Year	Issuers as of Jan. 1	Upgrades	Downgrades§	Defaults	Withdrawn ratings	Changed ratings	Unchanged ratings	Downgrade-to-upgrade ratio
1981	1,385	9.75	13.21	0.14	2.02	25.13	74.87	1.36
1982	1,433	5.86	12.63	1.19	5.30	24.98	75.02	2.15
1983	1,455	7.08	11.75	0.76	5.22	24.81	75.19	1.66
1984	1,542	11.15	9.99	0.91	2.85	24.90	75.10	0.90
1985	1,628	7.86	13.76	1.11	4.05	26.78	73.22	1.75
1986	1,858	7.21	15.82	1.72	6.89	31.65	68.35	2.19
1987	2,006	7.18	11.76	0.95	9.22	29.11	70.89	1.64
1988	2,095	8.88	11.79	1.38	8.21	30.26	69.74	1.33
1989	2,133	9.47	10.88	1.73	8.02	30.10	69.90	1.15
1990	2,118	6.14	15.30	2.74	6.61	30.78	69.22	2.49
1991	2,052	6.04	14.23	3.27	3.56	27.10	72.90	2.35
1992	2,140	9.35	11.21	1.50	4.02	26.07	73.93	1.20
1993	2,327	8.42	9.15	0.60	8.42	26.60	73.40	1.09
1994	2,561	7.03	9.29	0.62	4.61	21.55	78.45	1.32

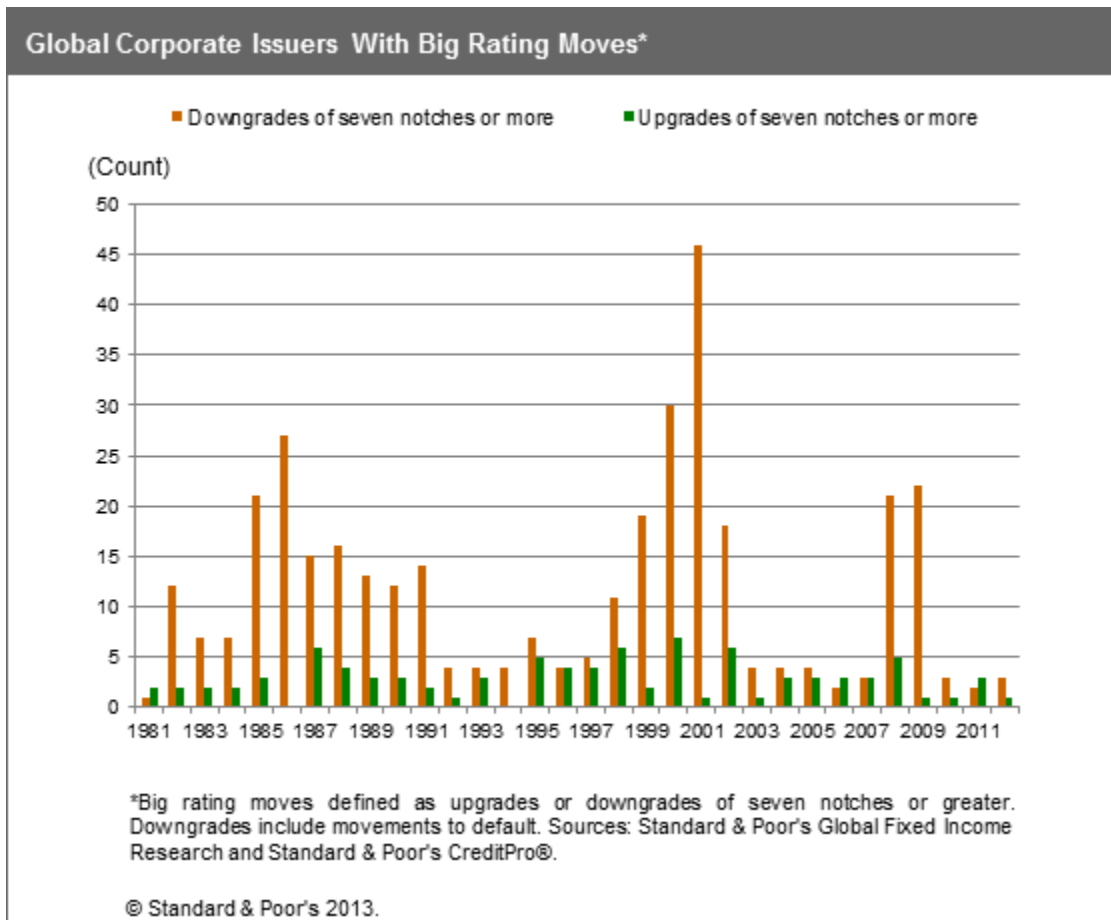
Table 6

Summary Of Annual Corporate Rating Changes (%)* (cont.)								
1995	2,875	8.77	9.39	1.04	4.56	23.76	76.24	1.07
1996	3,138	9.43	7.65	0.51	7.01	24.60	75.40	0.81
1997	3,503	9.08	7.82	0.63	7.31	24.84	75.16	0.86
1998	4,102	7.31	11.43	1.27	8.00	28.01	71.99	1.56
1999	4,549	5.61	11.43	2.13	8.84	28.01	71.99	2.04
2000	4,717	6.66	11.79	2.46	7.06	27.96	72.04	1.77
2001	4,798	5.56	15.90	3.75	7.52	32.74	67.26	2.86
2002	4,828	5.16	18.81	3.54	7.08	34.59	65.41	3.65
2003	4,836	6.24	14.33	1.90	7.34	29.82	70.18	2.29
2004	5,069	8.38	7.44	0.77	7.26	23.85	76.15	0.89
2005	5,362	12.53	9.05	0.60	8.41	30.59	69.41	0.72
2006	5,522	12.08	8.48	0.45	8.53	29.54	70.46	0.70
2007	5,724	13.24	9.12	0.37	10.41	33.14	66.86	0.69
2008	5,835	7.68	15.54	1.77	7.47	32.46	67.54	2.02
2009	5,749	4.64	18.61	4.09	8.44	35.78	64.22	4.01
2010	5,468	11.54	8.50	1.17	6.35	27.56	72.44	0.74
2011	5,799	11.86	11.38	0.76	7.60	31.61	68.39	0.96
2012	6,013	8.20	11.76	1.10	6.69	27.74	72.26	1.43
Weighted average		8.48	11.85	1.55	7.23	29.10	70.90	1.63
Median		8.03	11.59	1.14	7.17	27.98	72.02	1.39
Standard deviation		2.29	3.04	1.04	1.97	3.46	3.46	0.83
Minimum		4.64	7.44	0.14	2.02	21.55	64.22	0.69
Maximum		13.24	18.81	4.09	10.41	35.78	78.45	4.01

*This table compares the net change in ratings from the first to the last day of each year. All intermediate ratings are disregarded. §Excludes downgrades to 'D', shown separately in the default column. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

In line with a decrease in the number of upgrades, only one corporate issuer experienced an upgrade of more than six notches in 2012. This was U.K.-based NDS Group Ltd., a leading provider of digital media content security solutions for pay-TV platforms, which Cisco Systems Inc. acquired. This resulted in Standard & Poor's raising its issuer credit rating on NDS to 'A+' from 'BB-'. Similarly, only three companies experienced a downgrade of seven notches or more in 2012 (see chart 7). These trends are consistent with prior years in which default activity was subdued.

Chart 7



The overall issuer-weighted default rate--including both investment-grade and speculative-grade entities--was 1.1% in 2012, marginally higher than the 0.76% rate at the end of 2011. By region, the corresponding rates were 1.33% in the U.S., 0.59% in Europe, and 1.38% in the emerging markets.

Default activity in 2012 was up relative to 2011 and closely resembles the experience of 2010, which is still modest compared with 2008 and 2009--the height of the recent financial crisis. In a relatively rare instance of geographical consistency, all major regions' speculative-grade default rates were 2.2%-2.6% at the end of 2012. On a trailing-12-month basis, the global speculative-grade default rate rose slightly to 2.5% in 2012 from 1.7% at the end of 2011 and is still well below its long-term average of 4.2%. In the U.S. region, the speculative-grade default rate was 2.6% at the end of 2012, up from 2% in 2011 and also still below its 4.35% long-term average. Within Europe, the speculative-grade default rate rose slightly to 2.2% from 1.6% in 2011 and remains lower than its 3.1% long-term average. The four countries that make up the other developed region also saw a decrease in their collective default rate, coming in at 2.3%, down markedly from 6% in 2011. In the emerging markets, however, the speculative-grade default rate saw the largest increase since 2011, rising to 2.4% from 0.57% (see table 7 and chart 21).

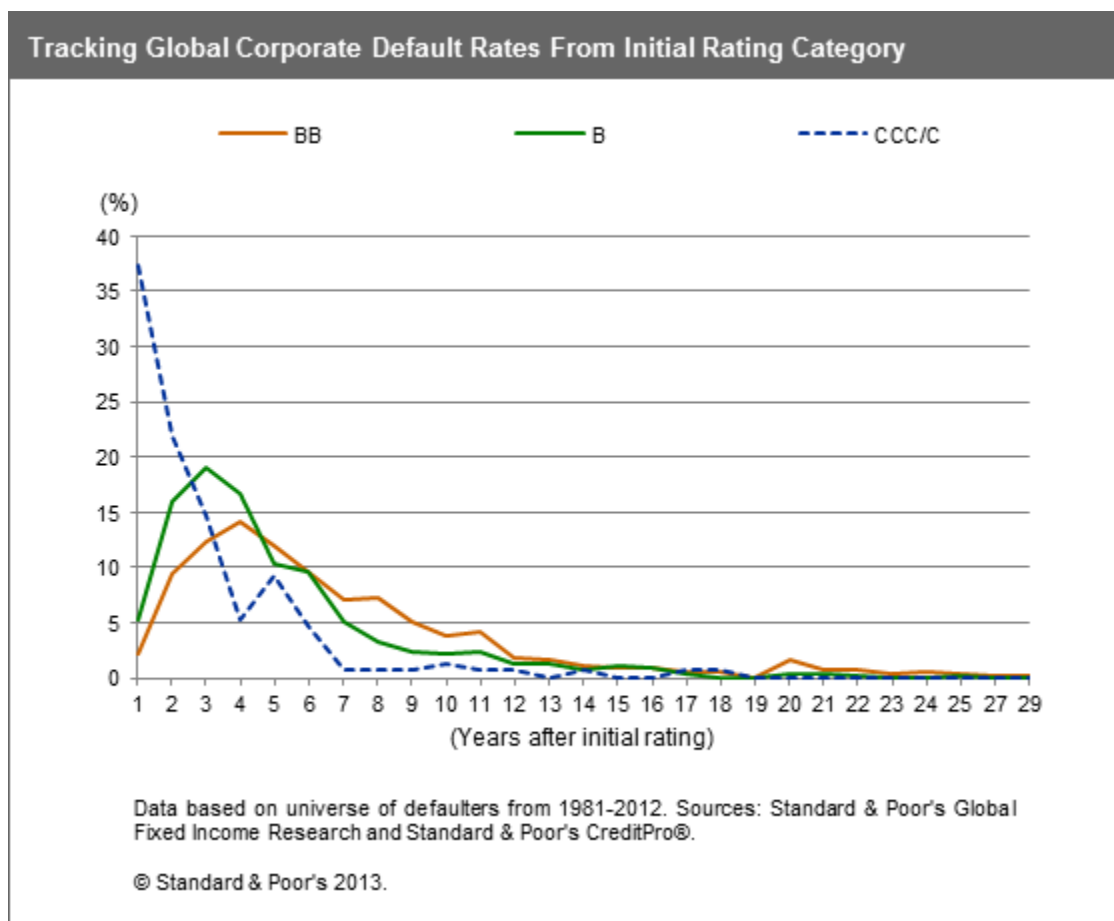
Table 7

Annual Corporate Speculative-Grade Default Rates By Geographic Region (%)				
Year	U.S. and tax havens*	Europe§	Emerging markets	Other†
1981	0.63	0.00	N/A	0.00
1982	4.44	0.00	N/A	0.00
1983	2.98	0.00	N/A	0.00
1984	3.32	0.00	0.00	0.00
1985	4.40	0.00	N/A	0.00
1986	5.75	0.00	N/A	0.00
1987	2.84	0.00	N/A	0.00
1988	3.89	0.00	N/A	0.00
1989	4.32	0.00	N/A	42.86
1990	7.93	0.00	N/A	33.33
1991	10.73	66.67	N/A	14.29
1992	6.25	0.00	N/A	0.00
1993	2.40	20.00	0.00	0.00
1994	2.20	0.00	0.00	0.00
1995	3.64	9.09	0.00	0.00
1996	1.85	0.00	0.00	2.70
1997	2.17	0.00	0.00	1.92
1998	3.24	0.00	8.02	1.43
1999	5.23	5.49	7.42	4.40
2000	7.37	2.48	1.87	6.52
2001	10.58	8.46	6.29	12.36
2002	7.16	12.33	15.82	5.94
2003	5.55	3.64	3.58	4.76
2004	2.42	1.60	0.77	2.00
2005	2.00	0.94	0.22	1.32
2006	1.29	1.80	0.40	0.76
2007	1.01	0.99	0.19	2.22
2008	4.22	2.51	2.19	3.82
2009	11.35	7.69	5.93	10.40
2010	3.33	1.00	1.40	7.89
2011	2.01	1.57	0.57	5.98
2012	2.59	2.22	2.44	2.29
Average	4.35	3.10	3.36	4.51
Median	3.49	1.80	1.87	3.82
Standard deviation	2.82	3.46	4.20	3.32
Minimum	0.63	0.00	0.00	0.76
Maximum	11.35	12.33	15.82	12.36

Note: Descriptive statistics for regions other than the U.S. calculated from 1996 to 2012 due to sample size considerations. *U.S., Bermuda, and the Cayman Islands. §Austria, Belgium, Bulgaria, Channel Islands, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, and the U.K. †Australia, Canada, Japan, and New Zealand. N/A--Not available. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Data on defaulted corporate issuers globally indicate that defaults among speculative-grade entities tend to be clustered in the third year after the initial rating, particularly in the 'B' rating category (see chart 8). For example, among defaulters that were rated 'B' at origination, the default rate climbs to a high of 19.1% in the first three years and then decelerates thereafter. Defaulted issuers initially rated 'BB' show a similar pattern but peak a little later--in the fourth year. Conversely, defaulters initially rated 'CCC' show the reverse, with the highest default rate observed in the first year, which is not surprising given the low rating.

Chart 8



In 2012, 76 (or 90.5%) of the 84 defaulted entities were originally rated speculative grade, which is slightly higher than the long-term average of 86.06%. This is typical in years with lower default rates. The rating path observed for defaulters in the trailing 12 quarters is broadly representative of the long-term ratings trend, which shows that both the average rating and median rating on all defaulting entities were in the speculative-grade category in the seven years preceding default (see chart 9).

Financial institutions and insurance companies are particularly sensitive to sudden declines in investor confidence, which can result in a relatively fast descent into default (see chart 10). This was especially evident during the recent financial crisis, as many highly rated banks defaulted within a short amount of time from their initial downgrades during this period. Conversely, nonfinancial defaulters travel a much slower, smoother, and shorter path to default (see

chart 11). The incidence of default is also much less frequent for financial companies relative to nonfinancials, which can also allow outliers to bias the averages. For instance, in the three years ended Dec. 31, 2012, 182 nonfinancial companies defaulted, while only 38 financials did.

Chart 9

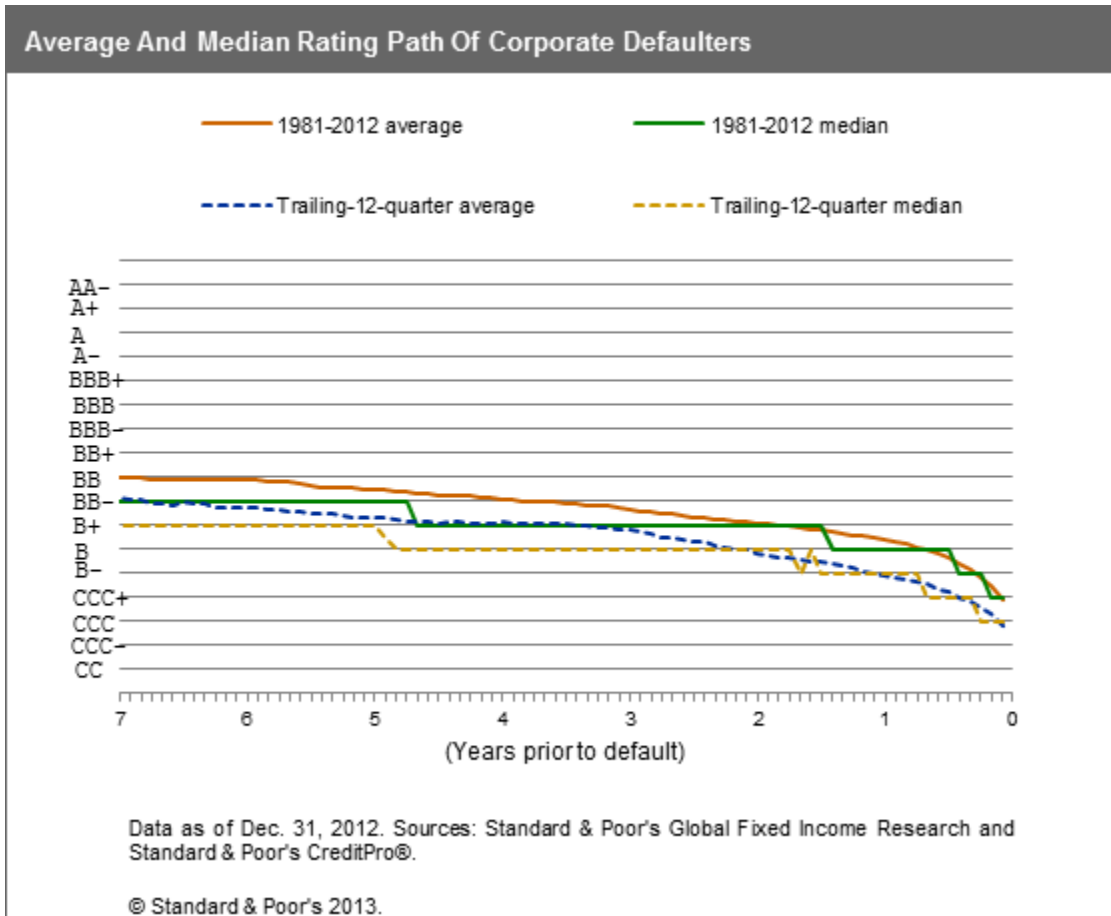


Chart 10

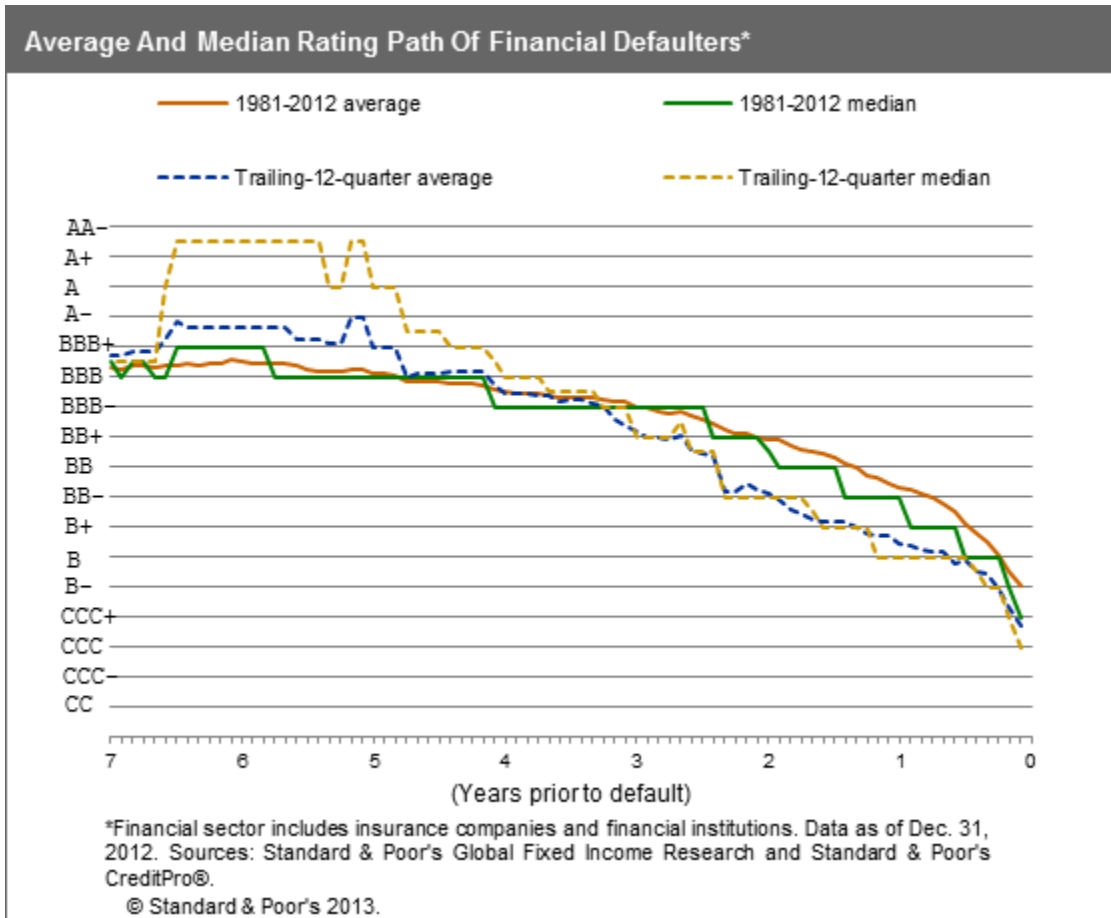
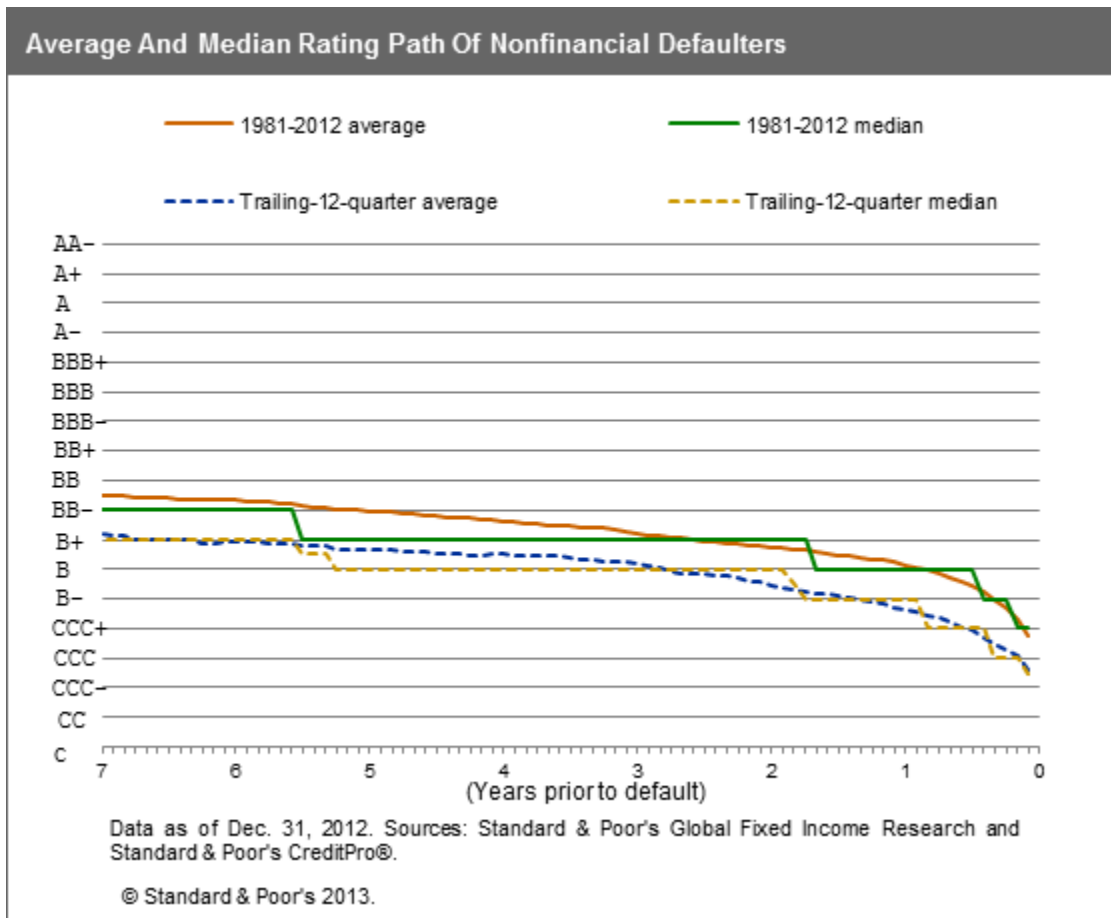


Chart 11



Some issuers default when Standard & Poor's no longer rates them. We make our best effort to capture such defaults in the database, and we include them in the annual default rate calculations if an entity was rated as of Jan. 1 in the year of default. If, however, Standard & Poor's withdrew the rating prior to Jan. 1 of the year of default, we did not include the issuer in the default rate calculation in that year. Of the 84 defaulted companies in 2012, 16.7% were not rated just prior to default, which is a good approximation of the long-term total of 18.6% (see charts 12A and 12B). Furthermore, although 'NR' defaulters are not always captured in the default rate calculation for the year of default, we do capture such defaults in the longer-term cumulative default rate statistics, tagged back to the year in which they were last rated. Chart 12 also presents another example testifying to the broadly positive performance of corporate ratings and the credit environment as a whole. All of the defaulters in 2012 that had active ratings immediately prior to default were rated in the lowest rating categories. In particular, 78.6% were rated 'CCC+' or lower prior to default, much higher than the 63.3% long-term total, but consistent with the 79% rated 'CCC+' or lower just prior to default in 2011.

Chart 12A

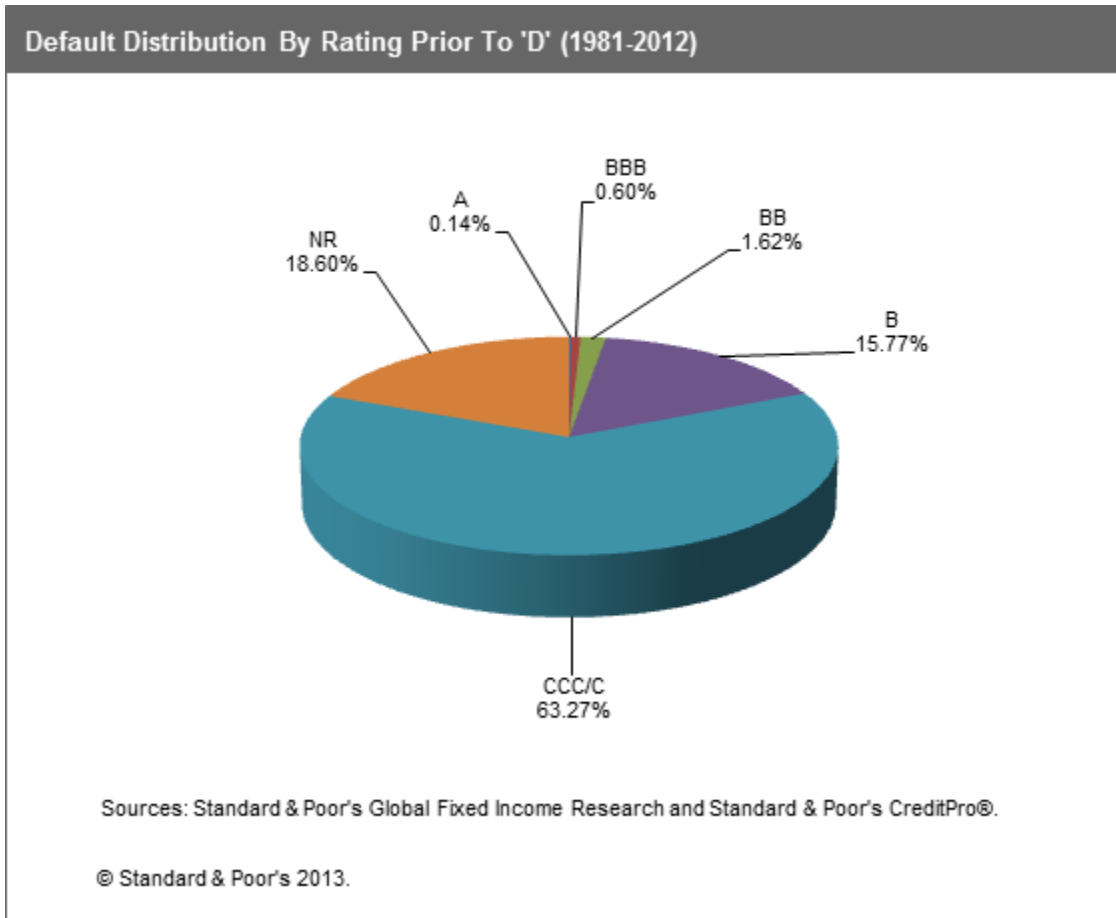


Chart 12B

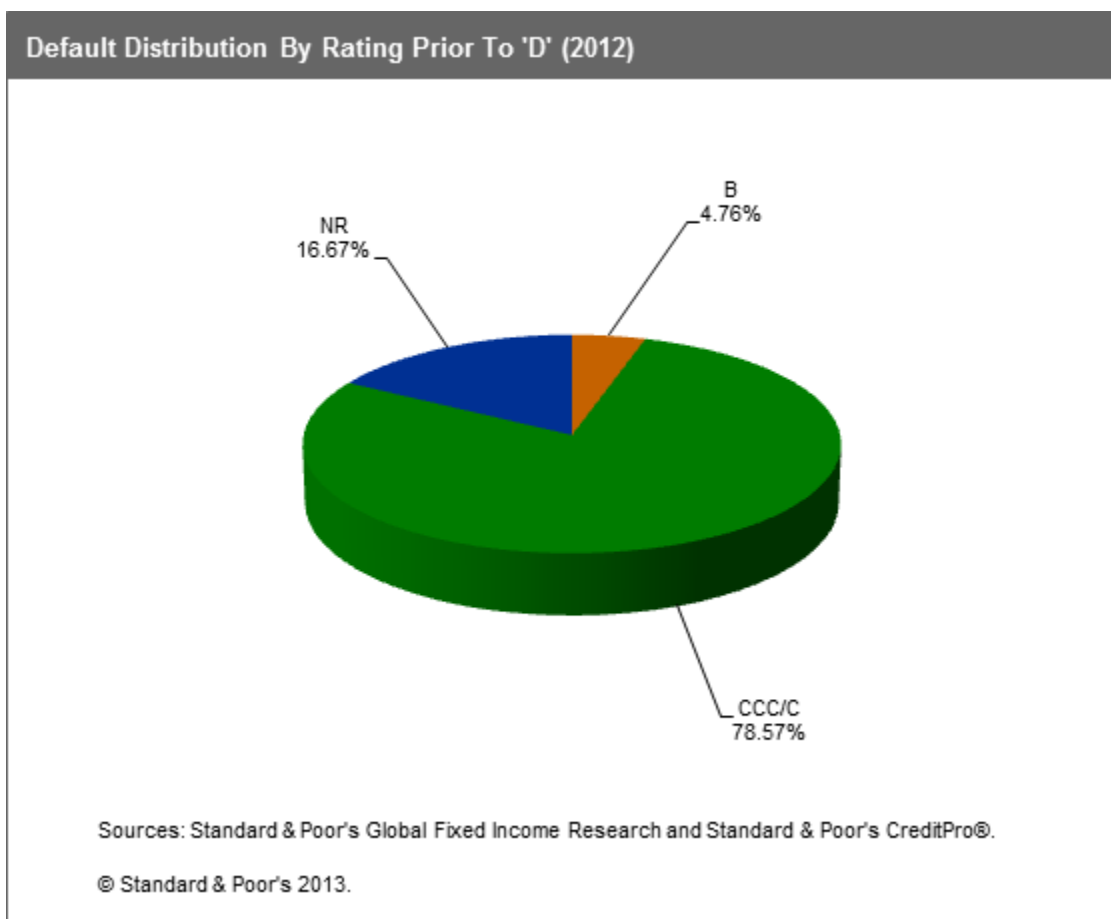


Table 8 provides a list of all the defaulted companies recorded in 2012. For additional details on the 2012 defaulters, see Appendix IV.

Table 8

2012 Global Corporate Defaults

Company name	Reason for default	Country	Industry	Debt amount (mil. \$)	Default date	Rating one year prior to default	Rating three years prior to default	First rating	Date of first rating
Coach America Holdings Inc.	Chapter 11	U.S.	Transportation	380.0	1/4/2012	B-	B-	B	3/29/2007
Vertrue LLC	Missed	U.S.	Leisure time/media	660.0	1/6/2012	B	B	B+	3/26/2004
Buffets Inc.	Missed	U.S.	Consumer/service	279.8	1/10/2012	B-	-	B-	3/30/2009
Confidential Company	Distressed exchange	Israel	Aerospace/auto/capital goods/metal	10.9	1/11/2012	B-	-	B-	3/8/2010
Hanley Wood LLC	Distressed exchange	U.S.	Leisure time/media	407.4	1/17/2012	CCC+	B	B	7/13/2005
Eastman Kodak Co.	Chapter 11	U.S.	Leisure time/media	1,413.3	1/19/2012	B-	B	AAA	12/15/1982

Table 8

2012 Global Corporate Defaults (cont.)									
hibu PLC	Distressed exchange	U.K.	Leisure time/media	5,204.2	1/19/2012	B	BB-	BB-	7/6/2001
Confidential Company	Distressed exchange	U.S.	Consumer/service	950.0	1/25/2012	B-	B	B	4/12/2006
Petroplus Holdings AG	Foreign bankruptcy	Switzerland	Energy and natural resources	2,800.0	1/25/2012	B+	BB	BB	4/17/2007
Republic Mortgage Insurance Co.	Receivership	U.S.	Insurance	0.0	1/26/2012	BBB-	A	AA	3/28/1983
Confidential Company	Missed	Israel	Consumer/service	23.8	1/27/2012	B	-	B	10/28/2010
China Medical Technologies Inc.	Missed	China	Health care/chemicals	398.0	1/31/2012	B+	-	B+	9/21/2010
Jobson Medical Information LLC	Chapter 11	U.S.	Leisure time/media	0.0	2/2/2012	NR	CCC+	B-	5/4/2006
Global Aviation Holdings Inc.	Chapter 11	U.S.	Transportation	149.5	2/6/2012	-	-	CCC	9/19/2011
The Tensar Corp.	Missed	U.S.	Forest and building products/homebuilders	191.0	2/6/2012	CCC	B-	B-	10/7/2005
PT Berlian Laju Tanker Tbk.	Missed	Indonesia	Transportation	1,701.1	2/10/2012	B-	B	BB-	4/23/2007
DirectBuy Holdings Inc.	Missed	U.S.	Consumer/service	640.0	2/13/2012	-	-	B	4/25/2011
Reichhold Industries Inc.	Missed	U.S.	Health care/chemicals	195.0	2/16/2012	B-	B	BB-	8/2/2006
ERC Ireland Preferred Equity Ltd.	Missed	Ireland	Telecommunications	5,301.8	2/22/2012	CCC+	B+	B+	11/16/2006
Elpida Memory Inc.	Insonvency	Japan	High technology/computers/office equipment	3,383.4	2/27/2012	NR	B+	BB-	12/7/2007
Centrais Eletricas do Para S.A.	Foreign bankruptcy	Brazil	Utility	525.4	3/1/2012	CCC+	B	B-	12/2/2005
Circus and Eldorado Joint Venture	Missed	U.S.	Leisure time/media	142.8	3/2/2012	B-	B	B+	2/12/2002
Confidential Company	Missed	Mexico	Financial institutions	3.4	3/5/2012	BB-	BB-	BB-	9/5/2005
Mohegan Tribal Gaming Authority	Distressed exchange	U.S.	Leisure time/media	1,633.5	3/7/2012	CCC	B	BB+	10/25/1996
Arcapita Bank	Chapter 11	Bahrain	Financial institutions	1,100.0	3/19/2012	NR	BB+	BBB	11/16/2006
Confidential Company	Foreign bankruptcy	Canada	Aerospace/auto/capital goods/metal	0.0	3/21/2012	B	-	B	4/13/2010
Dex One Corp.	Distressed exchange	U.S.	Leisure time/media	2,441.9	3/23/2012	B	-	B	1/29/2010
Sino-Forest Corp.	Foreign bankruptcy	China	Forest and building products/homebuilders	1,804.5	3/30/2012	BB	BB	BB-	7/28/2004
Hawker Beechcraft Inc.	Missed	U.S.	Aerospace/auto/capital goods/metal	2,912.3	4/2/2012	CCC+	-	CCC+	6/9/2009

Table 8

2012 Global Corporate Defaults (cont.)									
Reddy Ice Holdings Inc.	Chapter 11	U.S.	Consumer/service	471.8	4/12/2012	B-	-	B-	3/26/2010
Residential Capital LLC	Missed	U.S.	Financial institutions	2,965.2	4/18/2012	B	CCC	CCC	2/4/2009
Lupatech S.A.	Missed	Brazil	Aerospace/auto/capital goods/metal	506.5	4/23/2012	B-	BB-	BB-	6/21/2007
Barneys New York Inc.	Distressed exchange	U.S.	Consumer/service	280.0	5/8/2012	CCC	CCC	B	3/4/2003
Verso Paper Holdings LLC	Distressed exchange	U.S.	Forest and building products/homebuilders	2,155.6	5/11/2012	B	B	B+	7/12/2006
Confidential Company	Chapter 11	U.S.	Leisure time/media	2,621.0	5/21/2012	NR	-	CCC+	4/12/2010
Confidential Company	Distressed exchange	Mexico	Forest and building products/homebuilders	22.0	5/28/2012	B-	BB-	BB-	6/13/2003
Centrais Eletricas Matogrossenses S.A.	Missed	Brazil	Utility	0.0	5/31/2012	B-	B-	B-	12/2/2005
PBG S.A.	Distressed exchange	Poland	Aerospace/auto/capital goods/metal	310.2	5/31/2012	-	-	BB-	10/28/2011
Confidential Company	Foreign bankruptcy	France	Consumer/service	0.0	6/1/2012	CCC+	-	CCC+	4/26/2011
Confidential Company	Distressed exchange	Mexico	Energy and natural resources	29.2	6/11/2012	CCC	-	CCC	9/27/2010
Confidential Company	Distressed exchange	Brazil	Utility	873.8	6/19/2012	CCC	-	CC	7/9/2009
ATI Acquisition Co.	Missed	U.S.	Leisure time/media	265.0	6/20/2012	B	-	B	12/2/2009
Central European Media Enterprises Ltd.	Distressed exchange	Bermuda	Leisure time/media	1,279.5	6/22/2012	B	B+	BB-	4/13/2005
Cinram International Inc.	Chapter 15	Canada	Leisure time/media	342.7	6/25/2012	B-	-	B-	4/13/2011
Kleopatra Lux 1 S.a.r.l	Distressed exchange	Luxembourg	Transportation	0.0	6/25/2012	B-	B-	BB-	1/31/2002
Dynergy Inc.	Chapter 11	U.S.	Energy and natural resources	0.0	7/6/2012	CC	NR	BBB+	1/28/2000
Patriot Coal Corp.	Chapter 11	U.S.	Energy and natural resources	450.0	7/10/2012	B+	-	B+	4/26/2010
National Service Industries Inc.	Chapter 7	U.S.	Aerospace/auto/capital goods/metal	0.0	7/12/2012	NR	NR	A	8/3/1998
BTA Bank J.S.C.	Chapter 15	Kazakhstan	Financial institutions	10,184.4	7/16/2012	B-	-	B-	10/26/2010
Broadview Networks Holdings Inc.	Distressed exchange	U.S.	Telecommunications	314.0	7/23/2012	B	B-	B-	8/4/2006
Aventine Renewable Energy Holdings Inc.	Missed	U.S.	Energy and natural resources	233.1	7/30/2012	B	-	B	12/3/2010
Nobina AB	Missed	Sweden	Transportation	103.6	8/2/2012	B	B-	CC	10/7/2005

Table 8

2012 Global Corporate Defaults (cont.)									
ATP Oil & Gas Corp.	Chapter 11	U.S.	Energy and natural resources	2,215.6	8/21/2012	CCC+	-	B	4/13/2010
LifeCare Holdings Inc.	Missed	U.S.	Health care/chemicals	434.3	8/21/2012	CCC-	CCC+	B	7/20/2005
Confidential Company	Chapter 11	U.S.	High technology/computers/office equipment	0.0	8/29/2012	CCC+	B+	B+	7/8/2008
Confidential Company	Distressed exchange	Israel	Financial institutions	0.6	8/30/2012	B	-	B	10/28/2010
Confidential Company	Missed	Mexico	Financial institutions	274.7	9/10/2012	CCC	-	CCC	11/4/2010
Confidential Company	Missed	Israel	Financial institutions	1.4	9/10/2012	BB-	-	BB-	10/28/2010
Marsico Holdings LLC	Distressed exchange	U.S.	Financial institutions	1,605.5	9/11/2012	CCC+	-	CCC+	11/15/2010
Confidential Company	Chapter 11	U.S.	Consumer/service	0.0	9/12/2012	NR	NR	B-	12/14/2004
Banco Cruzeiro do Sul S.A.	Receivership	Brazil	Financial institutions	1,175.0	9/14/2012	BB-	-	BB-	10/13/2010
GMX Resources Inc.	Distressed exchange	U.S.	Energy and natural resources	412.3	9/21/2012	-	-	CCC+	3/27/2012
Confidential Company	Chapter 11	U.S.	Transportation	0.0	10/1/2012	CCC+	-	B-	7/15/2010
Confidential Company	Missed	India	Aerospace/auto/capital goods/metal	1,901.6	10/11/2012	NR	NR	B	10/19/2004
Confidential Company	Missed	Netherlands	Leisure time/media	1,170.9	10/24/2012	-	-	CCC	12/13/2011
AMF Bowling Worldwide Inc.	Missed	U.S.	Leisure time/media	321.0	10/25/2012	CCC+	B-	B	2/14/2002
LBI Media Inc.	Missed	U.S.	Leisure time/media	466.7	10/29/2012	B-	B-	B+	6/25/2002
hibu PLC*	Missed	U.K.	Leisure time/media	4,855.0	10/31/2012	-	-	B-	1/24/2012
Confidential Company	Chapter 7	U.S.	Financial institutions	0.0	11/1/2012	NR	NR	BB+	4/20/2004
Confidential Company	Missed	Israel	Financial institutions	19.4	11/5/2012	B	-	B	10/28/2010
James River Coal Co.	Distressed exchange	U.S.	Energy and natural resources	616.1	11/7/2012	B	B-	B	5/9/2005
The New Reclamation Group Pty Ltd.	Distressed exchange	South Africa	Energy and natural resources	190.7	11/7/2012	CCC+	B	B+	1/10/2006
NewEnergy Inc.	Chapter 11	U.S.	Utility	0.0	11/9/2012	NR	NR	B-	11/12/1998
Overseas Shipholding Group Inc.	Chapter 11	U.S.	Transportation	2,310.4	11/14/2012	B	BB	BBB-	9/30/1993
Edison Mission Energy	Missed	U.S.	Utility	3,700.0	11/16/2012	B-	B	A-	6/15/1992
Allen Systems Group Inc.	Missed	U.S.	High technology/computers/office equipment	490.0	11/19/2012	B	B	B	6/4/2007
Confidential Company	Foreign bankruptcy	Brazil	Utility	873.8	11/28/2012	-	-	CC	6/21/2012

Table 8

2012 Global Corporate Defaults (cont.)									
IAP Worldwide Services Inc.	Distressed exchange	U.S.	Aerospace/auto/capital goods/metal	569.1	11/29/2012	B	CCC+	B+	4/19/2005
Energy Future Holdings Corp.	Distressed exchange	U.S.	Energy and natural resources	2,061.9	12/6/2012	CCC	-	B-	8/18/2010
Companhia de Energia Eletrica do Estado do Tocantins	Missed	Brazil	Utility	0.0	12/11/2012	B-	B+	B	5/11/2007
Edison Mission Marketing & Trading Inc.	Chapter 11	U.S.	Utility	0.0	12/17/2012	B-	B	A-	1/5/2001
Geokinetics Holdings Inc.	Missed	U.S.	Energy and natural resources	350.0	12/18/2012	CCC-	B	B	12/11/2009
Yellow Media Inc.	Distressed exchange	Canada	Leisure time/media	2,662.1	12/20/2012	BB-	NR	BB+	8/1/2003
Confidential Company	Missed	Israel	Financial institutions	0.7	12/27/2012	-	-	CC	11/27/2012
Total				86,739.4					

*Initial ratings for these companies are those immediately following a prior default in 2012. Missed--Missed interest or principal payments. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

As demonstrated earlier, the number of large notch rating changes remained sparse in 2012. In addition, in terms of both upgrades and downgrades, 2012 saw the most muted levels of both average notch upgrades and downgrades in absolute terms (see chart 13). At the end of 2012, the average notch upgrade was 1.16, and the average notch downgrade was 1.38. These deviations from the long-term averages are the largest for both series since before the turn of the century.

Chart 13

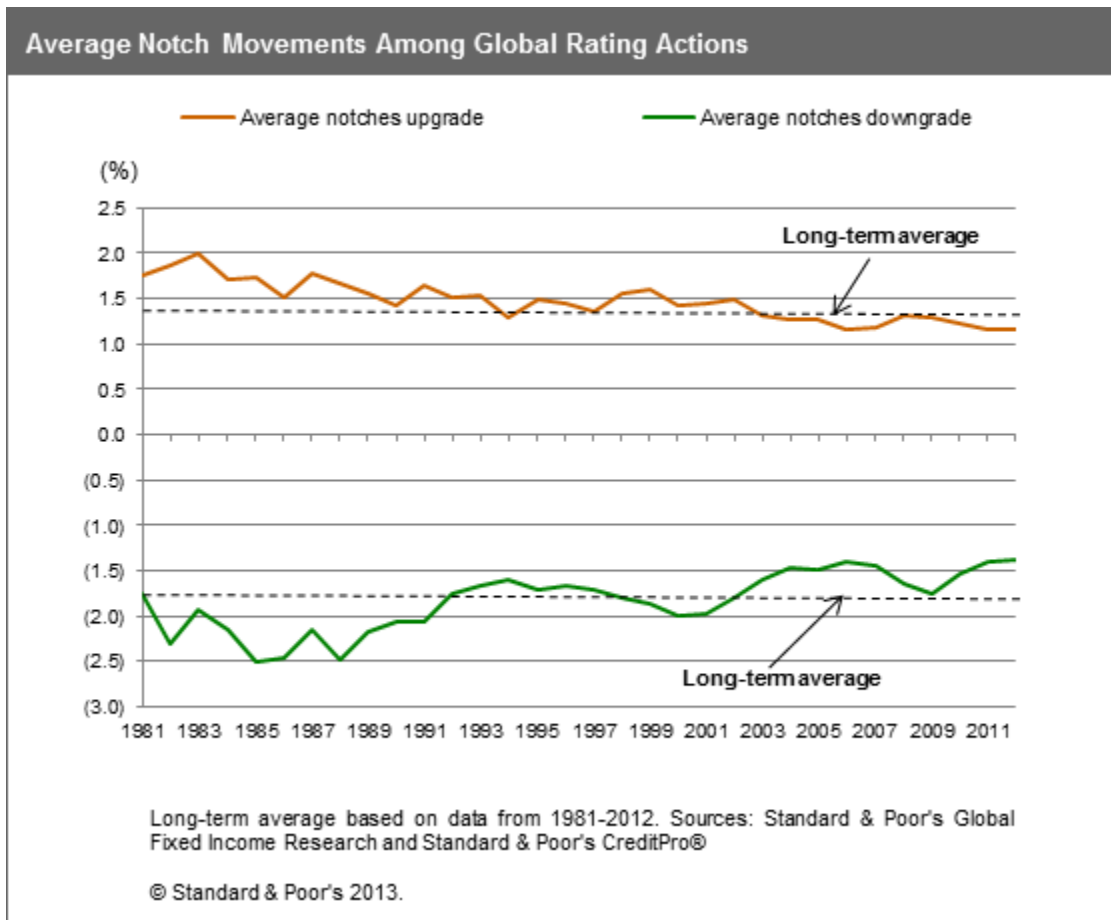


Table 9

One-Year Global Corporate Default Rates By Rating Modifier

	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C
1981	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.28	0.00	0.00
1982	0.00	0.00	0.00	0.00	0.00	0.33	0.00	0.00	0.68	0.00	0.00	2.86	7.04	2.22	2.33	7.41	21.43
1983	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.33	2.17	0.00	1.59	1.22	9.80	4.76	6.67
1984	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.40	0.00	0.00	1.64	1.49	2.13	3.51	7.69	25.00
1985	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.64	1.49	1.33	2.59	13.11	8.00	15.38
1986	0.00	0.00	0.00	0.00	0.00	0.00	0.78	0.00	0.78	0.00	1.82	1.18	1.12	4.65	12.16	16.67	23.08
1987	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.83	1.31	5.95	6.82	12.28
1988	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.34	1.98	4.50	9.80	20.37
1989	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.90	0.78	0.00	0.00	0.00	2.00	0.43	7.80	4.88	33.33
1990	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.76	0.00	1.10	2.78	3.09	4.50	4.87	12.26	22.58	31.25
1991	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.83	0.74	0.00	3.70	1.14	1.05	8.72	16.25	32.43	33.87
1992	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.72	14.93	20.83	30.19
1993	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.94	0.00	1.30	5.88	4.17	13.33
1994	0.00	0.00	0.00	0.00	0.46	0.00	0.00	0.00	0.00	0.00	0.00	0.86	0.00	1.83	6.58	3.23	16.67
1995	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.63	0.00	1.55	1.11	2.76	8.00	7.69	28.00

Table 9

One-Year Global Corporate Default Rates By Rating Modifier (cont.)																	
1996	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.88	0.65	0.55	2.34	3.74	3.92	4.17
1997	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.36	0.35	0.00	0.00	0.00	0.41	0.72	5.26	14.58	12.00
1998	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.27	1.04	0.68	1.06	0.72	2.58	7.56	9.46	42.86
1999	0.00	0.00	0.00	0.36	0.00	0.24	0.27	0.00	0.28	0.31	0.55	1.34	0.90	4.21	10.50	15.45	33.33
2000	0.00	0.00	0.00	0.00	0.00	0.24	0.56	0.00	0.26	0.88	0.00	0.82	2.31	5.78	10.70	11.50	34.12
2001	0.00	0.00	0.00	0.00	0.57	0.24	0.00	0.24	0.48	0.27	0.52	1.21	6.02	5.98	15.68	23.31	45.87
2002	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.11	0.66	1.33	1.58	1.77	4.65	3.69	9.63	19.69	44.38
2003	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.54	0.50	0.96	0.28	1.71	5.21	9.45	32.93
2004	0.00	0.00	0.00	0.00	0.00	0.24	0.00	0.00	0.00	0.00	0.00	0.66	0.51	0.46	2.68	2.84	15.56
2005	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.17	0.00	0.37	0.00	0.50	0.78	2.61	2.96	9.09
2006	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.37	0.00	0.49	0.55	0.80	1.57	12.38
2007	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.31	0.23	0.19	0.00	0.89	14.95
2008	0.00	0.00	0.44	0.40	0.32	0.21	0.59	0.19	0.60	0.72	1.20	0.65	0.66	3.05	3.41	7.56	26.47
2009	0.00	0.00	0.00	0.00	0.30	0.39	0.00	0.40	0.18	1.11	0.00	1.03	0.94	5.66	10.49	17.75	48.94
2010	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.81	0.36	0.54	0.00	0.71	2.05	22.52
2011	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.00	0.40	1.22	4.01	15.83
2012	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.74	0.57	1.39	3.34	26.62
Average	0.00	0.00	0.01	0.02	0.05	0.06	0.07	0.15	0.24	0.30	0.61	0.83	1.40	2.36	6.81	9.60	23.53
Median	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.74	0.79	1.91	5.92	7.63	22.80
Standard deviation	0.00	0.00	0.08	0.09	0.14	0.12	0.20	0.31	0.35	0.46	0.93	0.84	1.75	2.12	4.70	7.85	12.48
Minimum	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Maximum	0.00	0.00	0.44	0.40	0.57	0.39	0.78	1.11	1.40	1.33	3.70	3.09	7.04	8.72	16.25	32.43	48.94

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

2012 Timeline: Europe Takes Center Stage

Although the number of defaults increased in 2012 relative to the previous year, it was remarkably low considering all of the stressors on global financial markets. Many of the prolonged financial problems--particularly in Europe--continued to worsen in 2012, or remained unresolved. And although default activity may have remained at historically muted levels in 2012, corporate downgrades were in no short supply, particularly in the second half of the year. Across the Atlantic in the U.S., many asset markets improved modestly in spite of the situation in the EU stirring fears of contagion as well as some homegrown troubles, including the "fiscal cliff." Despite prolonged political gridlock in the U.S., corporate borrowing costs hit all-time lows in 2012, with September producing a record number of speculative-grade bonds coming to market.

The year started off with the problems in the EU from the prior two years persisting. On Jan. 13, Standard & Poor's took various rating actions on 16 eurozone sovereign governments, including downgrading nine members. Of those downgraded, Standard & Poor's lowered its ratings on Cyprus, Italy, Portugal, and Spain by two notches. Standard & Poor's cited its view that policy initiatives European policymakers took in the weeks prior were insufficient to deal with the continuing crisis. Only three days later, Standard & Poor's also lowered its ratings on the Financial Stability Facility

(FSF). Standard & Poor's indicated it believed that because the ongoing troubles in Europe were broad in nature—including tightened credit market conditions, increased bond yields, stagnant economic growth, and a lack of fiscal discipline by many members—they required more than just a policy of austerity to bring sovereign finances back in order. Just as the downgrade of the U.S. in 2011 had ripple effects causing many financial institutions and insurance companies in that country to be downgraded as a result, the sovereign downgrades in Europe produced subsequent corporate downgrades. Particularly hard hit were the banking sectors in Italy and France.

Meanwhile, in the U.S., after a substantial amount of downgrades in the corporate sector in the two prior months, upgrades outpaced downgrades by 32 to 19 in January—the highest ratio of upgrades to downgrades since May 2011. Corporate lending conditions in the U.S. improved markedly in January as speculative-grade spreads fell nearly 46 bps over the course of the month to 707 bps as of Jan. 31. Earlier in the month, spreads briefly fell below 700 bps as investors gradually shrugged off the Aug. 8, 2011, downgrade of the U.S.

On Feb. 6, Standard & Poor's downgraded Belize to 'CCC+' from 'B-', owing to the likelihood of the country opting to discontinue servicing its debt. Later, at the end of the month, we again lowered our long-term foreign currency rating on Belize to 'CCC-' given the increased chances that Belize would instead reservice its debt. On the other side of the Atlantic, headline-catching Greece agreed to pass the demands placed on it by its external lenders to fix its financial situation, immediately leading to citizen protests. Two days later, on Feb. 12, the Greek government passed its now infamous austerity bill. What might have been seen as a step in the right direction was ultimately overshadowed by Greece's downgrade to selective default ('SD') on Feb. 27 following its retroactive insertion of collective action clauses in the documentation of certain debt series four days earlier. Standard & Poor's views this action as equivalent to a distressed exchange. Despite this, fear of contagion did not catch on. U.S. markets kept up their positive momentum, with equities continuing their ascent and corporate spreads falling.

In April 2012, signs of huge trading losses at JPMorgan's London office first started to appear. Rogue traders at large banks hiding huge trading losses is not a new phenomenon. However, they are typically rare events, and, because of that, when they are discovered, the press coverage is substantial. A particular trader in JPMorgan's London office, dubbed "The London Whale," had what would later come out to be roughly \$2 billion in losses. Around this time, additional stressors on European countries appeared as Italian bond yields jumped markedly over the previous month. The interest rate on three-year bonds rose to 3.9% from 2.76% in March, only days after the Italian government substantially reduced its growth forecast for its GDP in 2012 to -1.2% from an initial forecast of -0.4%. Spain also saw its borrowing costs rise to nearly 6% on its 10-year bonds in April. In addition, Standard & Poor's again lowered its long-term credit rating on Spain, this time to 'BBB+' from 'A' on April 26.

Despite the difficulties facing what many have named the European "periphery," some positive developments in sovereign credit markets managed to emerge. Standard & Poor's upgraded Latvia on May 2 to an investment-grade rating of 'BBB-' from 'BB+'. The Baltic state has managed to stay committed to reducing its public debt load and to deleveraging its economy over the past few years, perhaps presenting itself as a model for other countries in the region having troubles in such matters. On the same day, Greece was also upgraded to 'CCC' from selective default after it completed its distressed exchange. Among equities, May 18 brought on the much anticipated, and subsequently much regretted, IPO of Facebook. After opening at \$42.05 a share, the stock fell more than 39% by the end of the first 14

trading days. Perhaps Facebook took the market with it, as May was a particularly harsh month for U.S. equities. On May 1, the Dow Jones Industrial Average (Dow) finished the day at 13,279, but ended the month at 12,393, down by 6.7%.

The early and mid-summer of 2012 arguably was the most eventful period for financial markets during the year. On June 17, Greece elected a new government in which the pro-austerity party managed to get the most votes, helping to ease fears that the country would leave the eurozone. To help extend low interest rates in the U.S., the Federal Reserve extended its "Operation Twist" program of selling short-term securities and using the proceeds to buy securities with longer-dated maturities in an effort to lower long-term interest rates. This extension, however, did come with warnings of continued risks to the economy. In the U.K., arguably the year's largest financial scandal hit the airwaves as Barclay's agreed to pay more than £290 million in settlements with U.K. and U.S. authorities over LIBOR rate-fixing charges. The settlements also included an admission of misconduct and led to the immediate resignation of several executives at the firm within days. The fallout of the scandal would prove to be far-reaching. While up to this point the situation was limited to the U.K., Fed Chairman Ben Bernanke spoke before Congress, commenting that in his belief the LIBOR system was "structurally flawed." It would take only less than a month before many banks would face legal questioning on the matter in the U.S.

Perhaps no other event in the financial markets in 2012 carried more weight than the July 26 statement by European Central Bank (ECB) President Mario Draghi that the ECB will do "whatever it takes" to preserve the common currency. Up until this point in 2012, the euro saw a nearly undaunted decline against major currencies. However, at the end of the day, the euro was up 1% against the dollar to finish at \$1.23. At the beginning of 2012, the euro was worth \$1.31. Just as telling, credit default swaps (CDS) in Europe also fell from near their yearly highs after the speech. Two days earlier, U.S. 10-Year Treasuries hit an all-time low of 1.4%, which would eventually reverberate into corporate lending markets over the next few months, leading to record-low borrowing costs for many companies in the U.S. in the late summer and early fall.

The late summer to early fall of 2012 proved a boom time for corporate borrowers on both sides of the Atlantic, but the season did not get off to the most auspicious start. On Aug. 1, Knight Capital provided another example of the need for improved information systems when its trading software malfunctioned, costing the company about \$461 million and causing wild fluctuations in the values of 148 companies' stock prices. However, the disruption would prove to be short-lived as equity markets seemed to be mostly unfazed, continuing their summer ascent. In what is probably the best example of markets' enthusiasm at the time, on Aug. 20, Apple Inc. became the largest U.S. company (by market capitalization) in history, hitting \$619 billion. But as the year progressed, this high didn't last. The tech giant suffered losses in its stock price to the tune of 20% by the end of the year. On Aug. 31, Ben Bernanke added to the existing positive mood in financial markets by hinting at another round of quantitative easing (QE3) by the Fed, which it would pursue within a month's time.

This general enthusiasm created some of the best lending conditions for U.S. corporate borrowers in history. With the yield on Treasuries at record lows, investors abandoned their usual level of risk aversion in a hunt for yield in corporate securities. This fueled a boom in new issuance, including a record-setting monthly total for speculative-grade issuance (by number of issues) in September, at 75. In equity markets, the S&P 500 was also riding

high, coming in at 1,466 on Sept. 14--its highest close for the year.

While signs of optimism were sprouting in the U.S., the environment in Europe was more complex. In the U.K., the LIBOR rate-rigging investigations and fallout continued. On Sept. 25, the British Banker's Association (BBA)--the organization that set the LIBOR rate--said it would accept losing this role ahead of the Financial Services Authority's (FSA) final report on reforms for the LIBOR process. Three days later, the FSA report corroborated the BBA's statement and made the proposal for a data provider or regulated exchange to take over the administration of LIBOR. Meanwhile, in more positive news, September was a good month for corporate borrowers in Europe and the U.S. Although corporate bond issuance in Europe did not set records during the month, as it did in the U.S., September produced the second-highest monthly total for European corporate bond issuance (by issue count) for the year. The number of new issues in Europe totaled 297 in September, of which 22 were rated speculative grade--a historically strong level by European standards for the speculative-grade segment.

October started out strong in the U.S. after a positive September. On Oct. 5, the Dow hit its highest daily close for the year, coming in at 13,610. Main Street would match Wall Street in its positive sentiment as well, with the Conference Board's Consumer Confidence Index reading for October reaching its highest level for the year at 73.1. In bond markets, speculative-grade issuance in October posted its second-highest monthly total by issue count for the year, continuing the lending boom that began in September.

In what became the trend in 2012, Europe found it difficult to gain momentum from the signs of optimism that began in September. In October, Standard & Poor's downgraded Spain for the third (and final) time in 2012, to 'BBB-', which is just one notch above speculative grade. Spain's financial woes had continued to intensify and were inadequately addressed by the government up to that point. Local elections were also on the horizon, which were anticipated to only complicate matters in terms of coordination of policy responses between the central and local governments. As a result, Standard & Poor's subsequently downgraded many Spanish financial institutions and insurance companies days later, reflecting their relative relationship to the sovereign. The downgrades stemming from the downgrade of the Italian government earlier in the year combined with these in Spain produced historically higher downgrade rates among the higher rating categories in Europe for 2012. Finally, in the U.S., October finished on a particularly sour note as Hurricane Sandy wreaked havoc on the East Coast, causing tremendous damage to the greater New York City and New Jersey areas.

November, of course, began with the much-anticipated U.S. presidential election. On Nov. 6, President Barack Obama was reelected to a second term in office after a statistical dead-heat in preelection polling over much of the summer. Immediately, markets reacted negatively, with the S&P 500 falling roughly 4.8% over the next 10 days. The Dow also followed suit, falling to 12,542 on Nov. 15 from its 2012 high of 13,610 on Oct. 5. However, given the election day results, these sharp declines were also likely owing to the fact that market participants rightly anticipated continued political bickering on budget talks between the administration and a Congress--effectively split between the two major parties. Indeed, the U.S. nearly went over the "fiscal cliff" as time ran out. But at the 11th hour, the government reached a tentative deal on the last day of the year.

Overall, 2012 was a year of headlines and financial events dominated by the U.S. and European economies, with Asia generally drowned out by the noise from both sides of the Atlantic. For the most part, the U.S. saw improvements

throughout the year, with the S&P 500 up slightly more than 13% for the year, while speculative-grade bond spreads fell below 550 bps by the end of the year, providing some of the most favorable lending conditions in history. Still, improvements in the real economy proved elusive. Unemployment remained at 7.8% at year-end, and consumer confidence--as measured by the Conference Board--recorded a 58.6 reading in December, the lowest of the year. With most households still feeling squeezed, 2013 may prove daunting for businesses reliant on consumer spending.

In Europe, the economic and financial market conditions were more tenuous, with eurozone unemployment at 11.8% at the end of November and many governments still mired in debt and high borrowing costs. Still, corporate bond issuance in both Europe and the U.S. reached their highest levels since 2007, as measured by the number and amount of new issues coming to market. However, December produced the lowest monthly total in Europe for the year. Before the end of the year, Greece experienced another selective default in the form of an invitation to private debtholders to participate in a series of debt buyback auctions. By Standard & Poor's considerations, this constituted another distressed exchange by the beleaguered sovereign.

If we were to use the value of the euro as a barometer for financial and economic conditions broadly, then that would indicate that Europe had a tumultuous middle of the year, but ended much the way it started--at roughly \$1.31 (both on Jan. 3 and at the end of the year). However, considering that the common currency had been falling in value from the beginning of the year, only to strengthen after Mario Draghi's now famous remark in late July, it could be said that Europe may have actually averted a major catastrophe. In the end, problems remain for the continent. And while on the surface things look better for the U.S., both regions continue to deal with political gridlock. It remains to be seen how long market participants will be patient in the face of widespread uncertainty.

Quarterly Trends

The total number of defaults in 2012 was higher than in 2011, but the pace of global defaults was much more consistent over the course of the year, following the pace that began in the fourth quarter of 2011 (see chart 14). One trend among the defaulters in 2012 that was not as distinct in 2011 was the percentage of defaulting companies based outside the U.S., particularly in the emerging markets. Similarly, the volume of debt affected by defaults follows the same patterns (see chart 15). Except for the second quarter, the amount of debt affected by defaults outside the U.S. was roughly twice that of the defaulters within the U.S. region each quarter.

Chart 14

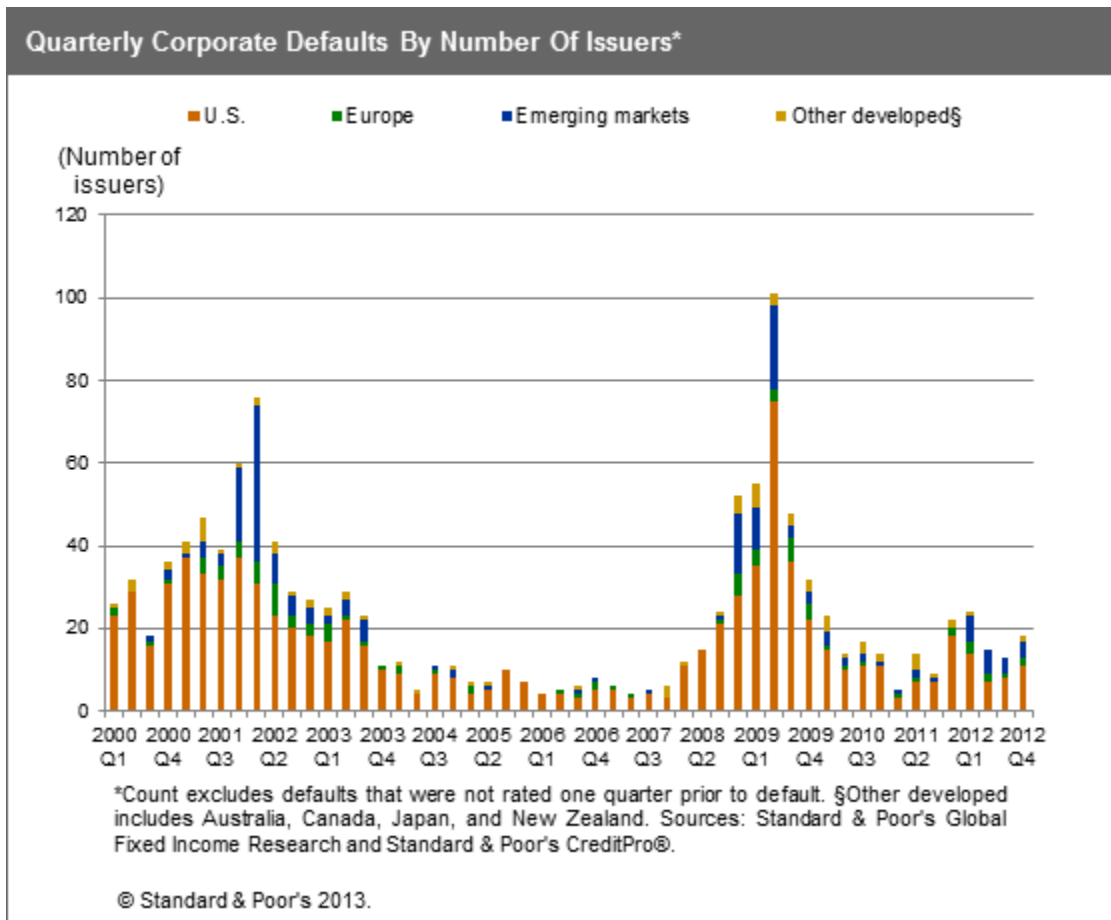
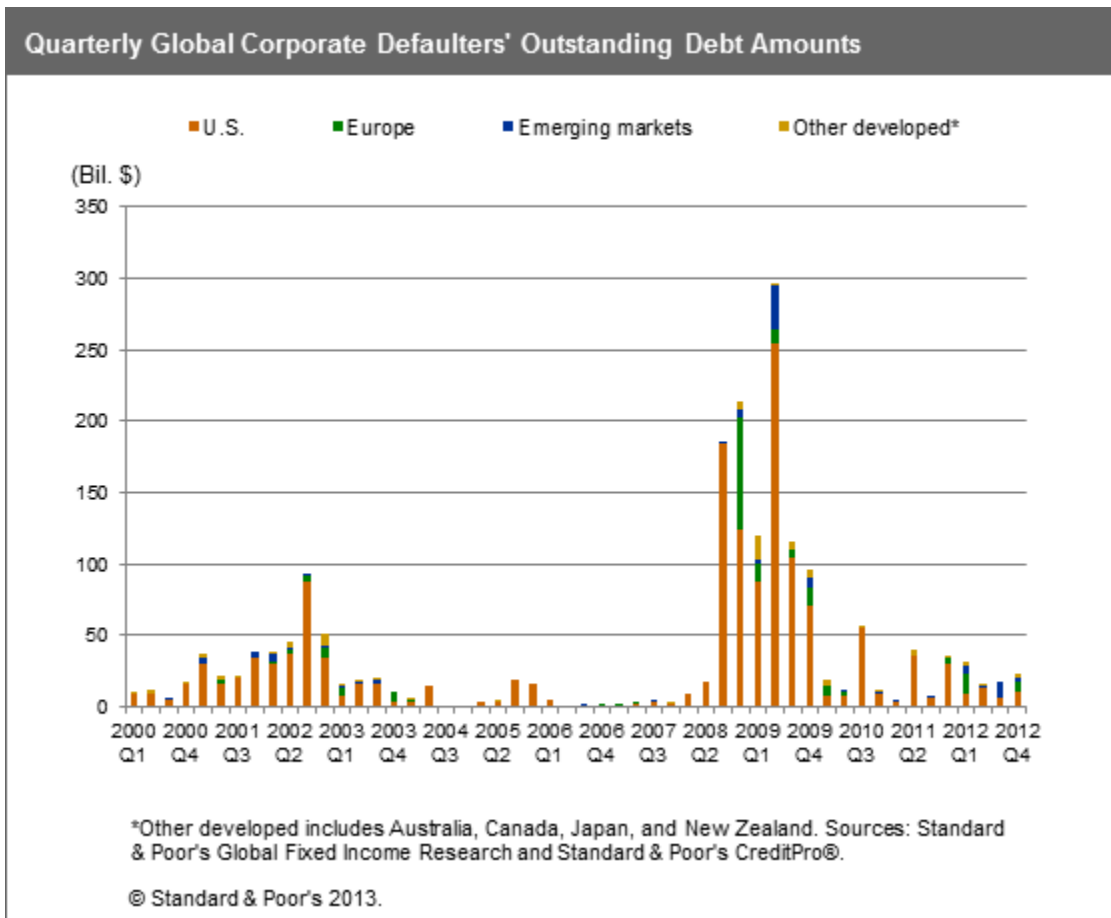
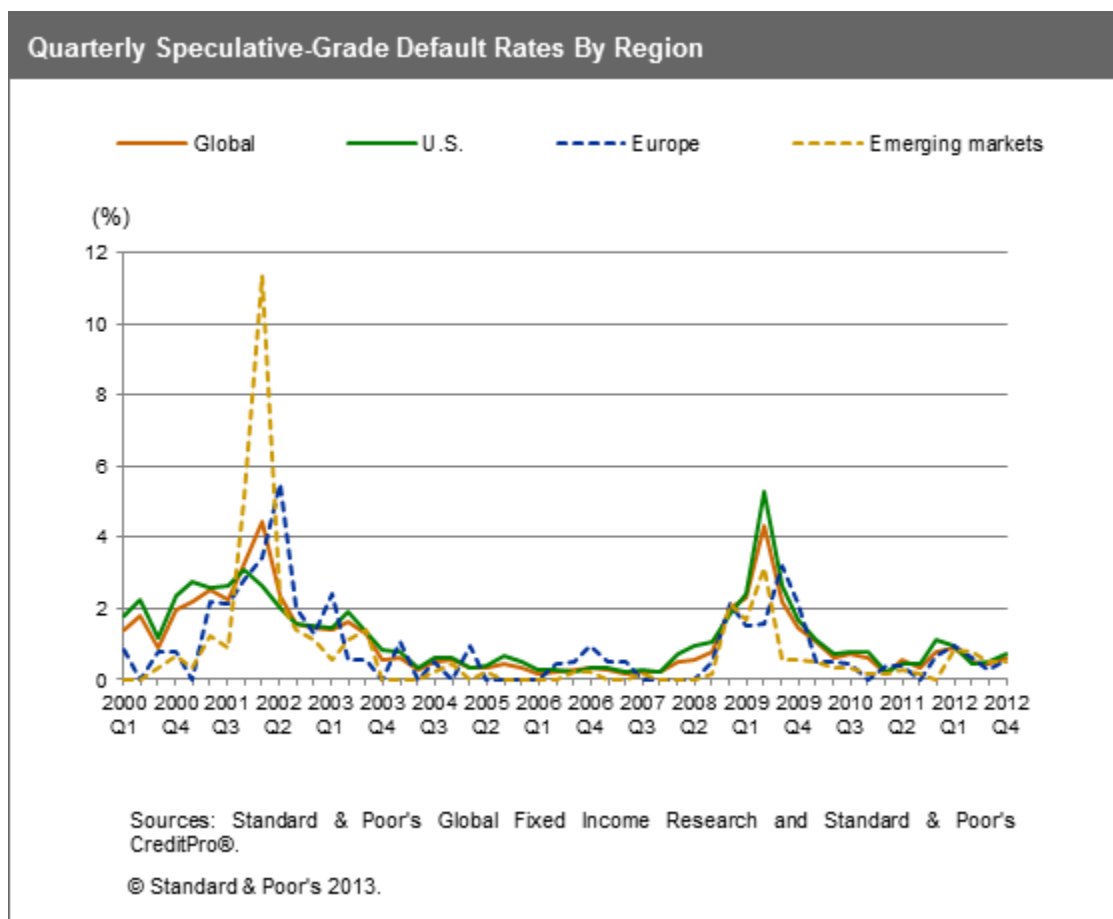


Chart 15



The 12-month-trailing and annual default rates have become industry standards, but default rates measured over shorter time frames give a more immediate picture of credit market conditions. With this in mind, based on quarterly intervals of measurement (nonannualized), default activity appears to have held steady around 0.5% across the main geographic regions, with the global, U.S., European, and emerging markets default rates averaging 0.54%, 0.56%, 0.48%, and 0.61%, respectively, over the last three quarters of 2012 (see chart 16).

Chart 16



Lower Ratings Are Consistent With Higher Default Vulnerability

On average, there is a negative correlation between the initial rating on a firm and its time to default, if that occurs. For example, for the entire pool of defaulters (1981-2012), the average times to default for issuers that were originally rated in the 'A' and 'B' categories were 12.7 years and 4.7 years, respectively, from initial rating (or from Dec. 31, 1980, the start date of the study), whereas issuers in the 'CCC' rating category or lower had an average time to default of only 2.4 years. In cases where an entity emerges from a prior default (including distressed exchanges), we consider it a separate entity, with the original rating as the first after the default event. Table 10 displays the median, average, and standard deviations for the time to default from the original rating. The differences between each rating category's minimum and maximum times to default are also presented in the last column under "range." Table 11 presents the average and median times to default from each rating category and includes both rating originations as well as transitions to each category. In both cases, the standard deviation of the times to default shrinks progressively as the rating gets lower. Generally speaking, the average time to default for each rating category is longer when based on the initial rating on an issuer than it is based on ratings reached later in the issuer's history.

Table 10

Time To Default From Original Rating For Global Corporate Defaulters (1981-2012)					
Original rating	Defaults	Average years from original rating*	Median years from original rating	Standard deviation of years from original rating	Range
AAA	8	18.0	18.5	11.4	23.0
AA	30	15.5	16.5	8.2	25.4
A	88	12.7	10.8	7.7	27.0
BBB	188	8.1	6.6	5.7	30.7
BB	531	6.4	5.0	4.9	28.2
B	1,161	4.7	3.5	3.9	26.5
CCC/C	150	2.4	1.5	2.9	17.4
Total	2,156	5.8	4.1	5.2	28.9

*Or Dec. 31, 1980, whichever is later. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 11

Time To Default From All Ratings For Global Corporate Defaulters (1981-2012)				
Rating path to default	Average years from rating category	Median years from rating category	Standard deviation of years from rating category	
AAA	18.3	19.5	10.2	
AA	14.3	15.2	8.2	
A	11.1	9.9	7.4	
BBB	7.7	6.1	6.2	
BB	5.6	4.2	5.0	
B	3.4	2.3	3.7	
CCC/C	0.9	0.3	1.6	
NR	4.5	2.7	4.8	
Total	3.8	2.0	4.9	

NR--Not rated. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 12 shows the cumulative distribution of defaulters by timeline of default count based on the original rating on a firm. The first row is the rating distribution of defaults occurring within 12 months of the original rating. The second row is the distribution of the cumulative count of defaults occurring within three years of the original rating. In line with expectations, the majority (88.7%) of companies that defaulted within one year of the original rating are from the lowest speculative-grade rating categories. For example, of the 133 companies that defaulted within 12 months of having been rated, 118 were originally in the 'B' category ('B+', 'B', and 'B-') or lower. Only when looking at longer time frames do companies with higher original ratings surface among the defaulters. For example, of all the companies that defaulted during 1981-2012, only two entities rated 'AAA' at inception defaulted within seven years. Throughout the 32-year span, only eight companies initially rated 'AAA' have ever defaulted. These were Macy's Inc., Ally Financial Inc., Ambac Assurance Corp., Mutual Benefit Life Insurance Co., Executive Life Insurance Co. CA, Confederation Life Insurance Co., Motors Liquidation Co. (formerly known as General Motors Corp.), and Eastman Kodak Co., which defaulted on Jan. 19, 2012.

Table 13 shows the cumulative defaults over various time horizons from all ratings, which includes initial ratings (see table 12), as well as from all other ratings until reaching default. Each issuer is likely to be captured multiple times, in

line with its migration from one rating to another, so the total count in table 13 is different from that in table 12. From the first row of this table, we see that 10 companies rated 'A' at any point in their lifetime defaulted within one year of receiving this rating. It is important to note that in table 13, the times to default are from the date that each entity received each unique rating in its path to default. In contrast, table 21 reports transition to default rates using the static-pool methodology, which calculates movements to default from the beginning of each static-pool year. This usually leads to shorter time frames from which to calculate default statistics. Data provided in table 13 also differs from default rates in table 24 owing to the use of the static-pool methodology. For more information on methodologies and definitions, please see Appendix I.

Table 12

Cumulative Defaulters By Time Horizon Among Global Corporates, From Original Rating (1981-2012)								
	AAA	AA	A	BBB	BB	B	CCC/C	Total
Number of issuers defaulting within:								
One year				3	12	62	56	133
Three years			6	28	128	470	111	743
Five years		3	13	68	267	785	133	1,269
Seven years	2	6	26	100	356	955	141	1,586
Total	8	30	88	188	531	1,161	150	2,156
Percent of total defaults per time frame								
One year	0.0	0.0	0.0	2.3	9.0	46.6	42.1	
Three years	0.0	0.0	0.8	3.8	17.2	63.3	14.9	
Five years	0.0	0.2	1.0	5.4	21.0	61.9	10.5	
Seven years	0.1	0.4	1.6	6.3	22.4	60.2	8.9	
Total	0.4	1.4	4.1	8.7	24.6	53.8	7.0	

*Or Dec. 31, 1980, whichever is later. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 13

Cumulative Defaulters By Time Horizon Among Global Corporates, From Rating (1981-2012)									
	AAA	AA	A	BBB	BB	B	CCC/C	NR	Total
Number of issuers defaulting within:									
One year			10	65	175	914	1,821	119	3,104
Three years		7	44	162	526	2,031	2,215	275	5,260
Five years		12	70	252	812	2,662	2,308	353	6,469
Seven years	2	20	95	336	1,007	2,967	2,339	406	7,172
Total	10	75	277	604	1,410	3,364	2,374	517	8,631
Percent of total defaults per time frame									
One year	0.0	0.0	0.3	2.1	5.6	29.4	58.7	3.8	
Three years	0.0	0.1	0.8	3.1	10.0	38.6	42.1	5.2	
Five years	0.0	0.2	1.1	3.9	12.6	41.2	35.7	5.5	
Seven years	0.0	0.3	1.3	4.7	14.0	41.4	32.6	5.7	
Total	0.1	0.9	3.2	7.0	16.3	39.0	27.5	6.0	

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Defaults are disproportionately from low rating categories, even during times of heightened stress (see table 14). Over longer time horizons, the same is true. For example, 449 defaults were recorded in the five-year pool that began in January 2008, of which 91% were rated speculative grade on Jan. 1, 2008. (See table 15 for a list of the 37 publically rated investment-grade defaults during this time period; two defaults that were confidentially rated are not listed.) Among nonfinancial entities, the lower the rating, the higher the number of defaults and the lower the survival rates. Note that among financials, ratings are concentrated in investment grade, and the speculative-grade category accounts for no more than 21% of all ratings in these pools. Because of the severity of the financial crisis that began in 2008, defaults emanated from all levels of the investment-grade category in the five-year horizon. Despite this, none of the defaulters in the one-year horizon--and only two in the three-year horizon--came from the investment-grade rating categories (see table 14).

Table 14

Defaults And Survivor Rates In Latest One-Year, Three-Year, And Five-Year Pools									
Rating	--Latest one-year--			--Latest three-year--			--Latest five-year--		
	Number of ratings as of Dec. 1, 2012	Number of defaults through December 2012	Nondefault rate (%)	Number of ratings as of Dec. 1, 2010	Number of defaults through December 2012	Nondefault rate (%)	Number of ratings as of Dec. 1, 2008	Number of defaults through December 2012	Nondefault rate (%)
Global									
AAA	24	0	100.0	63	0	100.0	89	1	98.9
AA	350	0	100.0	379	0	100.0	529	6	98.9
A	1,330	0	100.0	1,342	0	100.0	1,302	8	99.4
BBB	1,637	0	100.0	1,464	2	99.9	1,452	24	98.3
BB	1,047	3	99.7	895	11	98.8	1,016	65	93.6
B	1,471	22	98.5	1,103	60	94.6	1,345	288	78.6
CCC/C	154	41	73.4	222	72	67.6	102	57	44.1
Nonfinancials									
AAA	13	0	100.0	11	0	100.0	16	0	100.0
AA	87	0	100.0	108	0	100.0	130	0	100.0
A	563	0	100.0	548	0	100.0	575	0	100.0
BBB	1,084	0	100.0	957	0	100.0	985	5	99.5
BB	836	2	99.8	694	5	99.3	827	55	93.3
B	1,277	18	98.6	960	56	94.2	1,210	272	77.5
CCC/C	131	38	71.0	193	63	67.4	85	52	38.8
Financials									
AAA	11	0	100.0	52	0	100.0	73	1	98.6
AA	263	0	100.0	271	0	100.0	399	6	98.5
A	767	0	100.0	794	0	100.0	727	8	98.9
BBB	553	0	100.0	507	2	99.6	467	19	95.9
BB	211	1	99.5	201	6	97.0	189	10	94.7
B	194	4	97.9	143	4	97.2	135	16	88.1
CCC/C	23	3	87.0	29	9	69.0	17	5	70.6

Table 14

Defaults And Survivor Rates In Latest One-Year, Three-Year, And Five-Year Pools (cont.)

Note: The totals included may differ from the counts in table 1 because defaults that are not rated at the beginning of the pool year are excluded. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 15

Investment-Grade Defaults In The Five-Year 2008 Static Pool

Company name	Country	Industry	Default date	Rating one year prior to default	Rating three years prior to default	First rating	Date of first rating	Year of default
IndyMac Bank FSB	U.S.	Financial institutions	7/14/2008	BBB	BBB-	BBB-	9/4/1998	2008
BluePoint Re Limited	Bermuda	Insurance	8/14/2008	AA	AA	AA	10/25/2004	2008
Lehman Brothers Holdings Inc.	U.S.	Financial institutions	9/16/2008	A+	A	AA-	1/1/1985	2008
Lehman Brothers Inc.	U.S.	Financial institutions	9/23/2008	AA-	A+	AA	10/5/1984	2008
Washington Mutual Bank	U.S.	Financial institutions	9/26/2008	A-	A-	B+	1/24/1989	2008
Washington Mutual Inc.	U.S.	Financial institutions	9/26/2008	A	A	BBB	7/17/1995	2008
Controladora Comercial Mexicana S. A. B. de C. V.	Mexico	Consumer/service sector	10/9/2008	BBB-	BBB-	BB+	3/31/1998	2008
Glitnir Bank	Iceland	Financial institutions	10/9/2008	A-		A-	3/28/2006	2008
Downey S&L Assn.	U.S.	Financial institutions	11/24/2008	BBB	BBB-	A+	12/31/1980	2008
Downey Financial Corp.	U.S.	Financial institutions	11/24/2008	BBB+	BBB	BBB-	6/7/1999	2008
LandAmerica Financial Group Inc.	U.S.	Insurance	11/26/2008	BBB-	BBB-	BBB-	11/19/2004	2008
Commonwealth Land Title Insurance Co.	U.S.	Insurance	12/4/2008	A-	A-	A-	6/25/1997	2008
Babcock & Brown International Pty Ltd.	Australia	Financial institutions	12/5/2008	BBB		BBB	11/26/2007	2008
General Growth Properties Inc.	U.S.	Real estate	3/17/2009	BBB-	BBB-	BBB-	6/2/1998	2009
Technicolor S.A.	France	Consumer/service sector	5/7/2009	BB	BBB	BBB+	7/24/2002	2009
The International Banking Corp.	Bahrain	Financial institutions	5/12/2009	BBB-	BBB-	BBB-	5/2/2006	2009
Saad Group	Saudi Arabia	Financial institutions	6/2/2009	BBB+		BBB+	4/2/2007	2009
CIT Group Inc.	U.S.	Financial institutions	8/17/2009	A-	A	AA	12/31/1980	2009
Colonial Bank	U.S.	Financial institutions	8/17/2009	BBB	BBB-	BBB	1/21/1997	2009
Colonial BancGroup Inc.	U.S.	Financial institutions	8/17/2009	BBB+	BBB	BBB-	1/17/1997	2009
Aiful Corp.	Japan	Financial institutions	9/24/2009	BBB	BBB+	BBB	10/6/2003	2009
Capmark Financial Group Inc.	U.S.	Financial institutions	10/26/2009	BBB-	BBB-	BBB-	3/23/2006	2009
Ambac Assurance Corp.	U.S.	Insurance	11/18/2009	AA	AAA	AAA	12/31/1980	2009
AmTrust Financial Corp.	U.S.	Financial institutions	12/1/2009	NR	BBB-	BBB-	2/28/2006	2009

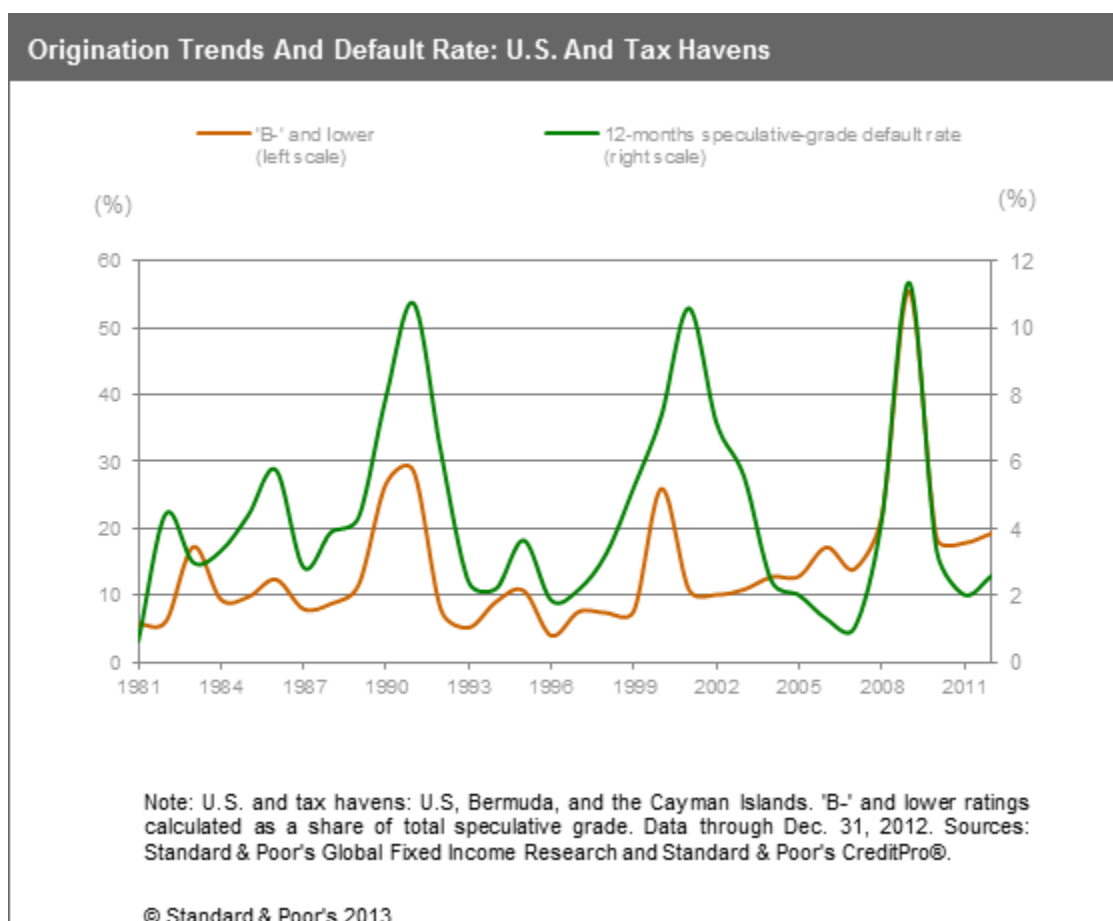
Table 15

Investment-Grade Defaults In The Five-Year 2008 Static Pool (cont.)								
Takefuji Corp.	Japan	Financial institutions	12/15/2009	BBB-	BBB	A-	2/10/1999	2009
Gulf Finance House	Bahrain	Financial institutions	2/10/2010	BBB-	BBB-	BBB-	8/7/2006	2010
American Capital Ltd.	U.S.	Financial institutions	6/28/2010	BB-	BBB	BBB	12/18/2006	2010
FGIC Corp.	U.S.	Insurance	8/3/2010	NR	AA	AA	1/5/2004	2010
South Canterbury Finance Ltd.	New Zealand	Financial institutions	8/30/2010	BB+	BBB-	BBB-	12/17/2006	2010
Ambac Financial Group Inc.	U.S.	Insurance	11/2/2010	CC	AA	AA+	7/30/1991	2010
Fifth & Pacific Cos. Inc.	U.S.	Consumer/service sector	4/11/2011	B-	BBB	BBB	11/16/1999	2011
PMI Mortgage Insurance Co.	U.S.	Insurance	8/22/2011	B+	A+	AA	3/8/1985	2011
MF Global Holdings Ltd.	U.S.	Financial institutions	10/31/2011	BBB	BBB	BBB+	5/31/2007	2011
PMI Group Inc.	U.S.	Insurance	11/28/2011	CCC+	BBB-	A+	11/6/1996	2011
Republic Mortgage Insurance Co.	U.S.	Insurance	1/26/2012	BBB-	A	AA	3/28/1983	2012
Arcapita Bank	Bahrain	Financial institutions	3/19/2012	NR	BB+	BBB	11/16/2006	2012
Yellow Media Inc.	Canada	Leisure time/media	12/20/2012	BB-	NR	BB+	8/1/2003	2012

Note: Excludes confidentially rated defaults. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Since 1981, the 'B' rating category ('B+', 'B', and 'B-') has accounted for 1,161 defaulters (53.8% of the total, from initial rating), more than double the number of entities in the 'BB' category (see tables 10 and 12). Given the historical track record, monitoring the movement in new rating patterns could prove useful in anticipating future default activity based on the notion that years characterized by high numbers of new ratings of 'B-' or lower will likely be followed by increased default risk. Chart 17 plots the proportion of all new speculative-grade ratings 'B-' or lower in the U.S. against the year-end U.S. speculative-grade default rate. As coincident indicators, broad movements in the two series generally mirror each other throughout most of their shared history--uncannily so in the most recent three years.

Chart 17



Industry Variations

The default rate for nonfinancial companies increased in 2012 relative to the prior year, though this was not the case for financials (see table 16). This is, in part, attributable to the decline in the default rate among insurance companies to 0.12% in 2012 from 0.37% in 2011, which offset the slight increase in the default rate among financial institutions. In 2012, financial companies accounted for 15.5% of total defaults globally, little changed from the 15.1% in 2011. Of the 13 financial entities that defaulted in 2012, four were from the U.S., while three companies were from Israel—one of which defaulted twice in 2012.

Table 16

Cumulative Global Corporate Default Rates By Sector							
Sector	2012	2011	Average (1981-2012)	Median	Standard deviation	Minimum	Maximum
Financial institutions							
One year	0.57	0.42	0.66	0.30	0.73	0.00	2.41
Three years	1.27	3.01	1.95	1.39	1.73	0.00	6.33
10 years	2.49	3.09	4.83	4.12	2.62	1.59	9.96

Table 16

Cumulative Global Corporate Default Rates By Sector (cont.)

Insurance							
One year	0.12	0.37	0.62	0.29	1.06	0.00	5.13
Three years	0.74	1.08	1.91	1.17	1.87	0.16	7.69
10 years	2.85	3.17	6.06	4.92	3.44	2.85	16.13
All financials							
One year	0.40	0.40	0.62	0.43	0.55	0.00	1.86
Three years	1.05	2.23	1.87	1.84	1.27	0.18	4.96
10 years	2.62	3.12	5.21	4.42	2.29	2.38	9.02
All nonfinancials							
One year	1.45	0.95	1.83	1.39	1.39	0.16	5.56
Three years	3.57	7.60	5.24	4.00	3.09	1.85	12.41
10 years	9.47	13.49	11.78	11.21	3.38	6.96	19.35

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Over the long term, cyclicity has been more pronounced in nonfinancial sectors than in financial sectors, which is as we would expect considering the differences in their rating profiles (see chart 18). Financial companies were more likely to possess an initial rating in the investment-grade category, while nonfinancials companies were more likely to have initial ratings in the speculative-grade domain. Over the 32 years this study covers, 73.9% of financial entities had initial investment-grade ratings, while only 35.3% of nonfinancials did. This helps to explain the resemblance between the annual default rates of nonfinancial entities and those of the speculative-grade universe as a whole. This certainly contributes to the vast differences between cumulative default rates across financial and nonfinancial sectors (see table 16). For example, at the end of 2012, the one-year default rate among all financial entities was 0.4%, compared with 1.45% for all nonfinancials. The gap is even wider over longer time horizons, such as three years and 10 years (see chart 19).

Chart 18

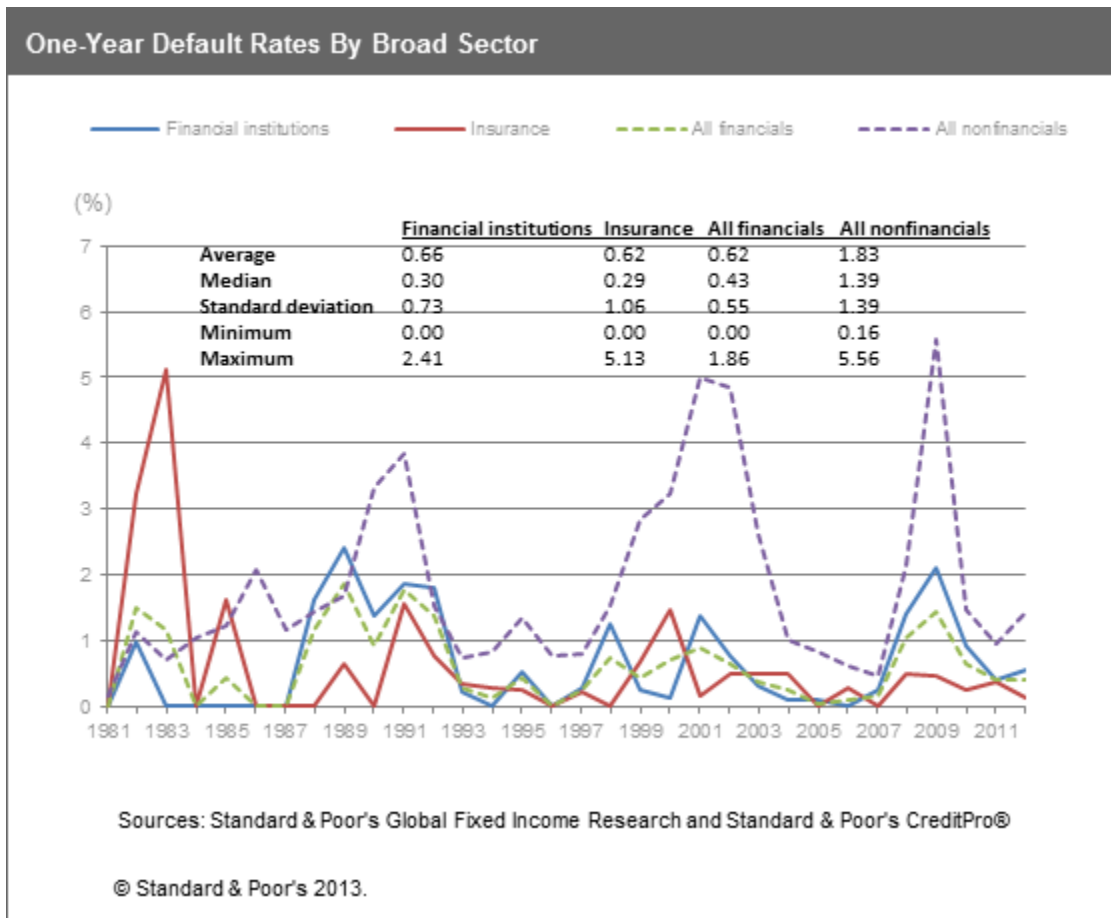
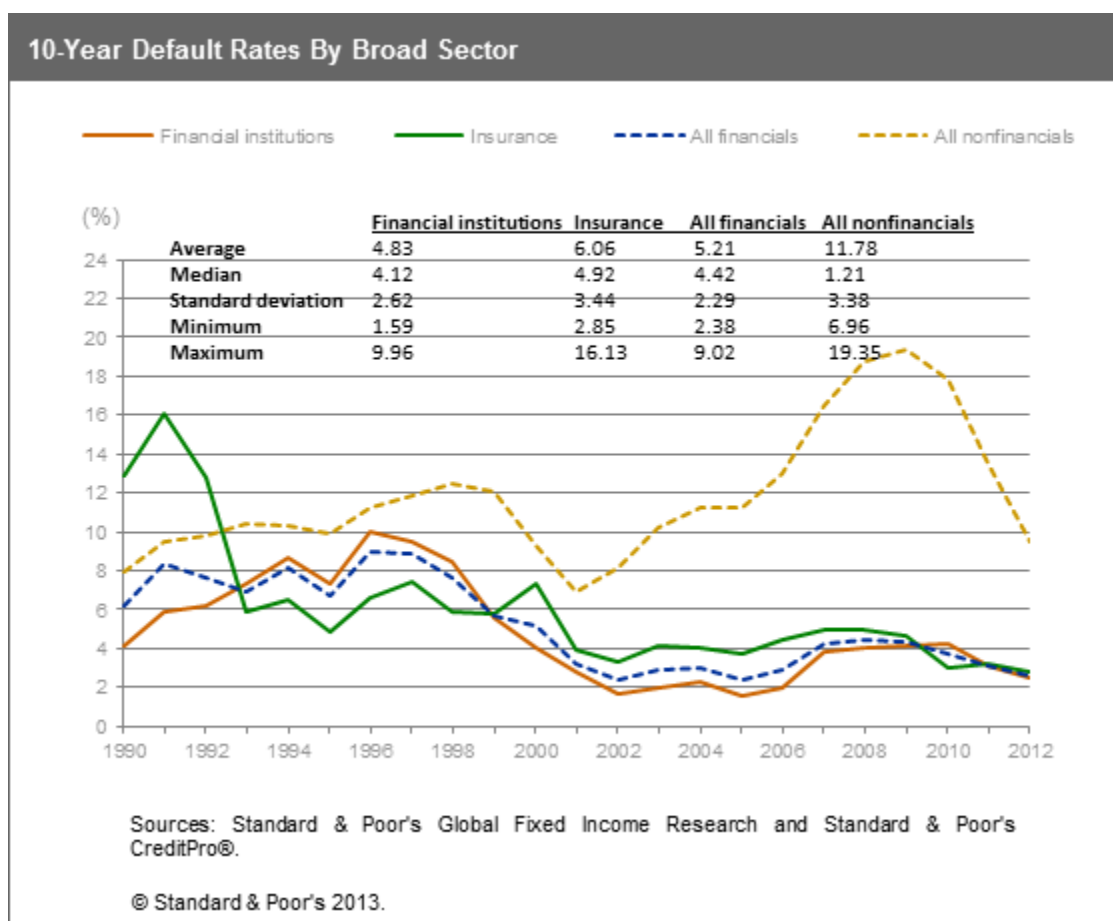


Chart 19



Of the 2,156 defaults recorded globally over the long term, seven sectors displayed an average time to default that is lower than the overall average of 5.8 years. These sectors are energy and natural resources, financial institutions, health care/chemicals, high technology, leisure time/media, real estate, and telecommunications (see table 17). Using the median rather than the mean adds the transportation sector into the mix.

Table 17

	Median original rating (defaulters)	Median original rating (industry)	Defaults	Average years from original rating*	Median years from original rating	Standard deviation of years from original rating	Range
Aerospace/automotive/capital goods/metal	B+	BB-	339	6.3	4.5	5.5	28.2
Consumer/service sector	B+	BB-	406	6.4	4.8	5.3	26.6
Energy and natural resources	B+	BB-	136	4.1	3.0	3.7	22.6
Financial institutions	BB-	BBB+	176	5.0	3.6	5.5	28.6
Forest and building products/homebuilders	B+	BB-	137	6.6	4.9	5.3	27.8
Health care/chemicals	B+	BB-	131	5.7	4.1	4.8	27.4

Table 17

Time To Default From Original Rating By Industry (%) (cont.)							
High technology/computers/office equipment	B+	B+	70	5.1	3.8	4.6	28.3
Insurance	BBB+	A	69	7.9	6.6	6.4	28.6
Leisure time/media	B+	B+	310	5.6	4.0	4.9	29.0
Real estate	BB-	BBB-	35	3.9	3.1	3.0	10.5
Telecommunications	B	B+	155	4.0	3.2	3.0	21.4
Transportation	B+	BB+	124	6.2	3.9	6.3	30.9
Utility	BB+	BBB+	68	6.3	4.4	6.0	24.3
Total	B+	BB	2,156	5.8	4.1	5.2	30.9

*Or Dec. 31, 1980, whichever is later. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 18

Time To Default From All Ratings By Industry (%)			
	Average years to default	Median years to default	Standard deviation of years to default
Aerospace/automotive/capital goods/metal	3.5	1.3	5.0
Consumer/service sector	3.3	1.5	4.6
Energy and natural resources	2.2	0.8	3.4
Financial institutions	2.7	0.7	4.7
Forest and building products/homebuilders	3.1	1.3	4.5
Health care/chemicals	2.8	1.1	4.2
High technology/computers/office equipment	3.5	1.6	5.0
Insurance	3.4	1.6	4.7
Leisure time/media	2.9	1.1	4.4
Real estate	1.6	0.8	2.3
Telecommunications	1.8	0.6	2.9
Transportation	4.1	1.4	6.0
Utility	3.0	0.7	5.0
Total	3.8	2.0	4.9

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Industry-level default rates in 2012 were generally in line with 2011, with most sectors still below their long-term weighted averages (see table 19). Nine industries had default rates in 2012 that were higher than their comparable 2011 rates, with an average increase of 0.78%. Meanwhile, the consumer/service, forest and building products/homebuilders, insurance, and real estate sectors all had lower default rates in 2012 than they did in 2011, with an average decline of 0.66%. By historical comparison, nine sectors had default rates below their long-term weighted averages, with an average divergence of 0.95%. Industries that had higher default activity in 2012 relative to their long-term averages were energy and natural resources, leisure time/media, transportation, and utilities, with an average increase of just 0.6%.

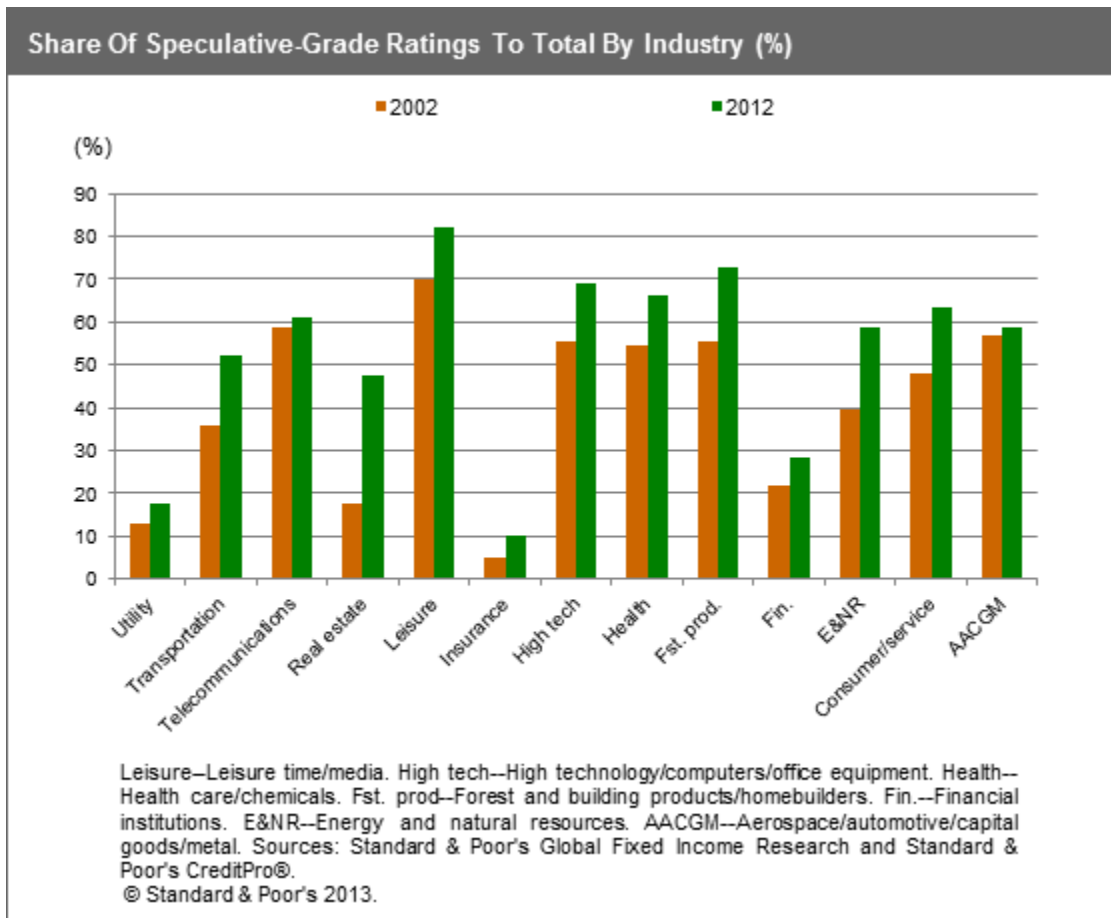
Table 19

Global Corporate Default Rates By Industry							
(%)	2012	2011	Weighted average (1981-2012)	Median	Standard deviation	Minimum	Maximum
Aerospace/automotive/capital goods/metal	1.16	0.42	2.43	1.33	2.16	0.00	9.67
Consumer/service sector	1.09	1.53	2.40	1.72	1.68	0.00	6.36
Energy and natural resources	2.28	1.00	1.79	1.29	2.16	0.00	10.00
Financial institutions	0.57	0.42	0.69	0.30	0.73	0.00	2.41
Forest and building products/homebuilders	1.54	2.63	2.67	1.43	2.99	0.00	14.14
Health care/chemicals	0.75	0.53	1.55	0.84	1.38	0.00	4.70
High technology/computers/office equipment	0.41	0.00	1.27	0.97	1.58	0.00	4.91
Insurance	0.12	0.37	0.39	0.29	1.06	0.00	5.13
Leisure time/media	4.00	2.11	3.66	2.10	3.48	0.00	16.77
Real estate	0.00	0.85	0.80	0.00	2.61	0.00	9.68
Telecommunications	0.93	0.00	2.90	0.51	4.19	0.00	18.69
Transportation	3.20	2.80	2.16	1.83	1.69	0.00	6.06
Utility	0.99	0.00	0.46	0.00	0.80	0.00	4.23

Includes investment-grade and speculative-grade entities. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

When comparing default rates across sectors, it is important to note some key differences between the various industries. Some of the variation in default rates between sectors stems from sample size differences as well as differentiation in the rating mix across industries. For example, the leisure/media sector has a much higher representation of speculative-grade ratings than the financial institutions or insurance sectors (see chart 20). What is most compelling is that all sectors now have a higher portion of speculative-grade ratings than they did 10 years ago, and speculative-grade-rated issuers account for more than 50% of total issuers in nine of the 13 industries.

Chart 20



Hefty Growth In Speculative-Grade Ratings

History suggests that growth in speculative-grade ratings is usually a precursor to a period of increased defaults. The recent surge in speculative-grade originations beginning in 2002 in the U.S.—where the high-yield market has the most depth—supports this notion (see chart 23). By contrast, speculative-grade rating originations in Europe are more subdued, which is attributable to much of the leveraged activity having migrated to the private credit estimate market, which is not included in this study or the CreditPro® database (see chart 24). Still, the growth of speculative-grade ratings in Europe has picked up since 2009, a result of a slight increase in the rate of downgrades and a marked increase in the number of initial speculative-grade ratings for new issuers. As default rates have been falling around the globe, another increase in the proportion of speculative-grade issuers has begun, particularly in the U.S., where 52.7% of issuers are rated speculative grade as of December 2012.

On a trailing-12-month basis, the global speculative-grade default rate peaked at 10.1% in November 2009 (see chart 21). Because we're past the low point for corporate financial markets, risk appetite has increased, as demonstrated by an increase in the share of new speculative-grade issuers over the past three years to 77% in 2012 and an all-time high of 78.8% in 2010 from 66.1% in 2009. In addition, the total number of issuers receiving initial ratings was at its

third-highest level (762) in 2012, further emphasizing a continued positive corporate credit outlook.

Chart 21

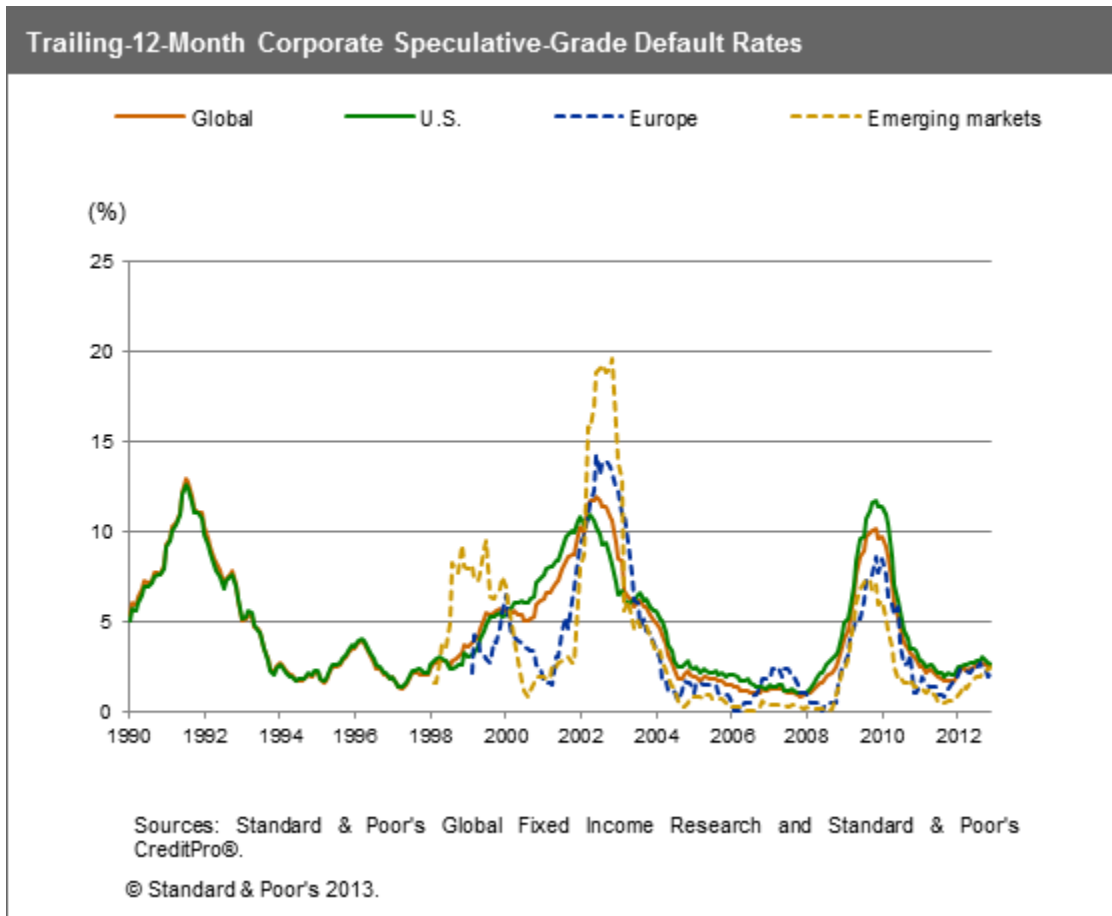


Chart 22

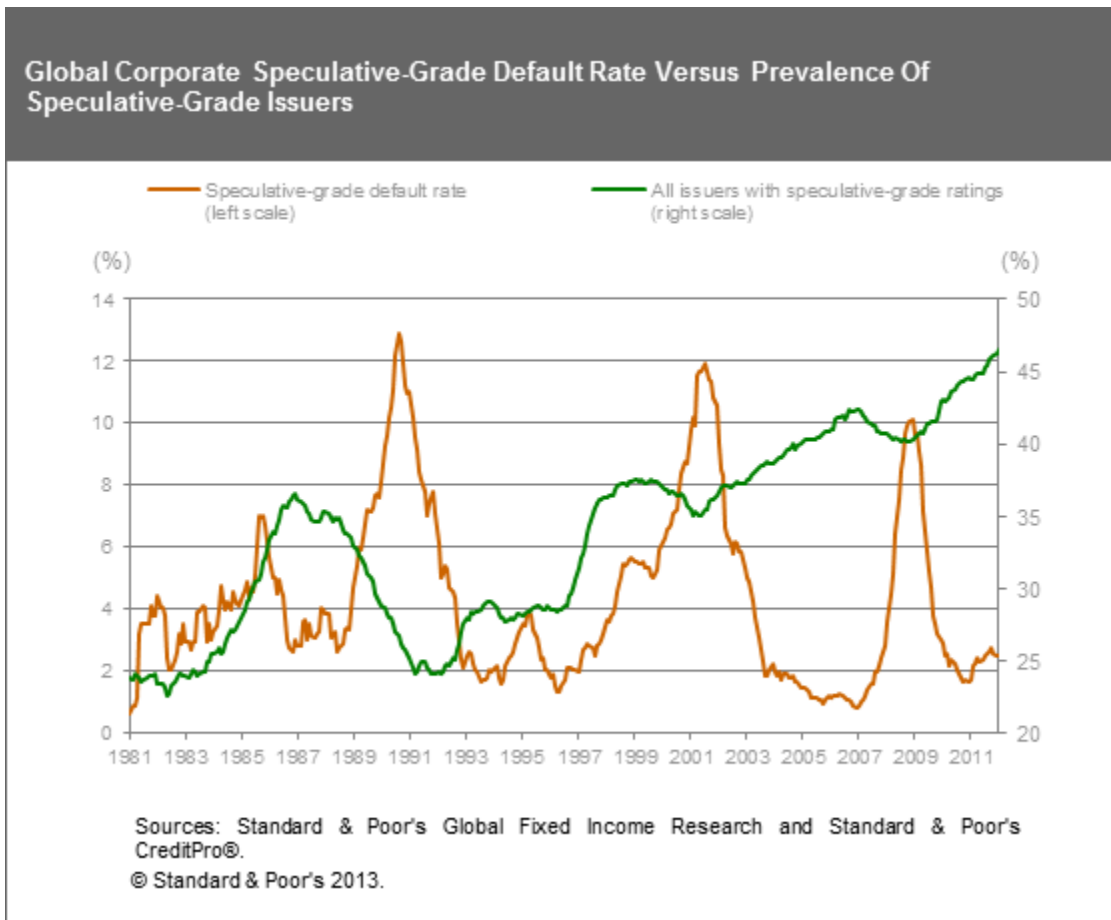


Chart 23

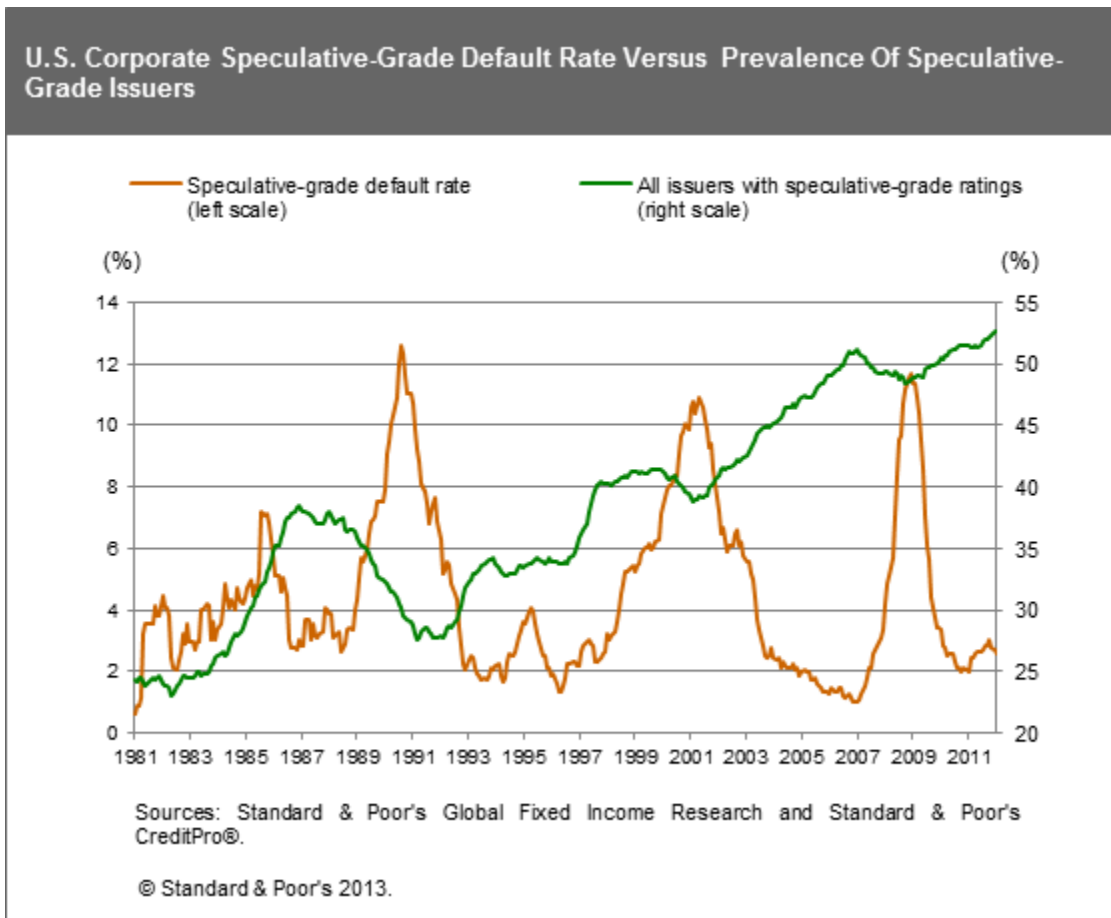
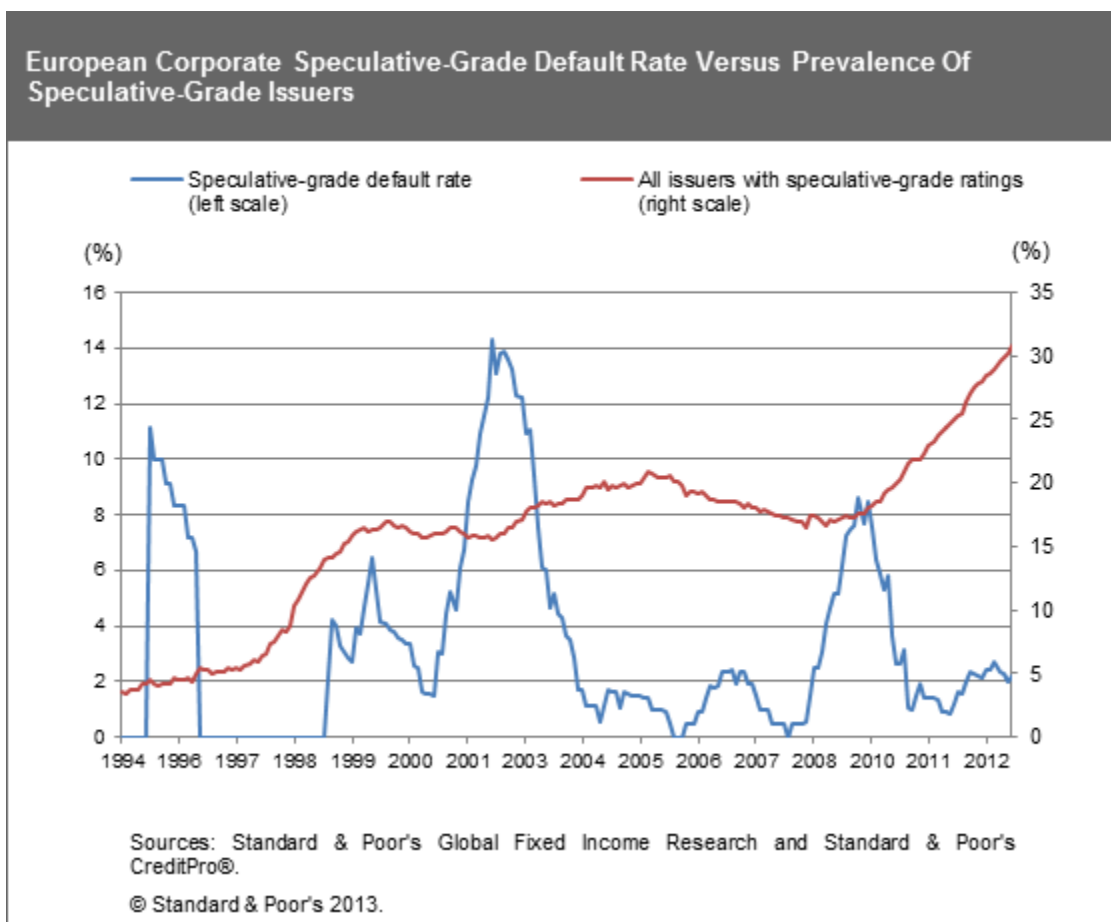


Chart 24



Transition Tables And Cumulative Default Rates

An analysis of transition rates over the four quarters ended December 2012 suggests that ratings behavior continues to exhibit consistency with long-term trends, showing a negative correspondence between ratings and observed frequency of default. Investment-grade-rated issuers--globally as well as in the U.S. and Europe--tend to exhibit greater rating stability (as measured by the frequency of rating transition) than their speculative-grade counterparts (see table 20). For instance, 88.6% of issuers rated 'A' at the beginning of 2012 were still rated 'A' by Dec. 31, 2012, whereas the comparable share for issuers rated 'B' was only 79.7%. The same relationship holds even when analyzing the transition rates by regions.

The continued financial stress at the sovereign level across Europe during the past three years had a negative effect on many of the higher-rated corporate entities in that region in 2012. This was of particular consequence for the financial institutions and insurance sectors, resulting in an increase in the downgrade rates of a large percentage of highly rated entities in those sectors (see table 20). Additionally, regardless of region, the remaining number of 'AAA' rated entities is especially small, which makes the relative weight of even a few corporate downgrades substantial in transition figures for this rating category.

Over the long term (1981-2012), heightened ratings stability is broadly consistent with higher ratings (see table 21). A key observation when analyzing transition matrices that present averages computed over multiple static pools is that the standard deviations associated with each transition point in the matrix are large relative to the averages (outside of stability rates). This is also applicable within the average cumulative default rate tables in this study and reflects the significant variability across multiple static pools.

Table 20

2012 One-Year Corporate Transition Rates By Region (%)									
From/to	AAA	AA	A	BBB	BB	B	CCC/C	D	NR
Global									
AAA	87.50	12.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AA	0.00	84.29	11.43	1.71	0.00	0.00	0.00	0.00	2.57
A	0.00	0.98	88.57	6.92	0.00	0.08	0.00	0.00	3.46
BBB	0.00	0.00	1.89	89.19	3.36	0.06	0.00	0.00	5.50
BB	0.00	0.00	0.10	4.39	80.71	7.07	0.10	0.29	7.35
B	0.00	0.00	0.00	0.20	3.67	79.67	4.21	1.50	10.74
CCC/C	0.00	0.00	0.00	0.00	0.00	14.94	44.16	26.62	14.29
U.S.									
AAA	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AA	0.00	92.96	4.93	0.00	0.00	0.00	0.00	0.00	2.11
A	0.00	1.68	92.18	3.54	0.00	0.00	0.00	0.00	2.61
BBB	0.00	0.00	2.40	92.52	1.47	0.13	0.00	0.00	3.47
BB	0.00	0.00	0.20	4.22	81.53	7.43	0.20	0.00	6.43
B	0.00	0.00	0.00	0.00	2.63	82.37	3.72	1.10	10.19
CCC/C	0.00	0.00	0.00	0.00	0.00	14.43	44.33	29.90	11.34
Europe									
AAA	70.00	30.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AA	0.00	74.80	18.70	4.88	0.00	0.00	0.00	0.00	1.63
A	0.00	0.24	79.52	15.18	0.00	0.00	0.00	0.00	5.06
BBB	0.00	0.00	2.72	80.66	8.46	0.00	0.00	0.00	8.16
BB	0.00	0.00	0.00	1.45	75.36	10.87	0.00	0.72	11.59
B	0.00	0.00	0.00	1.91	3.82	77.07	5.10	0.64	11.46
CCC/C	0.00	0.00	0.00	0.00	0.00	15.00	45.00	25.00	15.00
Emerging markets									
AAA	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AA	0.00	95.45	4.55	0.00	0.00	0.00	0.00	0.00	0.00
A	0.00	1.79	91.67	4.76	0.00	0.00	0.00	0.00	1.79
BBB	0.00	0.00	1.08	89.70	3.79	0.00	0.00	0.00	5.42
BB	0.00	0.00	0.00	5.92	81.41	5.63	0.00	0.56	6.48
B	0.00	0.00	0.00	0.00	6.32	73.85	4.02	2.87	12.93
CCC/C	0.00	0.00	0.00	0.00	0.00	17.65	38.24	17.65	26.47

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

This study--in line with previous default studies--confirms that over the long term (1981-2012), higher ratings are more stable than lower ratings. 'AAA' rated issuers were still rated 'AAA' one year later 87.17% of the time, and 'CCC'/'C' ratings remained 'CCC'/'C' 43.89% of the time. These long-term relationships do not change even when default rates are calculated over longer time horizons (see table 21) or when broken out by region (see table 22). In contrast, the relationship is slightly more discontinuous when we examine the rating transitions across modifiers (i.e., a plus or minus after a rating), but these variations are likely a fallout of sample size variations, and we do not consider them significant (see table 23). For example, 'AA+' rated issuers were still rated 'AA+' one year later 76.5% of the time, and 'AA' rated issuers were still rated 'AA' one year later 80% of the time.

Table 21

Global Corporate Average Transition Rates (1981-2012) (%)									
From/To	AAA	AA	A	BBB	BB	B	CCC/C	D	NR
One-year									
AAA	87.17 (9.11)	8.69 (9.13)	0.54 (0.86)	0.05 (0.31)	0.08 (0.25)	0.03 (0.20)	0.05 (0.40)	0.00 (0.00)	3.38 (2.66)
AA	0.54 (0.55)	86.29 (4.90)	8.36 (3.99)	0.57 (0.75)	0.06 (0.25)	0.08 (0.24)	0.02 (0.07)	0.02 (0.07)	4.05 (1.91)
A	0.03 (0.13)	1.86 (1.15)	87.26 (3.47)	5.53 (2.10)	0.36 (0.49)	0.15 (0.35)	0.02 (0.07)	0.07 (0.11)	4.71 (1.91)
BBB	0.01 (0.06)	0.12 (0.23)	3.54 (2.31)	85.09 (4.62)	3.88 (1.82)	0.61 (1.02)	0.14 (0.24)	0.22 (0.26)	6.39 (1.79)
BB	0.02 (0.06)	0.04 (0.16)	0.15 (0.39)	5.18 (2.35)	76.12 (5.02)	7.20 (4.63)	0.72 (0.92)	0.86 (1.04)	9.71 (2.84)
B	0.00 (0.00)	0.03 (0.13)	0.11 (0.37)	0.23 (0.33)	5.42 (2.50)	73.84 (5.30)	4.40 (2.52)	4.28 (3.32)	11.68 (2.98)
CCC/C	0.00 (0.00)	0.00 (0.00)	0.16 (0.70)	0.24 (1.01)	0.73 (1.29)	13.69 (8.42)	43.89 (12.62)	26.85 (12.48)	14.43 (7.19)
Three-year									
AAA	66.08 (13.54)	20.75 (14.42)	2.35 (1.67)	0.33 (0.82)	0.19 (0.51)	0.08 (0.35)	0.11 (0.50)	0.14 (0.38)	9.96 (5.69)
AA	1.29 (0.77)	64.98 (8.51)	19.12 (5.89)	2.27 (1.41)	0.38 (0.65)	0.27 (0.52)	0.03 (0.08)	0.14 (0.18)	11.53 (4.30)
A	0.07 (0.11)	4.36 (2.36)	67.48 (5.93)	12.00 (2.82)	1.43 (1.12)	0.56 (0.80)	0.12 (0.16)	0.31 (0.25)	13.66 (3.66)
BBB	0.02 (0.10)	0.36 (0.54)	8.55 (4.10)	62.81 (8.20)	7.17 (2.72)	1.98 (1.77)	0.36 (0.49)	1.12 (0.87)	17.62 (3.42)
BB	0.01 (0.09)	0.06 (0.22)	0.64 (1.09)	11.27 (4.19)	44.87 (6.35)	11.95 (3.84)	1.32 (1.08)	4.79 (3.47)	25.09 (4.06)
B	0.01 (0.12)	0.04 (0.16)	0.29 (0.80)	0.96 (1.00)	10.76 (3.57)	40.20 (6.56)	4.44 (2.37)	14.65 (6.93)	28.65 (5.92)
CCC/C	0.00 (0.00)	0.00 (0.00)	0.23 (0.85)	0.79 (2.32)	1.90 (3.36)	16.34 (7.79)	11.34 (11.38)	41.69 (14.04)	27.72 (11.41)

Table 21

Global Corporate Average Transition Rates (1981-2012) (%) (cont.)									
Five-year									
AAA	51.38	25.45	4.78	0.85	0.20	0.17	0.09	0.37	16.72
	(11.50)	(11.27)	(2.60)	(1.77)	(0.46)	(0.48)	(0.32)	(0.61)	(6.67)
AA	1.57	50.35	24.63	3.94	0.60	0.44	0.05	0.39	18.02
	(0.92)	(7.38)	(5.03)	(1.75)	(0.70)	(0.72)	(0.12)	(0.40)	(4.85)
A	0.10	5.41	53.96	15.26	2.20	0.84	0.19	0.65	21.39
	(0.11)	(2.62)	(6.76)	(2.44)	(1.27)	(1.14)	(0.22)	(0.41)	(4.09)
BBB	0.03	0.60	10.40	48.96	7.82	2.67	0.43	2.34	26.75
	(0.11)	(0.69)	(4.38)	(8.15)	(2.44)	(1.82)	(0.57)	(1.29)	(4.40)
BB	0.01	0.08	1.22	12.46	28.90	11.31	1.39	8.99	35.63
	(0.08)	(0.28)	(1.29)	(3.99)	(5.66)	(3.15)	(1.45)	(4.58)	(4.31)
B	0.02	0.04	0.35	1.80	10.37	23.69	2.90	21.40	39.43
	(0.26)	(0.14)	(1.18)	(1.56)	(2.89)	(5.99)	(1.39)	(7.83)	(6.18)
CCC/C	0.00	0.00	0.23	0.86	3.03	12.05	3.26	46.37	34.21
	(0.00)	(0.00)	(0.83)	(4.09)	(3.17)	(5.58)	(7.79)	(13.92)	(11.95)
Seven-year									
AAA	40.91	27.87	7.09	1.61	0.21	0.15	0.12	0.51	21.53
	(8.77)	(9.24)	(2.66)	(2.14)	(0.49)	(0.45)	(0.34)	(0.74)	(7.06)
AA	1.66	40.18	27.35	5.14	0.78	0.42	0.04	0.55	23.89
	(1.00)	(4.65)	(3.90)	(1.66)	(0.70)	(0.61)	(0.10)	(0.57)	(4.62)
A	0.09	5.69	44.68	16.88	2.75	1.00	0.18	1.08	27.64
	(0.14)	(2.10)	(6.23)	(1.82)	(1.38)	(1.22)	(0.23)	(0.53)	(3.64)
BBB	0.04	0.81	10.85	39.91	7.60	2.77	0.42	3.48	34.11
	(0.17)	(0.59)	(3.85)	(6.45)	(1.00)	(1.28)	(0.51)	(1.63)	(3.53)
BB	0.00	0.08	1.67	12.19	19.99	9.69	1.07	12.57	42.74
	(0.00)	(0.29)	(1.39)	(4.25)	(4.66)	(2.72)	(0.97)	(4.98)	(3.67)
B	0.01	0.03	0.51	2.41	8.87	14.60	1.78	25.56	46.23
	(0.22)	(0.14)	(1.02)	(1.96)	(2.27)	(4.01)	(0.91)	(7.48)	(5.93)
CCC/C	0.00	0.00	0.39	1.23	3.57	8.69	1.49	48.12	36.51
	(0.00)	(0.00)	(0.91)	(4.63)	(2.35)	(4.37)	(4.36)	(12.97)	(10.85)

Note: Numbers in parentheses are standard deviations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 22

Average One-Year Corporate Transition Rates (1981-2012) (%)									
From/To	AAA	AA	A	BBB	BB	B	CCC/C	D	NR
U.S.									
AAA	87.43	8.41	0.57	0.04	0.12	0.04	0.04	0.00	3.35
	(14.90)	(14.90)	(1.21)	(0.19)	(0.35)	(0.32)	(0.32)	(0.00)	(2.65)
AA	0.56	86.43	7.99	0.63	0.09	0.12	0.04	0.04	4.11
	(0.52)	(6.50)	(4.81)	(0.88)	(0.22)	(0.29)	(0.11)	(0.17)	(2.34)
A	0.05	1.80	87.36	5.59	0.45	0.18	0.03	0.08	4.46

Table 22

Average One-Year Corporate Transition Rates (1981-2012) (%) (cont.)									
	(0.14)	(1.26)	(3.78)	(2.41)	(0.54)	(0.36)	(0.11)	(0.16)	(1.82)
BBB	0.01	0.14	3.53	85.34	4.09	0.70	0.13	0.25	5.80
	(0.07)	(0.22)	(2.41)	(5.01)	(1.77)	(1.07)	(0.19)	(0.31)	(1.91)
BB	0.02	0.06	0.20	5.09	76.03	8.09	0.66	0.93	8.91
	(0.08)	(0.16)	(0.37)	(2.59)	(5.34)	(4.73)	(0.83)	(1.01)	(2.86)
B	0.00	0.04	0.14	0.23	4.87	74.93	4.59	4.42	10.78
	(0.00)	(0.13)	(0.37)	(0.34)	(2.50)	(5.41)	(2.67)	(3.33)	(3.01)
CCC/C	0.00	0.00	0.22	0.33	0.83	12.28	45.04	27.75	13.55
	(0.00)	(0.00)	(0.74)	(1.07)	(1.41)	(8.26)	(12.25)	(12.76)	(6.74)
Europe									
AAA	83.62	10.04	0.66	0.22	0.00	0.00	0.22	0.00	5.24
	(6.55)	(7.72)	(1.68)	(1.73)	(0.00)	(0.00)	(1.21)	(0.00)	(4.76)
AA	0.25	84.09	11.07	0.69	0.00	0.00	0.00	0.00	3.90
	(0.43)	(6.57)	(5.92)	(1.31)	(0.00)	(0.00)	(0.00)	(0.00)	(1.98)
A	0.02	2.22	85.71	6.48	0.26	0.02	0.00	0.05	5.25
	(0.05)	(1.39)	(4.08)	(3.59)	(0.38)	(0.07)	(0.00)	(0.11)	(1.91)
BBB	0.00	0.11	4.43	82.86	4.24	0.52	0.14	0.11	7.60
	(0.00)	(0.23)	(2.20)	(3.67)	(3.00)	(0.60)	(0.35)	(0.28)	(3.90)
BB	0.00	0.00	0.14	4.71	71.29	8.02	0.63	0.63	14.57
	(0.00)	(0.00)	(2.21)	(2.98)	(6.64)	(4.11)	(1.17)	(1.12)	(5.85)
B	0.00	0.00	0.08	0.59	7.11	66.55	5.08	3.22	17.36
	(0.00)	(0.00)	(0.40)	(0.70)	(4.98)	(7.52)	(3.43)	(4.97)	(7.62)
CCC/C	0.00	0.00	0.00	0.00	0.00	16.53	28.93	33.06	21.49
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(13.26)	(18.92)	(23.91)	(25.66)
Emerging markets									
AAA	88.68	3.77	0.00	0.00	0.00	0.00	0.00	0.00	7.55
	(21.67)	(11.07)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(16.79)
AA	2.22	86.11	7.78	0.56	0.00	0.00	0.00	0.00	3.33
	(5.71)	(15.35)	(11.40)	(3.03)	(0.00)	(0.00)	(0.00)	(0.00)	(6.74)
A	0.00	1.61	89.83	5.08	0.33	0.47	0.00	0.07	2.61
	(0.00)	(1.69)	(7.76)	(6.12)	(1.13)	(2.21)	(0.00)	(0.13)	(1.70)
BBB	0.00	0.03	3.17	85.98	3.71	0.67	0.32	0.19	5.93
	(0.00)	(0.11)	(3.32)	(7.27)	(5.50)	(2.01)	(1.67)	(0.64)	(2.70)
BB	0.00	0.00	0.03	5.31	78.68	4.52	1.01	0.93	9.52
	(0.00)	(0.00)	(0.15)	(2.97)	(6.53)	(2.76)	(3.51)	(1.69)	(4.01)
B	0.00	0.00	0.00	0.14	7.74	71.45	2.93	3.28	14.45
	(0.00)	(0.00)	(0.00)	(0.42)	(4.27)	(6.77)	(3.53)	(5.03)	(5.68)
CCC/C	0.00	0.00	0.00	0.00	0.47	20.14	44.73	18.74	15.93
	(0.00)	(0.00)	(0.00)	(0.00)	(0.79)	(13.30)	(22.59)	(15.95)	(23.78)

Note: Numbers in parentheses are standard deviations. For Europe and emerging markets, calculations are for 1996-2012 due to sample size considerations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 23

Average One-Year Transition Rates For Global Corporates By Rating Modifier (1981-2012) (%)																		
From/to	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC	D
AAA	87.17 (9.11)	5.37 (8.78)	2.63 (3.34)	0.70 (1.01)	0.16 (0.49)	0.24 (0.56)	0.13 (0.32)	0.00 (0.00)	0.05 (0.31)	0.00 (0.00)	0.03 (0.19)	0.05 (0.17)	0.00 (0.00)	0.00 (0.00)	0.03 (0.20)	0.00 (0.00)	0.05 (0.40)	0.00 (0.00)
AA+	2.50 (4.81)	76.49 (11.51)	11.53 (8.37)	4.03 (4.64)	0.85 (2.74)	0.62 (0.97)	0.28 (0.62)	0.11 (0.39)	0.11 (0.80)	0.06 (0.19)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
AA	0.45 (0.51)	1.27 (1.60)	80.03 (9.11)	8.65 (6.76)	2.97 (2.46)	1.33 (1.25)	0.42 (0.63)	0.44 (0.83)	0.14 (0.35)	0.09 (0.24)	0.05 (0.16)	0.03 (0.12)	0.02 (0.10)	0.02 (0.15)	0.00 (0.00)	0.02 (0.09)	0.05 (0.15)	0.02 (0.08)
AA-	0.05 (0.17)	0.12 (0.28)	4.09 (3.96)	76.91 (6.44)	10.39 (4.52)	2.71 (3.57)	0.68 (0.86)	0.28 (0.64)	0.22 (0.51)	0.07 (0.19)	0.03 (0.43)	0.00 (0.00)	0.00 (0.00)	0.03 (0.22)	0.10 (0.58)	0.02 (0.06)	0.00 (0.00)	0.03 (0.09)
A+	0.00 (0.00)	0.10 (0.21)	0.53 (0.97)	4.60 (2.70)	76.92 (5.36)	9.26 (3.14)	2.48 (1.55)	0.72 (0.73)	0.40 (0.44)	0.10 (0.24)	0.09 (0.19)	0.11 (0.34)	0.01 (0.05)	0.09 (0.23)	0.04 (0.18)	0.00 (0.00)	0.00 (0.00)	0.06 (0.14)
A	0.04 (0.16)	0.05 (0.14)	0.25 (0.57)	0.51 (0.51)	5.10 (1.86)	77.50 (4.56)	6.99 (2.98)	2.74 (1.74)	1.12 (1.00)	0.31 (0.40)	0.13 (0.25)	0.14 (0.36)	0.10 (0.40)	0.11 (0.43)	0.03 (0.10)	0.01 (0.04)	0.02 (0.06)	0.07 (0.12)
A-	0.05 (0.33)	0.01 (0.05)	0.09 (0.26)	0.17 (0.42)	0.53 (0.84)	6.56 (3.79)	76.19 (6.05)	7.51 (3.01)	2.57 (1.54)	0.73 (0.79)	0.19 (0.58)	0.16 (0.53)	0.15 (0.30)	0.14 (0.43)	0.03 (0.07)	0.01 (0.14)	0.04 (0.15)	0.07 (0.20)
BBB+	0.00 (0.00)	0.01 (0.05)	0.07 (0.25)	0.09 (0.29)	0.28 (0.74)	0.94 (1.73)	6.90 (3.59)	73.70 (7.03)	8.67 (3.46)	1.97 (1.98)	0.47 (0.85)	0.42 (0.61)	0.15 (0.32)	0.24 (0.61)	0.14 (0.40)	0.03 (0.09)	0.09 (0.26)	0.14 (0.31)
BBB	0.01 (0.12)	0.01 (0.12)	0.06 (0.20)	0.04 (0.21)	0.14 (0.30)	0.42 (1.02)	1.15 (1.39)	7.12 (3.06)	74.93 (5.46)	6.18 (2.21)	1.56 (1.36)	0.79 (0.76)	0.36 (0.75)	0.28 (0.67)	0.16 (0.67)	0.05 (0.09)	0.08 (0.13)	0.20 (0.35)
BBB-	0.01 (0.10)	0.01 (0.05)	0.01 (0.04)	0.06 (0.33)	0.06 (0.26)	0.23 (0.72)	0.33 (1.04)	1.30 (1.87)	8.86 (3.59)	71.62 (7.57)	5.34 (3.06)	2.43 (2.22)	0.97 (1.19)	0.49 (1.47)	0.31 (0.77)	0.21 (0.77)	0.28 (0.62)	0.35 (0.46)
BB+	0.06 (0.25)	0.00 (0.00)	0.00 (0.00)	0.04 (0.13)	0.02 (0.09)	0.13 (0.89)	0.11 (0.36)	0.50 (1.14)	2.14 (2.59)	12.00 (5.34)	62.99 (5.79)	6.43 (2.99)	3.19 (2.60)	1.19 (2.68)	0.78 (2.78)	0.19 (0.45)	0.52 (1.29)	0.47 (0.93)
BB	0.00 (0.00)	0.00 (0.00)	0.05 (0.38)	0.02 (0.06)	0.00 (0.00)	0.08 (0.69)	0.07 (0.38)	0.22 (0.68)	0.66 (1.22)	2.46 (3.17)	9.29 (4.61)	64.33 (6.75)	7.59 (3.58)	2.58 (1.77)	1.24 (1.45)	0.44 (0.82)	0.71 (1.21)	0.71 (0.84)
BB-	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.01 (0.16)	0.01 (0.11)	0.01 (0.10)	0.07 (0.42)	0.14 (0.36)	0.29 (0.68)	0.46 (0.87)	2.04 (2.39)	8.89 (4.41)	63.39 (7.48)	8.37 (4.93)	3.20 (1.87)	0.92 (1.19)	0.85 (1.18)	1.21 (1.75)
B+	0.00 (0.00)	0.01 (0.08)	0.00 (0.00)	0.04 (0.19)	0.00 (0.00)	0.04 (0.10)	0.08 (0.29)	0.05 (0.18)	0.06 (0.27)	0.11 (0.24)	0.33 (0.42)	1.56 (1.40)	7.36 (3.51)	64.69 (8.39)	7.86 (3.42)	2.63 (1.43)	1.84 (1.61)	2.40 (2.12)
B	0.00 (0.00)	0.00 (0.00)	0.01 (0.16)	0.01 (0.07)	0.00 (0.00)	0.06 (0.43)	0.06 (0.87)	0.04 (0.12)	0.10 (0.65)	0.04 (0.16)	0.18 (0.74)	0.35 (1.04)	1.49 (2.06)	8.70 (4.31)	58.97 (9.23)	8.07 (3.81)	4.98 (4.62)	5.10 (4.70)
B-	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.03 (0.84)	0.06 (0.74)	0.00 (0.00)	0.12 (0.66)	0.06 (0.20)	0.15 (0.89)	0.15 (0.97)	0.21 (2.21)	0.56 (1.61)	2.75 (3.14)	11.02 (5.84)	52.30 (11.75)	10.84 (6.25)	8.17 (7.85)
CCC/C	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.04 (0.31)	0.00 (0.00)	0.12 (0.65)	0.08 (0.65)	0.08 (0.41)	0.08 (0.72)	0.04 (0.33)	0.20 (0.65)	0.49 (1.11)	1.34 (2.23)	2.97 (5.71)	9.37 (5.72)	43.89 (12.62)	26.85 (12.48)

Note: Numbers in parentheses are standard deviations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Over each time span, lower ratings correspond to higher default rates (see chart 25 and table 24). This also holds true in every region worldwide (see table 25).

Chart 25

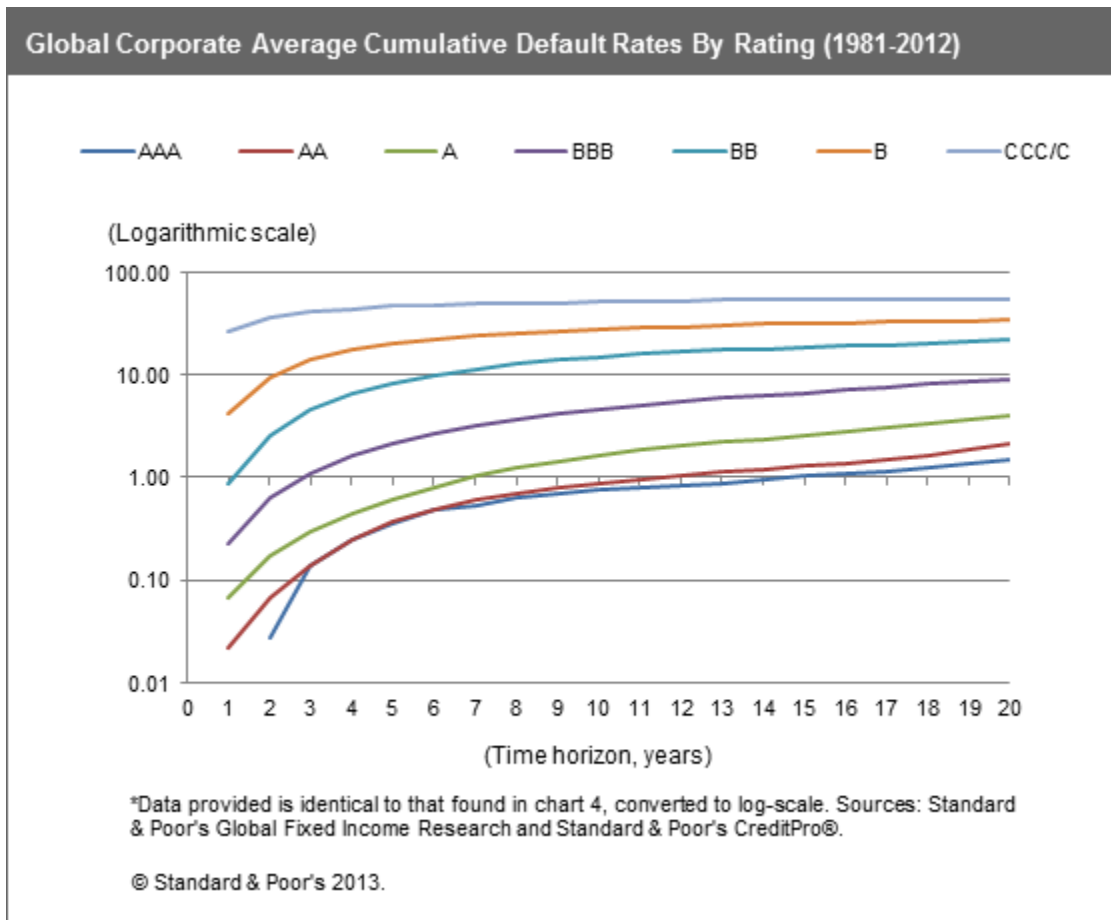


Table 24

Rating	--Time horizon (years)--														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
AAA	0.00	0.03	0.14	0.25	0.36	0.48	0.54	0.63	0.69	0.76	0.79	0.83	0.86	0.94	1.02
	(0.00)	(0.01)	(0.07)	(0.13)	(0.19)	(0.25)	(0.28)	(0.27)	(0.24)	(0.21)	(0.20)	(0.19)	(0.18)	(0.18)	(0.19)
AA	0.02	0.07	0.14	0.25	0.37	0.49	0.60	0.70	0.78	0.88	0.96	1.05	1.13	1.21	1.30
	(0.01)	(0.03)	(0.04)	(0.09)	(0.15)	(0.22)	(0.28)	(0.36)	(0.37)	(0.40)	(0.42)	(0.46)	(0.43)	(0.41)	(0.39)
A	0.07	0.17	0.29	0.45	0.62	0.81	1.03	1.23	1.43	1.65	1.84	2.02	2.19	2.35	2.55
	(0.02)	(0.03)	(0.05)	(0.08)	(0.09)	(0.10)	(0.13)	(0.17)	(0.25)	(0.39)	(0.52)	(0.56)	(0.57)	(0.55)	(0.55)
BBB	0.22	0.63	1.08	1.62	2.18	2.72	3.19	3.66	4.12	4.59	5.08	5.49	5.89	6.31	6.73
	(0.06)	(0.14)	(0.17)	(0.24)	(0.31)	(0.42)	(0.53)	(0.64)	(0.78)	(0.91)	(1.00)	(0.91)	(0.78)	(0.67)	(0.60)
BB	0.86	2.60	4.63	6.59	8.37	10.06	11.52	12.82	14.03	15.09	15.95	16.70	17.34	17.88	18.52
	(0.31)	(0.58)	(0.87)	(1.26)	(1.75)	(2.37)	(2.39)	(2.54)	(2.90)	(3.17)	(3.63)	(3.69)	(3.70)	(3.53)	(3.41)
B	4.28	9.58	14.07	17.56	20.18	22.30	24.03	25.42	26.64	27.84	28.84	29.65	30.40	31.10	31.82
	(0.93)	(1.96)	(2.20)	(2.43)	(2.89)	(2.85)	(2.98)	(3.16)	(3.10)	(2.77)	(2.24)	(2.16)	(2.04)	(2.17)	(2.33)
CCC/C	26.85	35.94	41.17	44.19	46.64	47.71	48.67	49.44	50.39	51.13	51.80	52.58	53.45	54.26	54.26
	(6.93)	(7.13)	(8.23)	(9.08)	(9.19)	(7.79)	(8.01)	(8.01)	(7.67)	(6.32)	(6.47)	(6.57)	(6.38)	(5.07)	(5.07)

Table 24

Global Corporate Average Cumulative Default Rates (1981-2012) (%) (cont.)															
Investment grade	0.11	0.31	0.54	0.82	1.12	1.41	1.68	1.94	2.19	2.45	2.70	2.91	3.11	3.32	3.54
	(0.03)	(0.06)	(0.09)	(0.13)	(0.15)	(0.16)	(0.18)	(0.22)	(0.30)	(0.41)	(0.50)	(0.50)	(0.46)	(0.41)	(0.36)
Speculative grade	4.11	8.05	11.46	14.22	16.44	18.30	19.85	21.16	22.36	23.46	24.38	25.15	25.85	26.48	27.12
	(0.96)	(1.39)	(1.72)	(1.84)	(1.87)	(1.65)	(1.73)	(1.75)	(1.64)	(1.53)	(1.51)	(1.52)	(1.53)	(1.50)	(1.47)
All rated	1.55	3.06	4.40	5.53	6.48	7.29	7.98	8.58	9.12	9.63	10.08	10.45	10.80	11.12	11.45
	(0.37)	(0.59)	(0.81)	(0.93)	(0.98)	(0.92)	(0.93)	(0.86)	(0.76)	(0.60)	(0.45)	(0.44)	(0.46)	(0.51)	(0.56)

Note: Numbers in parentheses are standard deviations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

The only exceptions occur when the number of defaults is very small--such as among the higher rating categories--at the rating modifier level (see table 26). Investment-grade-rated issuers seldom default, so the number of defaults among these rating categories is very low. This small sample size can result in historical default rates that are counterintuitive. This does not imply, for example, that 'AAA' rated companies are more risky than 'AA+' rated companies, but rather that both are very unlikely to default.

Table 25

Average Cumulative Default Rates For Corporates By Region (1981-2012) (%)															
Rating	--Time horizon (years)--														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
U.S.															
AAA	0.00	0.04	0.16	0.29	0.42	0.55	0.60	0.69	0.78	0.88	0.93	0.98	1.04	1.16	1.28
	(0.00)	(0.02)	(0.07)	(0.14)	(0.20)	(0.26)	(0.26)	(0.24)	(0.21)	(0.20)	(0.19)	(0.18)	(0.17)	(0.17)	(0.18)
AA	0.04	0.09	0.19	0.33	0.48	0.65	0.80	0.93	1.04	1.16	1.27	1.36	1.47	1.56	1.67
	(0.01)	(0.03)	(0.05)	(0.10)	(0.16)	(0.23)	(0.28)	(0.35)	(0.36)	(0.39)	(0.40)	(0.44)	(0.40)	(0.38)	(0.35)
A	0.08	0.22	0.40	0.61	0.82	1.05	1.32	1.57	1.84	2.12	2.36	2.58	2.79	2.98	3.21
	(0.03)	(0.04)	(0.07)	(0.11)	(0.12)	(0.11)	(0.14)	(0.16)	(0.20)	(0.28)	(0.40)	(0.42)	(0.43)	(0.40)	(0.38)
BBB	0.25	0.68	1.14	1.74	2.37	3.00	3.56	4.14	4.71	5.27	5.83	6.28	6.71	7.16	7.62
	(0.06)	(0.13)	(0.12)	(0.17)	(0.24)	(0.35)	(0.46)	(0.54)	(0.67)	(0.77)	(0.85)	(0.74)	(0.59)	(0.44)	(0.33)
BB	0.93	2.83	5.13	7.30	9.23	11.15	12.77	14.24	15.56	16.73	17.68	18.53	19.24	19.82	20.49
	(0.31)	(0.54)	(0.76)	(1.10)	(1.62)	(2.22)	(2.20)	(2.33)	(2.68)	(2.93)	(3.39)	(3.42)	(3.41)	(3.21)	(3.08)
B	4.42	9.97	14.78	18.54	21.42	23.77	25.71	27.26	28.63	29.91	31.00	31.86	32.66	33.38	34.10
	(0.89)	(1.88)	(2.11)	(2.33)	(2.84)	(2.84)	(3.01)	(3.21)	(3.16)	(2.80)	(2.23)	(2.15)	(2.02)	(2.17)	(2.36)
CCC/C	27.75	38.21	44.17	48.03	51.04	52.38	53.46	54.27	55.34	56.11	56.85	57.68	58.58	59.38	59.38
	(6.93)	(7.56)	(8.77)	(9.77)	(9.86)	(8.55)	(8.78)	(8.78)	(8.39)	(7.03)	(7.17)	(7.24)	(7.04)	(5.72)	(5.72)
Investment grade	0.13	0.36	0.62	0.96	1.30	1.66	1.99	2.32	2.65	2.97	3.28	3.53	3.78	4.02	4.28
	(0.03)	(0.06)	(0.10)	(0.14)	(0.16)	(0.17)	(0.19)	(0.20)	(0.26)	(0.34)	(0.42)	(0.41)	(0.37)	(0.30)	(0.25)
Speculative grade	4.41	8.75	12.57	15.65	18.12	20.21	21.96	23.42	24.74	25.94	26.93	27.78	28.54	29.19	29.85
	(0.94)	(1.35)	(1.66)	(1.75)	(1.74)	(1.43)	(1.52)	(1.53)	(1.32)	(1.07)	(0.88)	(0.84)	(0.82)	(0.79)	(0.78)
All rated	1.81	3.63	5.25	6.61	7.74	8.73	9.57	10.29	10.95	11.57	12.10	12.54	12.94	13.31	13.69
	(0.42)	(0.70)	(0.97)	(1.14)	(1.22)	(1.19)	(1.24)	(1.20)	(1.12)	(0.98)	(0.85)	(0.87)	(0.91)	(0.98)	(1.05)

Table 25

Average Cumulative Default Rates For Corporates By Region (1981-2012) (%) (cont.)

Europe							
AAA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
AA	0.00	0.04	0.08	0.16	0.26	0.36	0.42
	(0.00)	(0.03)	(0.06)	(0.11)	(0.17)	(0.23)	(0.25)
A	0.05	0.11	0.17	0.26	0.38	0.49	0.65
	(0.03)	(0.05)	(0.09)	(0.13)	(0.19)	(0.25)	(0.30)
BBB	0.11	0.32	0.55	0.73	0.89	1.07	1.28
	(0.11)	(0.27)	(0.49)	(0.59)	(0.67)	(0.71)	(0.70)
BB	0.63	1.88	3.16	3.91	4.75	5.68	6.61
	(0.51)	(1.31)	(2.17)	(2.50)	(2.96)	(2.85)	(2.25)
B	3.22	8.22	11.83	14.20	16.11	17.34	17.71
	(2.29)	(5.20)	(7.30)	(7.88)	(8.01)	(7.42)	(4.97)
CCC/C	33.06	38.13	40.60	40.60	40.60	40.60	43.30
	(19.84)	(20.54)	(21.31)	(21.31)	(21.31)	(21.31)	(21.68)
Investment grade	0.06	0.15	0.25	0.36	0.48	0.60	0.74
	(0.03)	(0.09)	(0.15)	(0.21)	(0.26)	(0.29)	(0.27)
Speculative grade	3.20	6.19	8.47	9.87	11.13	12.16	12.90
	(1.87)	(3.42)	(4.76)	(5.14)	(5.41)	(4.82)	(3.08)
All rated	0.61	1.19	1.65	1.97	2.27	2.54	2.77
	(0.29)	(0.55)	(0.77)	(0.87)	(0.95)	(0.93)	(0.75)
Emerging markets							
AAA	0.00	0.00	0.00	0.00	0.00		
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)		
AA	0.00	0.00	0.00	0.00	0.00		
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)		
A	0.07	0.07	0.07	0.07	0.07		
	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)		
BBB	0.19	0.91	1.73	2.71	3.65		
	(0.45)	(0.94)	(1.63)	(2.67)	(3.85)		
BB	0.93	2.58	4.15	5.68	6.87		
	(0.74)	(2.34)	(3.71)	(4.83)	(6.41)		
B	3.28	6.63	9.05	11.03	12.12		
	(3.60)	(5.95)	(8.25)	(9.69)	(9.91)		
CCC/C	18.74	22.56	25.01	25.62	26.26		
	(9.96)	(11.30)	(12.61)	(28.20)	(6.37)		
Investment grade	0.14	0.61	1.14	1.77	2.39		
	(0.27)	(0.62)	(1.12)	(1.87)	(2.65)		
Speculative grade	3.02	5.50	7.47	9.11	10.22		

Table 25

Average Cumulative Default Rates For Corporates By Region (1981-2012) (%) (cont.)					
	(2.13)	(3.57)	(4.94)	(5.80)	(7.04)
All rated	1.82	3.46	4.83	6.06	6.97
	(1.25)	(2.29)	(3.12)	(3.92)	(4.86)

Note: Numbers in parentheses are standard deviations. Figures for Europe and the emerging markets are calculated for the period 1996-2012 due to sample size considerations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 26

Global Corporate Average Cumulative Default Rates By Rating Modifier (1981-2012) (%)															
Rating	--Time horizon (years)--														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
AAA	0.00	0.03	0.14	0.25	0.36	0.48	0.54	0.63	0.69	0.76	0.79	0.83	0.86	0.94	1.02
	(0.00)	(0.01)	(0.07)	(0.13)	(0.19)	(0.25)	(0.28)	(0.27)	(0.24)	(0.21)	(0.20)	(0.19)	(0.18)	(0.18)	(0.19)
AA+	0.00	0.06	0.06	0.12	0.18	0.25	0.31	0.38	0.45	0.52	0.59	0.67	0.76	0.85	0.95
	(0.00)	(0.06)	(0.06)	(0.22)	(0.47)	(0.86)	(1.62)	(1.61)	(1.60)	(1.58)	(1.57)	(1.55)	(1.53)	(1.51)	(1.48)
AA	0.02	0.04	0.09	0.24	0.39	0.53	0.68	0.80	0.91	1.03	1.13	1.20	1.33	1.42	1.51
	(0.01)	(0.01)	(0.03)	(0.07)	(0.11)	(0.14)	(0.18)	(0.18)	(0.19)	(0.25)	(0.28)	(0.26)	(0.23)	(0.22)	(0.21)
AA-	0.03	0.10	0.21	0.30	0.40	0.52	0.61	0.68	0.75	0.83	0.91	1.00	1.03	1.10	1.18
	(0.02)	(0.05)	(0.12)	(0.25)	(0.38)	(0.58)	(0.67)	(0.82)	(0.88)	(0.84)	(0.81)	(1.15)	(1.15)	(1.17)	(1.17)
A+	0.06	0.11	0.25	0.42	0.55	0.68	0.82	0.98	1.16	1.36	1.55	1.75	2.00	2.29	2.53
	(0.03)	(0.21)	(0.18)	(0.15)	(0.14)	(0.15)	(0.17)	(0.18)	(0.12)	(0.23)	(0.39)	(0.44)	(0.48)	(0.60)	(0.64)
A	0.07	0.18	0.28	0.43	0.59	0.80	1.01	1.20	1.44	1.71	1.93	2.09	2.22	2.31	2.54
	(0.03)	(0.05)	(0.07)	(0.11)	(0.14)	(0.12)	(0.17)	(0.15)	(0.19)	(0.28)	(0.43)	(0.49)	(0.53)	(0.50)	(0.46)
A-	0.07	0.21	0.35	0.50	0.71	0.93	1.24	1.48	1.67	1.83	1.99	2.16	2.33	2.45	2.55
	(0.04)	(0.10)	(0.15)	(0.24)	(0.45)	(0.71)	(1.01)	(1.10)	(1.29)	(1.38)	(1.32)	(1.26)	(1.20)	(1.16)	(1.16)
BBB+	0.14	0.40	0.70	1.00	1.33	1.71	1.99	2.28	2.62	2.95	3.27	3.49	3.77	4.19	4.66
	(0.08)	(0.21)	(0.35)	(0.47)	(0.52)	(0.61)	(0.70)	(0.77)	(0.79)	(0.84)	(0.62)	(0.61)	(0.65)	(0.74)	(0.89)
BBB	0.20	0.52	0.81	1.26	1.73	2.18	2.60	3.01	3.47	3.93	4.44	4.88	5.27	5.41	5.67
	(0.09)	(0.32)	(0.31)	(0.36)	(0.44)	(0.50)	(0.62)	(0.83)	(1.00)	(1.20)	(1.32)	(1.17)	(1.05)	(1.01)	(0.94)
BBB-	0.35	1.05	1.88	2.85	3.81	4.68	5.45	6.20	6.82	7.45	8.14	8.73	9.28	10.12	10.70
	(0.12)	(0.35)	(0.59)	(0.75)	(1.07)	(1.40)	(1.58)	(1.36)	(1.43)	(1.28)	(1.35)	(1.32)	(1.22)	(1.03)	(0.99)
BB+	0.47	1.33	2.49	3.64	4.74	5.86	6.89	7.65	8.63	9.57	10.27	10.99	11.60	12.09	12.96
	(0.27)	(0.72)	(1.92)	(2.63)	(3.09)	(3.31)	(3.70)	(4.04)	(4.72)	(5.11)	(4.93)	(4.72)	(4.48)	(4.39)	(4.27)
BB	0.71	2.21	4.29	6.22	8.05	9.60	10.98	12.16	13.18	14.04	14.86	15.61	16.03	16.29	16.64
	(0.27)	(0.37)	(0.77)	(0.95)	(1.28)	(1.33)	(1.49)	(1.69)	(1.50)	(1.57)	(1.21)	(1.42)	(1.54)	(1.60)	(1.67)
BB-	1.21	3.66	6.16	8.61	10.75	12.89	14.66	16.39	17.88	19.16	20.15	20.93	21.75	22.52	23.25
	(0.41)	(0.79)	(0.96)	(1.32)	(1.88)	(2.86)	(3.00)	(3.23)	(3.62)	(3.97)	(4.65)	(4.93)	(5.02)	(4.74)	(4.62)
B+	2.40	6.46	10.43	13.86	16.47	18.50	20.37	22.03	23.52	25.02	26.19	27.08	27.96	28.75	29.49
	(0.62)	(1.89)	(2.65)	(3.21)	(3.73)	(4.13)	(4.48)	(4.76)	(4.90)	(2.55)	(2.72)	(2.82)	(2.91)	(3.02)	(3.12)
B	5.10	11.20	16.04	19.47	22.04	24.44	25.95	27.04	28.02	28.87	29.67	30.42	31.09	31.71	32.48
	(1.68)	(2.75)	(3.03)	(3.35)	(4.00)	(3.66)	(3.57)	(3.73)	(3.69)	(3.37)	(2.70)	(2.55)	(2.32)	(2.44)	(2.59)
B-	8.17	15.76	21.25	25.13	27.98	29.94	31.63	32.57	33.19	33.73	34.36	34.95	35.35	35.80	36.30
	(2.95)	(5.19)	(5.92)	(6.42)	(6.71)	(6.98)	(7.41)	(7.61)	(7.76)	(7.81)	(7.24)	(7.40)	(7.52)	(7.64)	(7.79)
CCC/C	26.85	35.94	41.17	44.19	46.64	47.71	48.67	49.44	50.39	51.13	51.80	52.58	53.45	54.26	54.26

Table 26

Global Corporate Average Cumulative Default Rates By Rating Modifier (1981-2012) (%) (cont.)															
	(6.93)	(7.13)	(8.23)	(9.08)	(9.19)	(7.79)	(8.01)	(8.01)	(7.67)	(6.32)	(6.47)	(6.57)	(6.38)	(5.07)	(5.07)
Investment grade	0.11	0.31	0.54	0.82	1.12	1.41	1.68	1.94	2.19	2.45	2.70	2.91	3.11	3.32	3.54
	(0.03)	(0.06)	(0.09)	(0.13)	(0.15)	(0.16)	(0.18)	(0.22)	(0.30)	(0.41)	(0.50)	(0.50)	(0.46)	(0.41)	(0.36)
Speculative grade	4.11	8.05	11.46	14.22	16.44	18.30	19.85	21.16	22.36	23.46	24.38	25.15	25.85	26.48	27.12
	(0.96)	(1.39)	(1.72)	(1.84)	(1.87)	(1.65)	(1.73)	(1.75)	(1.64)	(1.53)	(1.51)	(1.52)	(1.53)	(1.50)	(1.47)
All rated	1.55	3.06	4.40	5.53	6.48	7.29	7.98	8.58	9.12	9.63	10.08	10.45	10.80	11.12	11.45
	(0.37)	(0.59)	(0.81)	(0.93)	(0.98)	(0.92)	(0.93)	(0.86)	(0.76)	(0.60)	(0.45)	(0.44)	(0.46)	(0.51)	(0.56)

Note: Numbers in parentheses are standard deviations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Gini Ratios And Lorenz Curves

A quantitative analysis of the performance of Standard & Poor's ratings shows that corporate ratings continue to correlate with the level of default risk across several time horizons. To measure ratings performance, we plotted the cumulative share of defaulters against the cumulative share of issuers by rating in a Lorenz curve to visually render the accuracy of its rank ordering (for definition and methodology, refer to Appendix III). Over the long term, the global average one-year transition to default has a one-year Gini coefficient of 82.2%, three-year of 75.5%, five-year of 71.5%, and seven-year of 69.4% (see charts 26-29).

Table 27

Region	--Time horizon--			
	One year	Three years	Five years	Seven years
Global				
Weighted average	82.16	75.48	71.46	69.40
Average	84.35	77.64	73.01	70.63
Standard deviation	(5.54)	(5.13)	(5.21)	(4.49)
U.S.				
Weighted average	80.55	73.71	69.88	67.93
Average	83.07	75.55	70.90	68.82
Standard deviation	(6.97)	(6.75)	(6.81)	(5.83)
Europe				
Weighted average	90.67	85.53	80.55	76.28
Average	91.97	87.50	81.00	71.05
Standard deviation	(5.58)	(6.24)	(7.79)	(11.49)

Note: Numbers in parentheses are standard deviations. Average and standard deviation for Europe calculated for the period 1996-2012 due to sample size considerations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

As expected, the Gini coefficients decline over time because longer time horizons allow for greater opportunity for credit degradation among higher-rated entities. In the one-year global Lorenz curve, for example, 95.3% of defaults

occurred in the speculative-grade category ('BB+' or lower), while ratings of 'BB+' or lower constituted only 35.8% of all corporate ratings (see chart 26). Looking at the seven-year Lorenz curve, speculative-grade issuers constituted 85.5% of defaulters and only 33.1% of the entire sample (see chart 29). If the rank ordering of ratings had little predictive value, the cumulative share of defaulting corporate entities and the cumulative share of all entities at each rating would be nearly the same, producing a Gini ratio of zero.

Table 28

Gini Coefficients For Global Corporates By Broad Sector (1981-2012)				
Sector	--Time horizon--			
	One year	Three years	Five years	Seven years
Financial				
Weighted average	78.50	67.43	59.10	56.39
Average	83.45	71.87	63.15	58.61
Standard deviation	(16.49)	(14.40)	(15.66)	(14.49)
Nonfinancial				
Weighted average	80.95	73.98	70.15	67.90
Average	83.71	76.64	72.29	69.31
Standard deviation	(6.48)	(5.47)	(5.44)	(5.15)

Note: Numbers in parentheses are standard deviations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Chart 26

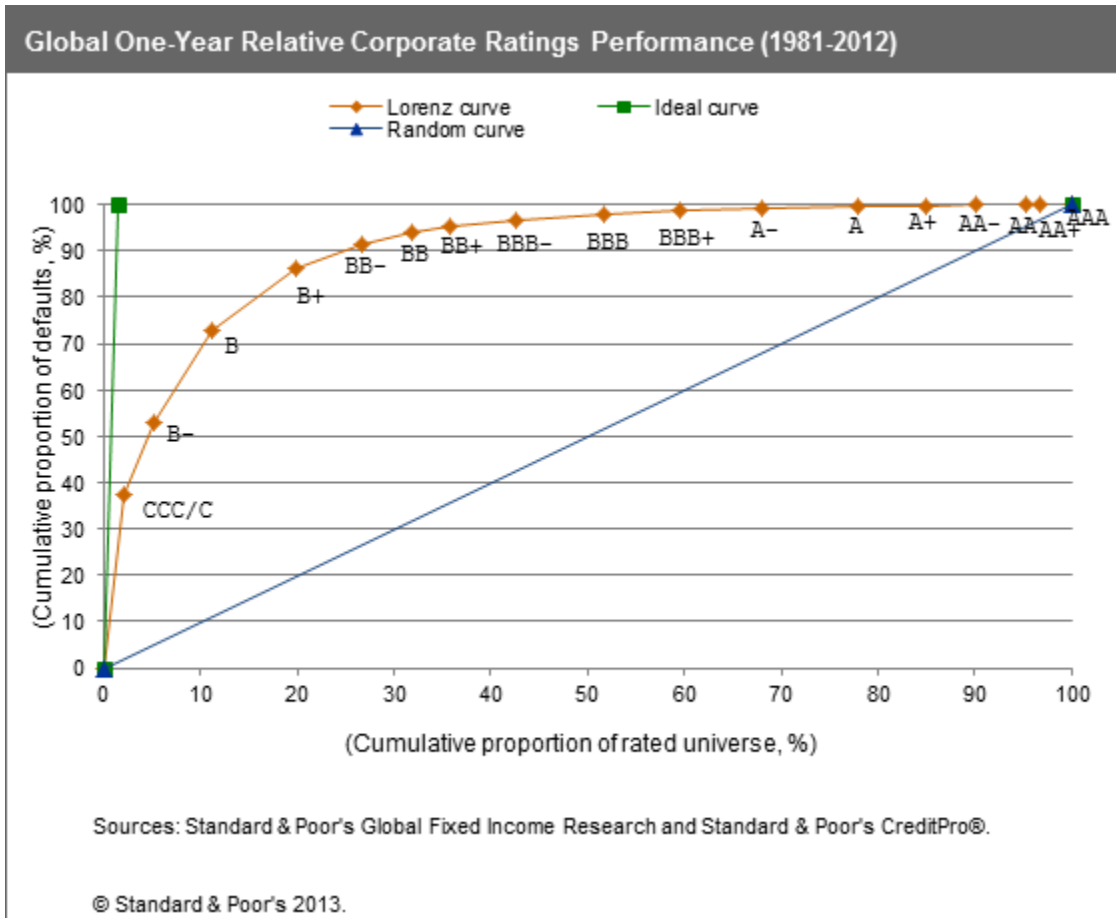


Chart 27

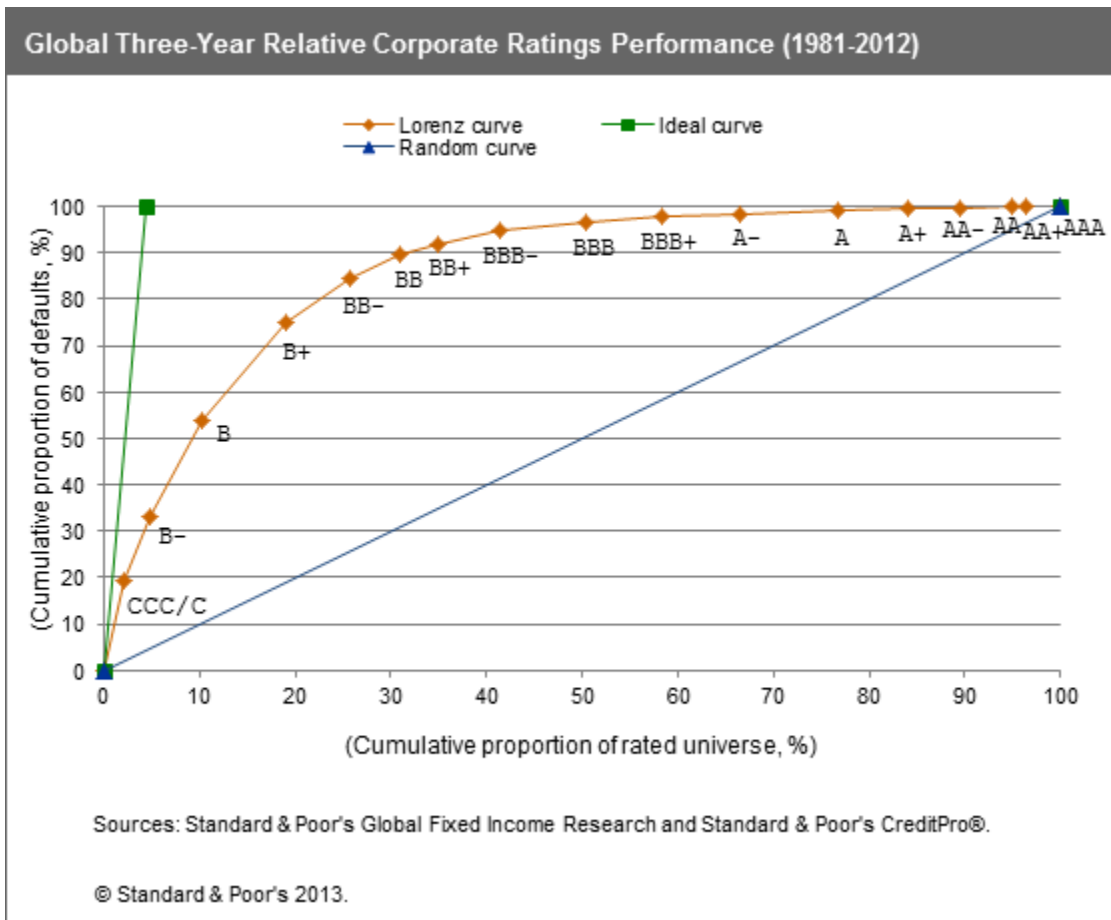


Chart 28

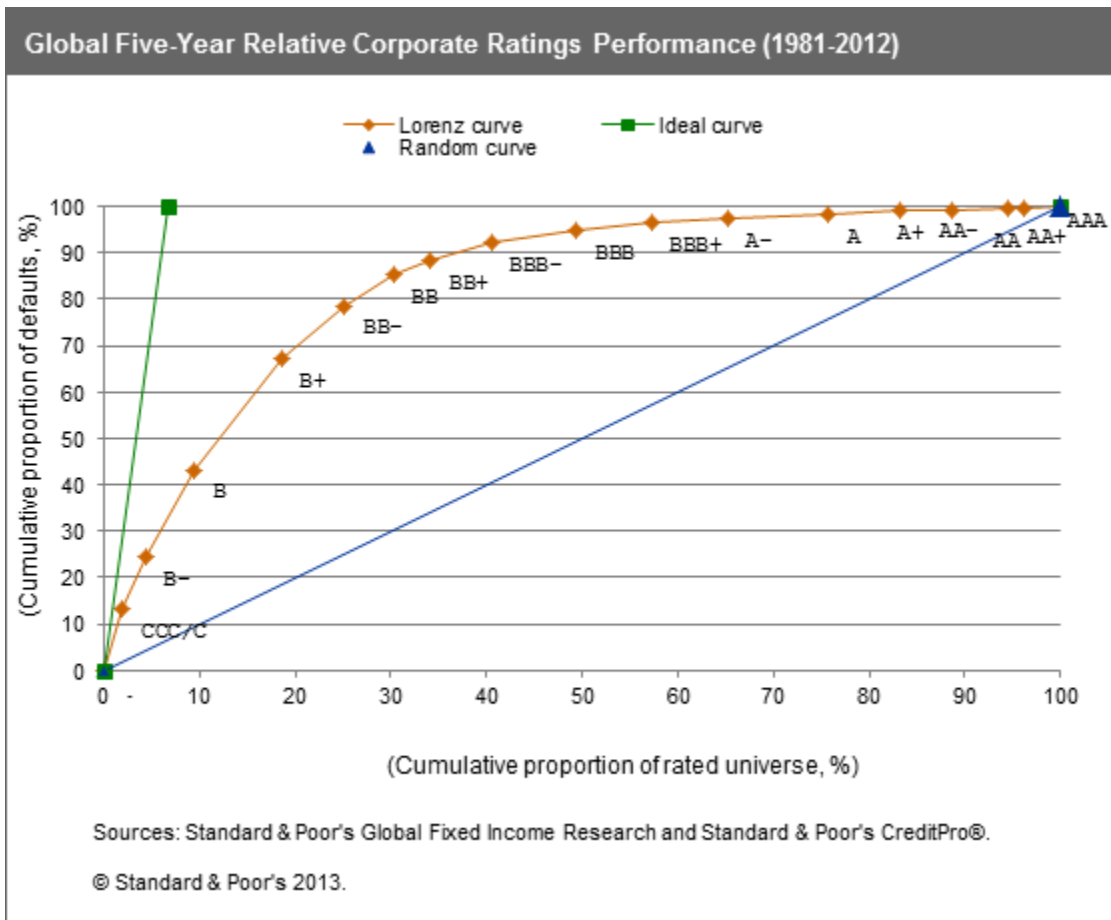
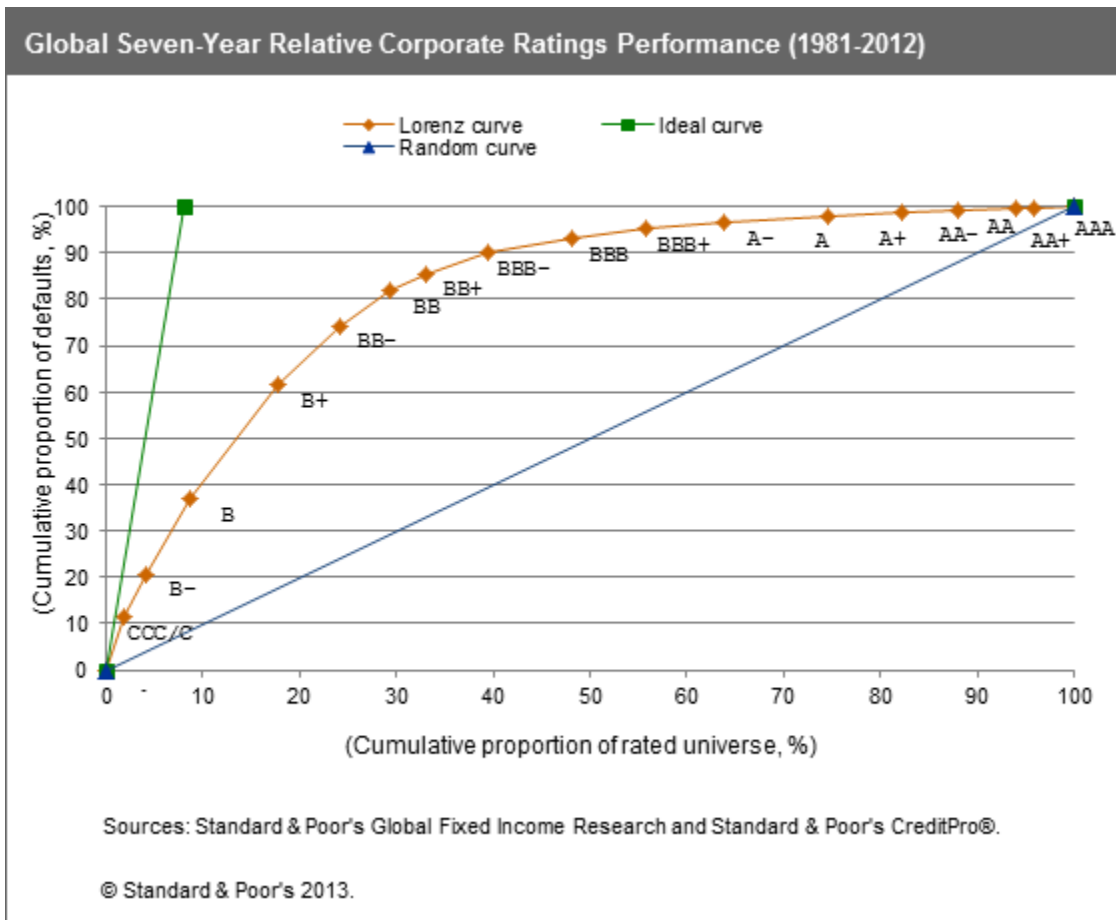
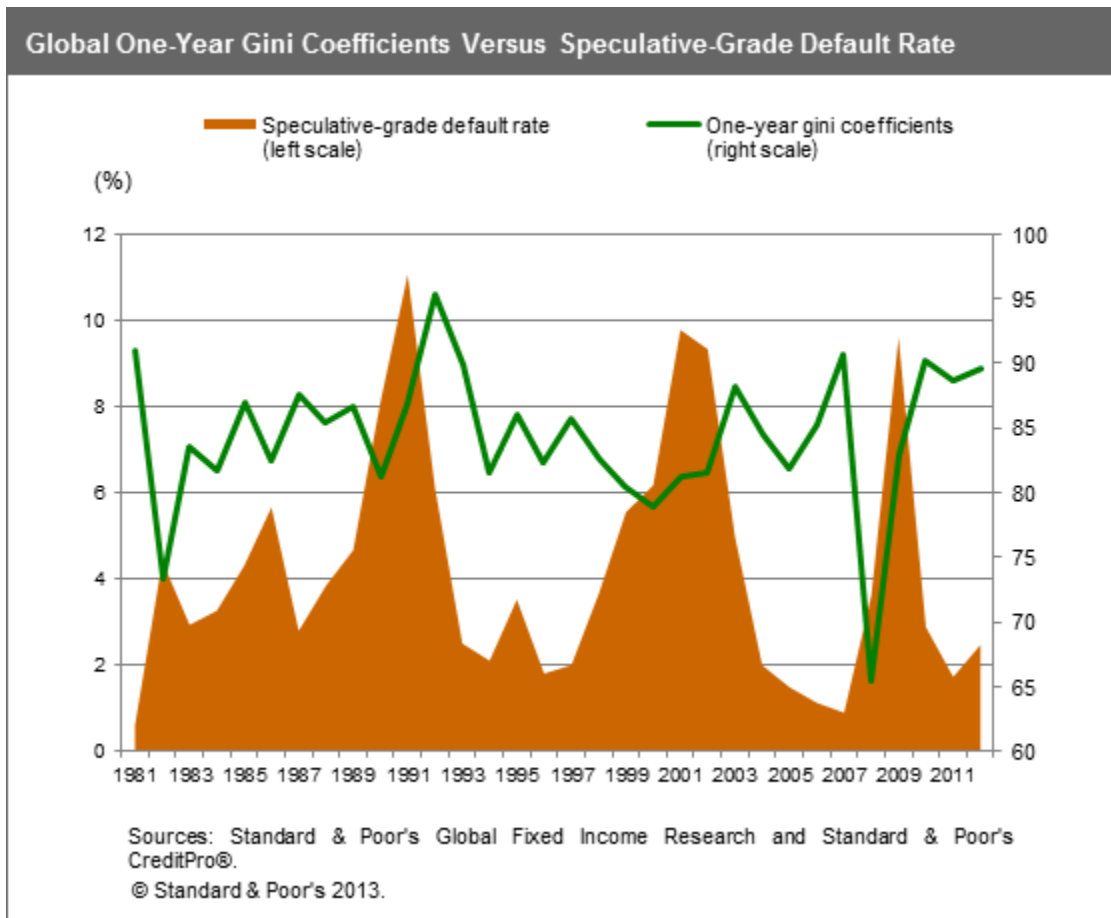


Chart 29



One-year Gini coefficients appear to be broadly cyclical (see chart 30). Trends in the one-year Gini ratio emerge during periods of both extremes in the default cycle, which is a reflection of the natural relationship between the two concepts. In periods of high defaults, there tends to be greater variation in the distribution of defaults across the ratings spectrum, which reduces the Gini. That is, when default pressure is high, economic conditions are such that the likelihood of companies from across the rating spectrum suffering a more rapid deterioration of credit quality is higher. The one-year Gini was 89.5% in 2012--the sixth highest on record.

Chart 30



Appendix I: Default Methodology And Definitions

This long-term corporate default and rating transition study uses the CreditPro® database of long-term local currency issuer credit ratings. Most exhibits in this study are the direct output of the CreditPro interface, while others are based off of manual manipulation of the underlying database. Those that we created through manual manipulation were: charts 3, 7-13, 17, and 25-30, and tables 2, 10-13, 17, 18, 27, 28, and the first column of table 1. The portions of the tables that present summary descriptive statistics, including the standard deviations in the various transition and cumulative default rate tables, were also the result of end-user calculations and were not provided by the interface.

An issuer credit rating reflects Standard & Poor's forward-looking opinion of a company's overall creditworthiness in order to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation because it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. It is not necessary for a company to have rated debt to have an issuer credit rating.

Although the rating on a company's very senior forms of secured debt, particularly ones with strong covenants, could occasionally be higher than the issuer credit rating on the company, specific issues are typically rated as high as or lower than these ratings, depending on their relative priority within the company's debt structure. If they are speculative grade, issuer credit ratings are generally two notches higher than subordinated debt ratings. Otherwise, they are generally one notch higher. Therefore, although a 'BB+' issuer credit rating is generally paired with a 'BB-' subordinated debt rating, a 'AA' issuer credit rating usually corresponds to a 'AA-' subordinated rating.

Standard & Poor's ongoing enhancement of the CreditPro® database used to generate this study could lead to outcomes that differ to some degree from those reported in previous studies. However, this poses no continuity problem because each study reports statistics back to Dec. 31, 1980. Therefore, each annual default study is self-contained and effectively supersedes all previous versions.

Issuers included in this study

The study analyzes the rating histories of 16,005 companies that Standard & Poor's rated as of Dec. 31, 1980, or that were first rated between that date and Dec. 31, 2012. These include industrials, utilities, financial institutions, and insurance companies around the world with long-term local currency ratings. The analysis excludes public information ("pi") ratings and ratings based on the guarantee of another company or government entity. Structured finance vehicles, public-sector issuers, and sovereign issuers are the subject of separate default and transition studies, and we exclude them from this study.

To avoid overcounting, the CreditPro database excludes subsidiaries with debt that is fully guaranteed by a parent or with default risk that is considered identical to that of their parents. The latter are companies with obligations that are not legally guaranteed by a parent but that have operating or financing activities that are so inextricably entwined with those of the parent that it would be impossible to imagine the default of one and not the other. At times, however, some of these subsidiaries might not yet have been covered by a parent's guarantee, or the relationship that combines the default risk of parent and subsidiary might have come to an end or might not have begun. We included such subsidiaries for the period during which they had a distinct and separate risk of default.

Issuers with withdrawn ratings

Standard & Poor's withdraws ratings when an entity's entire debt is paid off or when the program or programs rated are terminated and the relevant debt extinguished. For the purposes of this study, a rating may be withdrawn as a result of mergers and acquisitions. Others are withdrawn because of a lack of cooperation, particularly when a company is experiencing financial difficulties and refuses to provide all the information needed to continue surveillance on the ratings, or at the entity's request.

Definition of default

An obligor rated 'SD' (selective default) or 'D' is in payment default on one or more of its financial obligations (rated or unrated) unless Standard & Poor's believes that such payments will be made within five business days, irrespective of any grace period. Standard & Poor's also lowers a rating to 'D' upon an issuer's filing for bankruptcy or taking a similar action that jeopardizes payments on a financial obligation. A 'D' rating is assigned when Standard & Poor's believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. Standard & Poor's assigns an 'SD' rating when it believes that the obligor has selectively defaulted on a

specific issue or class of obligations but will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. A selective default includes the completion of a distressed exchange offer, whereby one or more financial obligation is either repurchased for an amount of cash or replaced by other instruments having a total value that is less than par. 'R' indicates that an obligor is under regulatory supervision owing to its financial condition. This does not necessarily indicate a default event, but the regulator might have the power to favor one class of obligations over others or pay some obligations and not others. Preferred stock is not considered a financial obligation; thus, a missed preferred stock dividend is not normally equated with default.

We deem 'D', 'SD', and 'R' issuer ratings as defaults for the purposes of this study. A default is assumed to take place on the earliest of: the date Standard & Poor's revised the rating(s) to 'D', 'SD', or 'R'; the date a debt payment was missed; the date a distressed exchange offer was announced; or the date the debtor filed or was forced into bankruptcy.

When an issuer defaults, it is not uncommon for Standard & Poor's to subsequently withdraw the 'D' rating. For the purposes of this study, if an issuer defaults, we end its rating history at 'D'. If any defaulting entity reemerges from bankruptcy, or otherwise restructures its defaulted debt instruments thereby reestablishing regular, timely payment of all its debts, we reenter this issuer into the database as a new entity. Its rating history after the default event is included in all calculations as entirely separate from its experience leading up to its earlier default.

Calculations

Static pool methodology. Standard & Poor's conducts its default studies on the basis of groupings called static pools. For the purposes of this study, we form static pools by grouping issuers by rating category at the beginning of each year that the CreditPro database covers. Each static pool is followed from that point forward. All companies included in the study are assigned to one or more static pools. When an issuer defaults, we assign that default back to all of the static pools to which the issuer belonged.

Standard & Poor's uses the static pool methodology to avoid certain pitfalls in estimating default rates. This is to ensure that default rates account for rating migration and to allow for default rates to be calculated across multiperiod time horizons. Some methods for calculating default and rating transition rates might charge defaults against only the initial rating on the issuer, ignoring more recent rating changes that supply more current information. Other methods may calculate default rates using only the most recent year's default and rating data, which may yield comparatively low default rates during periods of high rating activity because they ignore prior years' default activity.

The pools are static in the sense that their membership remains constant over time. Each static pool can be interpreted as a buy-and-hold portfolio. Because errors, if any, are corrected by every new update and because the criteria for inclusion or exclusion of companies in the default study are subject to minor revisions as time goes by, it is not possible to compare static pools across different studies. Therefore, every new update revises results back to the same starting date of Dec. 31, 1980, so as to avoid continuity problems.

Entities that have had ratings withdrawn--that is, revised to 'NR'--are surveilled with the aim of capturing a potential default. Because static pools only include entities with active ratings as of the beginning date of a given pool, we exclude companies with withdrawn ratings, as well as those that have defaulted, from subsequent static pools. If an entity has its rating withdrawn after the start date of a particular static pool and subsequently defaults, we will include it in that static pool as a default and categorize it into the rating category it was a member of at that time.

For instance, the 1981 static pool consists of all companies rated as of 12:01 a.m. Jan. 1, 1981. Adding those companies first rated in 1981 to the surviving members of the 1981 static pool forms the 1982 static pool. All rating changes that took place are reflected in the newly formed 1982 static pool through the ratings on these entities as of 12:01 a.m. Jan. 1, 1982. We used the same method to form static pools for 1983 through 2012. From Jan. 1, 1981, to Dec. 31, 2012, a total of 14,619 first-time rated organizations were added to form new static pools, while we excluded 2,156 defaulting companies and 7,539 companies with last ratings of 'NR'.

Consider the following example: An issuer is originally rated 'BB' in mid-1986 and is downgraded to 'B' in 1988. This is followed by a rating withdrawal in 1990 and a default in 1993. We would include this hypothetical company in the 1987 and 1988 pools with the 'BB' rating, which it was rated at the beginning of those years. Likewise, it would be included in the 1989 and 1990 pools with the 'B' rating. It would not be part of the 1986 pool because it was not rated as of the first day of that year, and it would not be included in any pool after the last day of 1990 because the rating had been withdrawn by then. Yet each of the four pools in which this company was included (1987-1990) would record its 1993 default at the appropriate time horizon.

Default rate calculation. We calculated annual default rates for each static pool, first in units and later as percentages with respect to the number of issuers in each rating category. Finally, we combined these percentages to obtain cumulative default rates for the 32 years the study covers (see tables 24-26 and 30-32).

Issuer-weighted default rates. All default rates that appear in this study are based on the number of issuers rather than the dollar amounts affected by defaults or rating changes. Although dollar amounts provide information about the portion of the market that is affected by defaults or rating changes, issuer-weighted averages are a more useful measure of the performance of ratings.

Many practitioners utilize statistics from this default study and CreditPro® to estimate "probability of default" and "probability of rating transition." It is important to note that Standard & Poor's ratings do not imply a specific probability of default.

Average cumulative default rate calculation. The cumulative default rates in this study average the experience of all static pools by first calculating marginal default rates for each possible time horizon and for each static pool, weight averaging the marginal default rates conditional on survival (survivors being nondefaulters), and accumulating the average conditional marginal default rates (see tables 24-26 and 30-32). We calculated conditional default rates by dividing the number of issuers in a static pool that default at a specific time horizon by the number of issuers that survived (did not default) to that point in time. Weights are based on the number of issuers in each static pool. Cumulative default rates are one minus the product of the proportion of survivors (nondefaulters).

For instance, in table 32, the weighted-average first-year default rate for all speculative-grade-rated companies for all 32 pools was 4.11%, meaning that an average of 95.89% survived one year. Similarly, the second- and third-year conditional marginal averages--shown in the summary statistics section at the bottom portion of the table--were 4.10% for the first 31 pools (95.90% of those companies that did not default in the first year survived the second year) and 3.72% for the first 30 pools (96.28% of those companies that did not default by the second year survived the third year), respectively. Multiplying 95.89% by 95.90% results in a 91.95% survival rate to the end of the second year, which is a two-year average cumulative default rate of 8.05%. Multiplying 91.95% by 96.28% results in an 88.54% survival rate to the end of the third year, which is a three-year average cumulative default rate of 11.46%.

Standard deviations

Many of the exhibits in this study display averages of default rates, transition rates, and Gini ratios. As described earlier, often times these are issuer-weighted averages. Prior studies have shown that fluctuations within default rates and transitions can vary greatly depending on many circumstances specific to particular time frames, industries, and geographic regions. As a supplement to many of the averages and time series presented in this study, standard deviations are also shown to provide a gauge of the dispersion of the ranges of data behind these averages.

For the transition matrices in tables 21-23 and 33-44, the standard deviation for each cell in a given matrix is calculated using the data from each of the underlying cohort years that contribute to the averages. For example, in the average one-year global transition matrix in table 33, each cell's standard deviation is calculated from the series of that particular cell in each of the 32 cohorts beginning with the 1981 cohort and ending with the 2012 cohort.

Regarding Gini ratios in tables 2, 27, and 28, their standard deviations are derived from the time series of Gini ratios for all of their constituent annual cohorts. As an example, the standard deviation applied to the seven-year weighted average global Gini ratio in table 2 (5.03) was calculated from the time series of all available seven-year Gini ratios by cohort. In this case, these are the seven-year Gini ratios beginning with the 1981 cohort through the 2006 seven-year cohort.

Finally, the standard deviations for cumulative average default rates in tables 24-26 were calculated from the cumulative average default rate tables available by all available sequential cohort combinations that all began with the 1981 cohort. For example, the global cumulative average default rates in table 24 are issuer-weighted average default rates conditional on survival, derived from the default experience of all 32 available calendar year cohorts—from 1981 to 2012. The standard deviations applied to these averages are provided for each cell in this table and are calculated off of all available sequential cohort combinations beginning with 1981—meaning using the 1981 cohort, the 1981-1982 cohorts, the 1981-1983 cohorts, and so on, up to and including the 1981-2012 cohorts. These standard deviations for cumulative average default rates differ from those shown in tables 30-32 because the latter three tables' standard deviations are calculated from the time series in those particular tables. For example in table 32, the standard deviation in column year 5 of 6.24 is calculated from the time series of the individual cohorts' five-year default rates, covering 1981-2008. These, however, are default rates similar to those in the transition matrices and are not conditional on survival. We calculated all instances of standard deviations in this study as the standard deviations of a sample, and not those of a population.

Time sample

This update limits the reporting of default rates to the 15-year time horizon. However, the data was gathered for 32 years, and all calculations are based on the rating experience of that period. The maturities of most obligations are much shorter than 15 years. In addition, average default statistics become less reliable at longer time horizons as the sample size becomes smaller and the cyclical nature of default rates has a bigger effect on averages.

Default patterns share broad similarities across all static pools, suggesting that Standard & Poor's rating standards have been consistent over time. Adverse business conditions tend to coincide with default upswings for all pools. Speculative-grade issuers have been hit the hardest by these upswings, but investment-grade default rates also increase in stressful periods.

Transition analysis

Transition rates compare issuer ratings at the beginning of a time period with ratings at the end of the period. To compute one-year rating transition rates by rating category, we compared the rating on each entity at the end of a particular year with the rating at the beginning of the same year. An issuer that remained rated for more than one year was counted as many times as the number of years it was rated. For instance, an issuer continually rated from the middle of 1984 to the middle of 1991 would appear in the seven consecutive one-year transition matrices from 1985 to 1991. If the rating on the issuer was withdrawn in the middle of 1991, it would be included in the column representing transitions to 'NR' in the 1991 transition matrix. Similarly, if it defaulted in the middle of 1991, it would be included in the column representing transitions to 'D' in the 1991 one-year transition matrix.

All 1981 static pool members still rated on Jan. 1, 2012, had 32 one-year transitions, while companies first rated on Jan. 1, 2012, had only one. Table 29 displays the summary of one-year transitions in the investment-grade and speculative-grade rating categories. Each one-year transition matrix displays all rating movements between letter categories from the beginning of the year through year-end. For each rating listed in the matrix's left-most column, there are nine ratios listed in the rows, corresponding to the ratings from 'AAA' to 'D', plus an entry for NR (see table 22).

We note that the only ratings considered in these calculations are those on entities at the beginning of each static pool and those at the end. All rating changes that occur in between are ignored. For example, if an entity was rated 'A' on Jan. 1, 2012, and was downgraded to 'BBB' in the middle of the year and then later upgraded to 'A' later in the year (with no other subsequent rating changes), this entity would only be included in the percentage of issuers that began the year as 'A' that ended the year as 'A'. This also applies to transition matrices that span longer time horizons. If an issuer defaults or has its rating withdrawn in the middle of the year, then either a 'D' or 'NR' would be considered its rating as of Dec. 31 of that particular year.

Table 29

Year	--Investment-grade rating distribution at year-end--					--Speculative-grade rating distribution at year-end--				
	Jan. 1 investment grade	Investment grade (%)	Speculative grade (%)*	Defaulted (%)§	Rating withdrawn (%)	Jan. 1 speculative grade	Investment grade (%)†	Speculative grade (%)	Defaulted (%)	Rating withdrawn (%)
1981	1,064	97.37	1.41	0.00	1.22	321	4.67	90.03	0.62	4.67
1982	1,093	93.60	3.02	0.18	3.20	340	2.65	80.88	4.41	12.06
1983	1,114	94.17	2.06	0.09	3.68	341	3.23	83.58	2.93	10.26
1984	1,174	95.32	2.30	0.17	2.21	368	4.89	86.96	3.26	4.89
1985	1,210	93.06	3.55	0.00	3.39	418	3.83	85.89	4.31	5.98
1986	1,328	89.98	3.84	0.15	6.02	530	3.02	82.26	5.66	9.06
1987	1,326	90.27	3.02	0.00	6.71	680	3.53	79.56	2.79	14.12
1988	1,340	91.79	2.76	0.00	5.45	755	3.58	79.47	3.84	13.11
1989	1,383	93.13	2.68	0.14	4.05	750	5.20	74.80	4.67	15.33
1990	1,427	94.60	2.10	0.14	3.15	691	3.18	74.96	8.10	13.75
1991	1,464	96.24	1.84	0.14	1.78	588	2.89	78.06	11.05	7.99
1992	1,615	96.41	1.18	0.00	2.41	525	6.29	78.67	6.10	8.95

Table 29

Summary Of One-Year Global Corporate Rating Transitions (cont.)										
1993	1,767	92.47	1.53	0.00	6.00	560	4.64	76.79	2.50	16.07
1994	1,848	95.83	0.76	0.05	3.35	713	4.07	85.97	2.10	7.85
1995	2,051	95.56	1.12	0.05	3.27	824	3.76	84.95	3.52	7.77
1996	2,251	94.49	0.62	0.00	4.89	887	4.74	81.06	1.80	12.40
1997	2,503	93.57	1.16	0.08	5.19	1,000	4.30	81.10	2.00	12.60
1998	2,787	90.38	2.19	0.14	7.28	1,315	2.97	83.88	3.65	9.51
1999	2,890	90.87	1.52	0.17	7.44	1,659	1.51	81.68	5.55	11.27
2000	2,950	91.69	1.73	0.24	6.34	1,767	2.15	83.42	6.17	8.26
2001	3,028	90.72	2.61	0.23	6.44	1,770	1.36	79.49	9.77	9.38
2002	3,134	89.44	4.05	0.41	6.09	1,694	1.89	79.87	9.33	8.91
2003	3,049	92.46	2.49	0.10	4.95	1,787	1.57	82.04	4.98	11.42
2004	3,164	94.03	1.01	0.03	4.93	1,905	2.15	84.72	1.99	11.13
2005	3,275	92.89	1.62	0.03	5.47	2,087	3.02	82.46	1.49	13.03
2006	3,298	93.88	1.46	0.00	4.67	2,224	2.11	82.51	1.12	14.25
2007	3,376	90.37	1.72	0.00	7.91	2,348	3.02	82.07	0.89	14.01
2008	3,372	92.23	1.93	0.42	5.43	2,463	2.15	83.96	3.61	10.27
2009	3,415	89.66	3.40	0.32	6.62	2,334	1.24	78.06	9.60	11.10
2010	3,248	94.89	0.95	0.00	4.16	2,220	2.34	85.23	2.88	9.55
2011	3,308	93.50	1.72	0.03	4.75	2,491	2.29	84.58	1.73	11.40
2012	3,341	93.95	1.71	0.00	4.34	2,672	1.87	86.04	2.47	9.62
Weighted average	73,593	92.78	1.96	0.11	5.14	41,027	2.60	82.32	4.11	10.97
Median		93.32	1.79	0.07	4.91		3.02	82.17	3.57	10.68
Standard deviation		2.14	0.90	0.12	1.70		1.25	3.50	2.79	2.86
Minimum		89.44	0.62	0.00	1.22		1.24	74.80	0.62	4.67
Maximum		97.37	4.05	0.42	7.91		6.29	90.03	11.05	16.07

*Fallen angels that survived to Jan. 1 of the year after they were downgraded. §Investment-grade defaulters. †Rising stars. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Multiyear transitions

Multiyear transitions were also calculated for periods of two up to 20 years. In this case, we compared the rating at the beginning of the multiyear period with the rating at the end. For example, three-year transition matrices were the result of comparing ratings at the beginning of the years 1981-2010 with the ratings at the end of the years 1983-2012. Otherwise, the methodology was identical to that used for single-year transitions.

We calculated average transition matrices on the basis of the multiyear matrices just described. These average matrices are a true summary, the ratios of which represent the historical incidence of the ratings listed on the first column, changing to the ones listed on the top row over the course of the multiyear period (see tables 33-40). Transition matrices that present averages over multiple time horizons are also calculated as issuer-weighted averages.

Comparing transition rates with default rates

Rating transition rates may be compared with the marginal and cumulative default rates described in the previous

sections. For example, note that the one-year default rate column of table 24 is equivalent to column 'D' of the average one-year transition matrix in tables 21 and the cumulative average in summary statistics of the year one column in table 32. However, the two-year default rate column in table 24 is not the same as column 'D' of the average two-year transition matrix in table 34. This difference results from the different methods of calculating default rates. The default rates in table 34 are calculated as not conditional on survival, while those in table 24 are average default rates conditional on survival. The two-year default rates in table 24 are calculated in the same way as those in the cumulative average section for the year two column in table 32, while those in the 'D' column of table 34 are equivalent to adding up all the defaults behind the year two column's annual default rates in table 32 divided by the sum of all the issuers in table 32 for the years 1981-2011.

The links between transition matrices and average cumulative default rates can be best illustrated through tables 30-32. The default rates in the columns of these tables, associated with each static pool year, are calculated in the same way as they would be for individual years' one year transition matrices. Tables 30, 31, and 32 are broken out by the broadest rating classifications (all rated, investment-grade, and speculative-grade, respectively). These tables can also be constructed for each rating category. As an example, the year two column of table 32 shows the two-year default rates (not conditional on survival) for each static pool. These are calculated in the same way as the default column in table 20, though table 20 shows the one-year default rates for each rating category for 2012 exclusively. In the summary section at the bottom of tables 30-32, the first row shows the issuer-weighted averages of the marginal default rates. These marginal averages are then used to calculate the cumulative average default rates in the row directly beneath them, as explained in the average cumulative default rate section above. These default rates are the same that appear in table 24 and are average cumulative default rates conditional on survival.

Initial-to-last transitions and default rates

These transition rates compare issuer ratings from the time of first rating to the last rating, regardless of the time elapsed in the interim. They provide a roadmap to all of the historically observed rating "states" inhabited by corporate ratings during their lifetimes. Tables 45-48 display the initial-to-last transitions separately for three broad sectors--nonfinancials, financial institutions, and insurance. Initial-to-last default rates are calculated based on the initial rating of each defaulter and encompass varying time horizons. For example, in table 47, a default rate of 0.78% refers to the total share of defaulting issuers from the 129 financial institutions that received a first rating of 'AAA' in the previous 32 years.

Table 30

Static Pool Cumulative Global Corporate Default Rates Among All Ratings (1981-2012) (%)																
Year	Issuers	--Time horizon (years)--														
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1981	1,385	0.14	1.37	2.09	2.89	3.54	4.91	5.34	6.14	6.71	7.80	9.46	9.96	10.47	10.54	10.76
1982	1,433	1.19	1.88	2.72	3.42	4.82	5.16	5.93	6.42	7.54	9.35	9.84	10.40	10.47	10.68	10.68
1983	1,455	0.76	1.58	2.41	3.99	4.40	5.43	5.91	7.01	9.00	9.55	10.10	10.17	10.38	10.38	10.45
1984	1,542	0.91	1.95	3.76	4.22	5.25	5.97	7.13	8.82	9.40	9.99	10.05	10.25	10.25	10.38	10.38
1985	1,628	1.11	3.01	3.56	4.91	5.77	7.06	8.91	9.46	9.95	10.01	10.32	10.32	10.44	10.44	10.75
1986	1,858	1.72	2.31	3.61	4.47	5.87	7.75	8.40	8.93	9.10	9.36	9.47	9.69	9.80	10.06	10.50
1987	2,006	0.95	2.39	3.84	5.68	8.23	9.32	10.07	10.32	10.67	10.82	11.02	11.12	11.42	11.91	12.96

Table 30

Static Pool Cumulative Global Corporate Default Rates Among All Ratings (1981-2012) (%) (cont.)																
1988	2,095	1.38	3.01	5.16	8.21	9.31	10.07	10.31	10.79	10.93	11.22	11.41	11.74	12.46	13.41	14.37
1989	2,133	1.73	4.31	7.83	9.00	9.80	10.13	10.55	10.69	10.97	11.35	11.67	12.33	13.31	14.21	14.67
1990	2,118	2.74	6.14	7.55	8.36	8.69	9.16	9.25	9.63	10.10	10.48	11.28	12.28	13.27	13.79	13.93
1991	2,052	3.27	4.78	5.31	5.65	6.19	6.29	6.63	7.07	7.46	8.14	9.16	10.23	10.72	10.92	11.06
1992	2,140	1.50	2.01	2.34	2.94	3.08	3.41	3.83	4.16	4.86	5.84	6.92	7.34	7.52	7.66	7.80
1993	2,327	0.60	1.07	1.98	2.19	2.58	3.01	3.44	4.21	5.29	6.40	6.83	7.00	7.18	7.39	7.52
1994	2,561	0.62	1.76	2.15	2.62	3.08	3.94	4.96	6.25	7.42	7.93	8.16	8.32	8.59	8.71	9.29
1995	2,875	1.04	1.53	2.02	2.57	3.55	4.56	6.33	7.69	8.28	8.52	8.73	8.97	9.08	9.60	10.47
1996	3,138	0.51	1.08	1.82	2.96	3.98	5.67	7.17	7.84	8.13	8.35	8.57	8.70	9.24	10.10	10.26
1997	3,503	0.63	1.60	2.91	4.31	6.22	7.96	8.88	9.16	9.39	9.68	9.82	10.42	11.28	11.36	11.48
1998	4,102	1.27	3.22	5.19	7.83	10.02	11.24	11.73	12.04	12.36	12.51	13.14	14.09	14.19	14.31	14.43
1999	4,549	2.13	4.64	7.96	10.82	12.29	12.84	13.19	13.54	13.70	14.49	15.65	15.83	15.96	16.11	
2000	4,717	2.46	6.02	9.14	10.81	11.51	11.96	12.32	12.53	13.40	14.80	14.97	15.14	15.29		
2001	4,798	3.75	7.27	9.21	9.92	10.44	10.80	11.00	11.86	13.34	13.53	13.69	13.86			
2002	4,828	3.54	5.55	6.34	6.79	7.15	7.35	8.29	9.88	10.09	10.25	10.44				
2003	4,836	1.90	2.69	3.18	3.58	3.78	4.76	6.56	6.82	6.99	7.26					
2004	5,069	0.77	1.30	1.70	1.93	2.96	4.91	5.25	5.46	5.76						
2005	5,362	0.60	0.99	1.32	2.54	4.76	5.24	5.54	5.89							
2006	5,522	0.45	0.85	2.30	4.93	5.52	5.94	6.45								
2007	5,724	0.37	2.01	5.21	6.04	6.50	7.09									
2008	5,835	1.77	5.48	6.53	6.98	7.69										
2009	5,749	4.09	5.20	5.67	6.40											
2010	5,468	1.17	1.83	2.65												
2011	5,799	0.76	1.86													
2012	6,013	1.10														
Summary statistics																
Marginal average		1.55	1.54	1.38	1.18	1.00	0.87	0.75	0.65	0.60	0.56	0.49	0.42	0.39	0.36	0.37
Cumulative average		1.55	3.06	4.40	5.53	6.48	7.29	7.98	8.58	9.12	9.63	10.08	10.45	10.80	11.12	11.45
Standard deviation		1.04	1.82	2.36	2.66	2.79	2.72	2.64	2.58	2.50	2.36	2.29	2.38	2.39	2.31	2.11
Median		1.14	2.01	3.58	4.91	5.82	6.29	7.15	8.82	9.24	9.68	10.08	10.32	10.47	10.54	10.71
Minimum		0.14	0.85	1.32	1.93	2.58	3.01	3.44	4.16	4.86	5.84	6.83	7.00	7.18	7.39	7.52
Maximum		4.09	7.27	9.21	10.82	12.29	12.84	13.19	13.54	13.70	14.80	15.65	15.83	15.96	16.11	14.67

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 31

Static Pool Cumulative Global Corporate Default Rates Among All Investment-Grade Ratings (1981-2012) (%)																
		--Time horizon (years)--														
Year	Issuers	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1981	1,064	0.00	0.38	0.38	0.47	0.66	1.03	1.32	2.07	2.26	3.01	4.04	4.32	4.51	4.51	4.70
1982	1,093	0.18	0.27	0.37	0.55	1.01	1.28	2.01	2.20	3.02	4.12	4.39	4.67	4.67	4.85	4.85

Table 31

Static Pool Cumulative Global Corporate Default Rates Among All Investment-Grade Ratings (1981-2012) (%) (cont.)																
1983	1,114	0.09	0.36	0.45	0.90	1.08	1.62	1.71	2.51	3.59	3.95	4.22	4.22	4.40	4.40	4.40
1984	1,174	0.17	0.26	0.60	0.77	1.19	1.36	2.04	2.98	3.32	3.58	3.58	3.75	3.75	3.83	3.83
1985	1,210	0.00	0.17	0.25	0.83	0.99	1.74	2.73	3.06	3.31	3.31	3.55	3.55	3.72	3.72	3.88
1986	1,328	0.15	0.15	0.53	0.68	1.20	2.11	2.48	2.64	2.64	2.86	2.86	3.01	3.09	3.24	3.54
1987	1,326	0.00	0.15	0.38	0.83	1.73	2.26	2.41	2.49	2.64	2.64	2.79	2.87	3.02	3.17	4.00
1988	1,340	0.00	0.22	0.37	0.97	1.49	1.64	1.72	1.87	1.87	2.01	2.01	2.16	2.31	2.99	3.73
1989	1,383	0.14	0.29	0.58	1.16	1.30	1.37	1.52	1.52	1.52	1.52	1.74	1.88	2.68	3.33	3.69
1990	1,427	0.14	0.35	0.77	0.98	1.05	1.19	1.19	1.19	1.26	1.54	1.89	2.59	3.15	3.50	3.57
1991	1,464	0.14	0.27	0.41	0.48	0.61	0.61	0.61	0.68	1.02	1.37	2.05	2.60	2.87	2.94	3.01
1992	1,615	0.00	0.06	0.12	0.25	0.25	0.25	0.31	0.56	0.80	1.30	1.80	2.04	2.11	2.23	2.41
1993	1,767	0.00	0.06	0.17	0.17	0.23	0.40	0.74	1.08	1.64	2.26	2.49	2.49	2.60	2.72	2.77
1994	1,848	0.05	0.16	0.16	0.27	0.38	0.81	1.08	1.62	2.22	2.49	2.54	2.60	2.76	2.81	3.19
1995	2,051	0.05	0.05	0.10	0.20	0.68	0.93	1.56	2.15	2.39	2.44	2.49	2.63	2.68	3.07	3.46
1996	2,251	0.00	0.04	0.09	0.49	0.80	1.47	2.00	2.22	2.31	2.35	2.49	2.49	2.89	3.38	3.42
1997	2,503	0.08	0.16	0.48	0.80	1.36	2.08	2.44	2.52	2.56	2.68	2.68	3.08	3.52	3.56	3.68
1998	2,787	0.14	0.43	0.79	1.36	2.37	2.80	2.98	3.09	3.16	3.16	3.62	4.20	4.27	4.41	4.56
1999	2,890	0.17	0.48	0.90	1.87	2.32	2.46	2.56	2.70	2.70	3.22	3.88	3.94	4.08	4.26	
2000	2,950	0.24	0.58	1.53	2.00	2.10	2.24	2.37	2.37	2.95	3.63	3.69	3.86	4.00		
2001	3,028	0.23	1.22	1.65	1.82	1.98	2.11	2.11	2.64	3.37	3.40	3.57	3.73			
2002	3,134	0.41	0.77	0.89	1.02	1.08	1.08	1.63	2.30	2.33	2.46	2.62				
2003	3,049	0.10	0.20	0.30	0.33	0.33	0.85	1.57	1.61	1.71	1.77					
2004	3,164	0.03	0.09	0.13	0.13	0.63	1.26	1.33	1.42	1.52						
2005	3,275	0.03	0.06	0.06	0.61	1.19	1.28	1.37	1.47							
2006	3,298	0.00	0.00	0.49	0.91	1.00	1.09	1.15								
2007	3,376	0.00	0.47	0.92	1.10	1.18	1.27									
2008	3,372	0.42	0.80	0.95	1.07	1.16										
2009	3,415	0.32	0.44	0.53	0.59											
2010	3,248	0.00	0.03	0.06												
2011	3,308	0.03	0.06													
2012	3,341	0.00														
Summary statistics																
Marginal average		0.11	0.20	0.23	0.28	0.29	0.30	0.28	0.26	0.26	0.26	0.25	0.22	0.21	0.21	0.23
Cumulative average		0.11	0.31	0.54	0.82	1.12	1.41	1.68	1.94	2.19	2.45	2.70	2.91	3.11	3.32	3.54
Standard deviation		0.12	0.27	0.40	0.49	0.58	0.63	0.68	0.71	0.78	0.82	0.83	0.83	0.77	0.70	0.65
Median		0.07	0.22	0.43	0.80	1.08	1.28	1.67	2.20	2.36	2.64	2.73	3.01	3.12	3.38	3.68
Minimum		0.00	0.00	0.06	0.13	0.23	0.25	0.31	0.56	0.80	1.30	1.74	1.88	2.11	2.23	2.41
Maximum		0.42	1.22	1.65	2.00	2.37	2.80	2.98	3.09	3.59	4.12	4.39	4.67	4.67	4.85	4.85

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 32

Static Pool Cumulative Global Corporate Default Rates Among All Speculative-Grade Ratings (1981-2012) (%)																
Year	Issuers	--Time horizon (years)--														
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1981	321	0.62	4.67	7.79	10.90	13.08	17.76	18.69	19.63	21.50	23.68	27.41	28.66	30.22	30.53	30.84
1982	340	4.41	7.06	10.29	12.65	17.06	17.65	18.53	20.00	22.06	26.18	27.35	28.82	29.12	29.41	29.41
1983	341	2.93	5.57	8.80	14.08	15.25	17.89	19.65	21.70	26.69	27.86	29.33	29.62	29.91	29.91	30.21
1984	368	3.26	7.34	13.86	15.22	18.21	20.65	23.37	27.45	28.80	30.43	30.71	30.98	30.98	31.25	31.25
1985	418	4.31	11.24	13.16	16.75	19.62	22.49	26.79	27.99	29.19	29.43	29.90	29.90	29.90	29.90	30.62
1986	530	5.66	7.74	11.32	13.96	17.55	21.89	23.21	24.72	25.28	25.66	26.04	26.42	26.60	27.17	27.92
1987	680	2.79	6.76	10.59	15.15	20.88	23.09	25.00	25.59	26.32	26.76	27.06	27.21	27.79	28.97	30.44
1988	755	3.84	7.95	13.64	21.06	23.18	25.03	25.56	26.62	27.02	27.55	28.08	28.74	30.46	31.92	33.25
1989	750	4.67	11.73	21.20	23.47	25.47	26.27	27.20	27.60	28.40	29.47	30.00	31.60	32.93	34.27	34.93
1990	691	8.10	18.09	21.56	23.59	24.46	25.62	25.90	27.06	28.36	28.94	30.68	32.27	34.15	35.02	35.31
1991	588	11.05	15.99	17.52	18.54	20.07	20.41	21.60	22.96	23.47	25.00	26.87	29.25	30.27	30.78	31.12
1992	525	6.10	8.00	9.14	11.24	11.81	13.14	14.67	15.24	17.33	19.81	22.67	23.62	24.19	24.38	24.38
1993	560	2.50	4.29	7.68	8.57	10.00	11.25	11.96	14.11	16.79	19.46	20.54	21.25	21.61	22.14	22.50
1994	713	2.10	5.89	7.29	8.70	10.10	12.06	15.01	18.23	20.90	22.02	22.72	23.14	23.70	23.98	25.11
1995	824	3.52	5.22	6.80	8.50	10.68	13.59	18.20	21.48	22.94	23.67	24.27	24.76	25.00	25.85	27.91
1996	887	1.80	3.72	6.20	9.24	12.06	16.35	20.29	22.10	22.89	23.56	24.01	24.46	25.37	27.17	27.62
1997	1,000	2.00	5.20	9.00	13.10	18.40	22.70	25.00	25.80	26.50	27.20	27.70	28.80	30.70	30.90	31.00
1998	1,315	3.65	9.13	14.52	21.52	26.24	29.13	30.27	31.03	31.86	32.32	33.31	35.06	35.21	35.29	35.36
1999	1,659	5.55	11.87	20.25	26.40	29.66	30.92	31.71	32.43	32.85	34.12	36.17	36.53	36.65	36.77	
2000	1,767	6.17	15.11	21.84	25.52	27.22	28.18	28.92	29.49	30.84	33.45	33.79	33.96	34.13		
2001	1,770	9.77	17.63	22.15	23.79	24.92	25.65	26.21	27.63	30.40	30.85	31.02	31.19			
2002	1,694	9.33	14.40	16.41	17.47	18.36	18.95	20.60	23.91	24.44	24.68	24.91				
2003	1,787	4.98	6.94	8.11	9.12	9.68	11.42	15.05	15.72	16.00	16.62					
2004	1,905	1.99	3.31	4.30	4.93	6.82	10.97	11.76	12.18	12.81						
2005	2,087	1.49	2.44	3.31	5.56	10.35	11.45	12.07	12.84							
2006	2,224	1.12	2.11	4.99	10.88	12.23	13.13	14.30								
2007	2,348	0.89	4.22	11.37	13.16	14.14	15.46									
2008	2,463	3.61	11.90	14.17	15.06	16.65										
2009	2,334	9.60	12.17	13.20	14.91											
2010	2,220	2.88	4.46	6.44												
2011	2,491	1.73	4.26													
2012	2,672	2.47														
Summary statistics																
Marginal average		4.11	4.10	3.72	3.11	2.59	2.22	1.90	1.64	1.52	1.42	1.19	1.03	0.94	0.84	0.87
Cumulative average		4.11	8.05	11.46	14.22	16.44	18.30	19.85	21.16	22.36	23.46	24.38	25.15	25.85	26.48	27.12
Standard deviation		2.79	4.55	5.56	6.00	6.24	6.10	5.91	5.74	5.28	4.49	3.90	3.98	4.09	4.00	3.62
Median		3.57	7.06	10.95	14.08	17.30	18.95	21.10	23.91	25.80	26.76	27.56	28.82	30.07	29.91	30.53

Table 32

Static Pool Cumulative Global Corporate Default Rates Among All Speculative-Grade Ratings (1981-2012) (%) (cont.)

Minimum	0.62	2.11	3.31	4.93	6.82	10.97	11.76	12.18	12.81	16.62	20.54	21.25	21.61	22.14	22.50
Maximum	11.05	18.09	22.15	26.40	29.66	30.92	31.71	32.43	32.85	34.12	36.17	36.53	36.65	36.77	35.36

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 33

Average Multiyear Global Corporate Transition Matrix (1981-2012) (%)

--One-year transition rates--

From/to	AAA	AA	A	BBB	BB	B	CCC/C	D	NR
AAA	87.17 (9.11)	8.69 (9.13)	0.54 (0.86)	0.05 (0.31)	0.08 (0.25)	0.03 (0.20)	0.05 (0.40)	0.00 (0.00)	3.38 (2.66)
AA	0.54 (0.55)	86.29 (4.90)	8.36 (3.99)	0.57 (0.75)	0.06 (0.25)	0.08 (0.24)	0.02 (0.07)	0.02 (0.07)	4.05 (1.91)
A	0.03 (0.13)	1.86 (1.15)	87.26 (3.47)	5.53 (2.10)	0.36 (0.49)	0.15 (0.35)	0.02 (0.07)	0.07 (0.11)	4.71 (1.91)
BBB	0.01 (0.06)	0.12 (0.23)	3.54 (2.31)	85.09 (4.62)	3.88 (1.82)	0.61 (1.02)	0.14 (0.24)	0.22 (0.26)	6.39 (1.79)
BB	0.02 (0.06)	0.04 (0.16)	0.15 (0.39)	5.18 (2.35)	76.12 (5.02)	7.20 (4.63)	0.72 (0.92)	0.86 (1.04)	9.71 (2.84)
B	0.00 (0.00)	0.03 (0.13)	0.11 (0.37)	0.23 (0.33)	5.42 (2.50)	73.84 (5.30)	4.40 (2.52)	4.28 (3.32)	11.68 (2.98)
CCC/C	0.00 (0.00)	0.00 (0.00)	0.16 (0.70)	0.24 (1.01)	0.73 (1.29)	13.69 (8.42)	43.89 (12.62)	26.85 (12.48)	14.43 (7.19)

Note: Numbers in parentheses are standard deviations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 34

Average Multiyear Global Corporate Transition Matrix (1981-2012) (%)

--Two-year transition rates--

From/to	AAA	AA	A	BBB	BB	B	CCC/C	D	NR
AAA	75.91 (12.76)	15.47 (13.60)	1.43 (1.46)	0.11 (0.34)	0.19 (0.44)	0.05 (0.27)	0.11 (0.48)	0.03 (0.20)	6.70 (4.62)
AA	0.95 (0.67)	74.63 (7.51)	14.64 (5.69)	1.45 (1.16)	0.21 (0.44)	0.17 (0.33)	0.02 (0.07)	0.07 (0.12)	7.86 (3.12)
A	0.05 (0.10)	3.36 (1.84)	76.33 (5.07)	9.43 (2.81)	0.93 (0.91)	0.35 (0.58)	0.05 (0.11)	0.17 (0.19)	9.32 (2.95)
BBB	0.02 (0.14)	0.23 (0.33)	6.50 (3.53)	72.71 (7.19)	6.01 (2.52)	1.34 (1.53)	0.26 (0.35)	0.65 (0.60)	12.27 (2.75)
BB	0.01 (0.07)	0.05 (0.17)	0.37 (0.80)	9.03 (3.58)	57.99 (6.07)	10.63 (3.67)	1.22 (1.04)	2.63 (2.35)	18.06 (3.70)
B	0.00 (0.00)	0.05 (0.16)	0.20 (0.55)	0.52 (0.61)	9.16 (3.42)	54.25 (6.63)	4.92 (2.60)	9.78 (5.77)	21.11 (4.79)
CCC/C	0.00	0.00	0.26	0.70	1.22	17.09	22.17	35.96	22.61

Table 34

Average Multiyear Global Corporate Transition Matrix (1981-2012) (%) (cont.)									
	(0.00)	(0.00)	(0.76)	(2.14)	(1.91)	(8.00)	(12.13)	(13.71)	(9.96)

Note: Numbers in parentheses are standard deviations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 35

Average Multiyear Global Corporate Transition Matrix (1981-2012) (%)									
--Three-year transition rates--									
From/to	AAA	AA	A	BBB	BB	B	CCC/C	D	NR
AAA	66.08	20.75	2.35	0.33	0.19	0.08	0.11	0.14	9.96
	(13.54)	(14.42)	(1.67)	(0.82)	(0.51)	(0.35)	(0.50)	(0.38)	(5.69)
AA	1.29	64.98	19.12	2.27	0.38	0.27	0.03	0.14	11.53
	(0.77)	(8.51)	(5.89)	(1.41)	(0.65)	(0.52)	(0.08)	(0.18)	(4.30)
A	0.07	4.36	67.48	12.00	1.43	0.56	0.12	0.31	13.66
	(0.11)	(2.36)	(5.93)	(2.82)	(1.12)	(0.80)	(0.16)	(0.25)	(3.66)
BBB	0.02	0.36	8.55	62.81	7.17	1.98	0.36	1.12	17.62
	(0.10)	(0.54)	(4.10)	(8.20)	(2.72)	(1.77)	(0.49)	(0.87)	(3.42)
BB	0.01	0.06	0.64	11.27	44.87	11.95	1.32	4.79	25.09
	(0.09)	(0.22)	(1.09)	(4.19)	(6.35)	(3.84)	(1.08)	(3.47)	(4.06)
B	0.01	0.04	0.29	0.96	10.76	40.20	4.44	14.65	28.65
	(0.12)	(0.16)	(0.80)	(1.00)	(3.57)	(6.56)	(2.37)	(6.93)	(5.92)
CCC/C	0.00	0.00	0.23	0.79	1.90	16.34	11.34	41.69	27.72
	(0.00)	(0.00)	(0.85)	(2.32)	(3.36)	(7.79)	(11.38)	(14.04)	(11.41)

Note: Numbers in parentheses are standard deviations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 36

Average Multiyear Global Corporate Transition Matrix (1981-2012) (%)									
--Five-year transition rates--									
From/to	AAA	AA	A	BBB	BB	B	CCC/C	D	NR
AAA	51.38	25.45	4.78	0.85	0.20	0.17	0.09	0.37	16.72
	(11.50)	(11.27)	(2.60)	(1.77)	(0.46)	(0.48)	(0.32)	(0.61)	(6.67)
AA	1.57	50.35	24.63	3.94	0.60	0.44	0.05	0.39	18.02
	(0.92)	(7.38)	(5.03)	(1.75)	(0.70)	(0.72)	(0.12)	(0.40)	(4.85)
A	0.10	5.41	53.96	15.26	2.20	0.84	0.19	0.65	21.39
	(0.11)	(2.62)	(6.76)	(2.44)	(1.27)	(1.14)	(0.22)	(0.41)	(4.09)
BBB	0.03	0.60	10.40	48.96	7.82	2.67	0.43	2.34	26.75
	(0.11)	(0.69)	(4.38)	(8.15)	(2.44)	(1.82)	(0.57)	(1.29)	(4.40)
BB	0.01	0.08	1.22	12.46	28.90	11.31	1.39	8.99	35.63
	(0.08)	(0.28)	(1.29)	(3.99)	(5.66)	(3.15)	(1.45)	(4.58)	(4.31)
B	0.02	0.04	0.35	1.80	10.37	23.69	2.90	21.40	39.43
	(0.26)	(0.14)	(1.18)	(1.56)	(2.89)	(5.99)	(1.39)	(7.83)	(6.18)
CCC/C	0.00	0.00	0.23	0.86	3.03	12.05	3.26	46.37	34.21
	(0.00)	(0.00)	(0.83)	(4.09)	(3.17)	(5.58)	(7.79)	(13.92)	(11.95)

Table 36

Average Multiyear Global Corporate Transition Matrix (1981-2012) (%) (cont.)

Note: Numbers in parentheses are standard deviations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 37

Average Multiyear Global Corporate Transition Matrix (1981-2012) (%)

--Seven-year transition rates--

From/to	AAA	AA	A	BBB	BB	B	CCC/C	D	NR
AAA	40.91 (8.77)	27.87 (9.24)	7.09 (2.66)	1.61 (2.14)	0.21 (0.49)	0.15 (0.45)	0.12 (0.34)	0.51 (0.74)	21.53 (7.06)
AA	1.66 (1.00)	40.18 (4.65)	27.35 (3.90)	5.14 (1.66)	0.78 (0.70)	0.42 (0.61)	0.04 (0.10)	0.55 (0.57)	23.89 (4.62)
A	0.09 (0.14)	5.69 (2.10)	44.68 (6.23)	16.88 (1.82)	2.75 (1.38)	1.00 (1.22)	0.18 (0.23)	1.08 (0.53)	27.64 (3.64)
BBB	0.04 (0.17)	0.81 (0.59)	10.85 (3.85)	39.91 (6.45)	7.60 (1.00)	2.77 (1.28)	0.42 (0.51)	3.48 (1.63)	34.11 (3.53)
BB	0.00 (0.00)	0.08 (0.29)	1.67 (1.39)	12.19 (4.25)	19.99 (4.66)	9.69 (2.72)	1.07 (0.97)	12.57 (4.98)	42.74 (3.67)
B	0.01 (0.22)	0.03 (0.14)	0.51 (1.02)	2.41 (1.96)	8.87 (2.27)	14.60 (4.01)	1.78 (0.91)	25.56 (7.48)	46.23 (5.93)
CCC/C	0.00 (0.00)	0.00 (0.00)	0.39 (0.91)	1.23 (4.63)	3.57 (2.35)	8.69 (4.37)	1.49 (4.36)	48.12 (12.97)	36.51 (10.85)

Note: Numbers in parentheses are standard deviations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 38

Average Multiyear Global Corporate Transition Matrix (1981-2012) (%)

--10-year transition rates--

From/to	AAA	AA	A	BBB	BB	B	CCC/C	D	NR
AAA	27.77 (7.07)	29.07 (8.49)	10.17 (2.26)	3.11 (2.48)	0.16 (0.31)	0.13 (0.45)	0.03 (0.14)	0.68 (0.79)	28.87 (7.21)
AA	1.42 (0.78)	28.44 (4.10)	28.95 (3.23)	7.07 (1.47)	1.00 (0.88)	0.47 (0.40)	0.03 (0.11)	0.77 (0.69)	31.85 (4.10)
A	0.14 (0.19)	5.42 (1.81)	34.43 (3.96)	17.78 (2.21)	3.13 (0.59)	1.08 (0.90)	0.17 (0.20)	1.81 (0.78)	36.04 (3.93)
BBB	0.03 (0.14)	1.04 (0.76)	10.15 (3.81)	30.44 (4.45)	7.32 (1.10)	2.82 (1.03)	0.33 (0.25)	5.50 (1.63)	42.37 (3.26)
BB	0.02 (0.10)	0.07 (0.22)	1.95 (1.41)	10.91 (3.66)	12.98 (3.53)	7.66 (2.76)	0.66 (0.52)	17.97 (4.64)	47.77 (3.89)
B	0.00 (0.00)	0.02 (0.08)	0.60 (0.95)	2.55 (2.02)	6.41 (1.67)	7.68 (2.71)	0.85 (0.79)	32.25 (6.37)	49.66 (5.22)
CCC/C	0.00 (0.00)	0.00 (0.00)	0.25 (0.90)	0.85 (1.79)	3.30 (4.00)	3.64 (3.35)	0.25 (0.61)	55.46 (10.35)	36.24 (11.08)

Table 38

Average Multiyear Global Corporate Transition Matrix (1981-2012) (%) (cont.)

Note: Numbers in parentheses are standard deviations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 39

Average Multiyear Global Corporate Transition Matrix (1981-2012) (%)

--15-year transition rates--

From/to	AAA	AA	A	BBB	BB	B	CCC/C	D	NR
AAA	15.41 (4.92)	26.34 (5.19)	15.90 (2.84)	3.04 (0.86)	0.49 (0.49)	0.37 (0.58)	0.00 (0.00)	0.94 (0.93)	37.51 (4.22)
AA	1.14 (0.84)	17.28 (2.75)	26.16 (2.89)	9.53 (2.30)	1.33 (0.87)	0.78 (0.45)	0.04 (0.10)	1.22 (0.67)	42.51 (3.44)
A	0.14 (0.26)	4.46 (1.44)	24.43 (2.54)	16.71 (1.03)	3.27 (1.00)	1.24 (0.61)	0.12 (0.15)	2.77 (0.80)	46.86 (3.48)
BBB	0.00 (0.00)	1.07 (0.45)	8.28 (2.96)	22.22 (1.94)	5.36 (0.99)	2.56 (1.27)	0.19 (0.22)	7.99 (0.96)	52.33 (2.46)
BB	0.00 (0.00)	0.13 (0.29)	2.32 (1.47)	8.64 (2.62)	7.05 (1.78)	4.71 (2.19)	0.37 (0.48)	22.10 (4.38)	54.68 (2.52)
B	0.00 (0.00)	0.00 (0.00)	0.62 (0.63)	3.09 (1.46)	3.66 (1.16)	3.62 (1.29)	0.57 (0.43)	35.52 (4.46)	52.91 (5.06)
CCC/C	0.00 (0.00)	0.00 (0.00)	0.85 (2.88)	1.37 (1.46)	2.05 (4.53)	1.03 (1.12)	0.34 (0.89)	56.75 (10.86)	37.61 (11.22)

Note: Numbers in parentheses are standard deviations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 40

Average Multiyear Global Corporate Transition Matrix (1981-2012) (%)

--20-year transition rates--

From/to	AAA	AA	A	BBB	BB	B	CCC/C	D	NR
AAA	7.21 (2.82)	21.81 (4.87)	19.91 (4.90)	3.30 (1.87)	0.79 (0.59)	0.98 (0.64)	0.00 (0.00)	1.59 (1.10)	44.41 (6.83)
AA	0.91 (0.80)	9.41 (1.89)	21.54 (3.55)	12.54 (1.75)	1.53 (0.34)	0.93 (0.53)	0.09 (0.18)	2.10 (1.05)	50.95 (2.52)
A	0.17 (0.24)	3.01 (1.04)	17.75 (2.25)	15.32 (1.29)	3.46 (0.67)	1.88 (0.72)	0.19 (0.23)	4.63 (1.11)	53.59 (1.90)
BBB	0.00 (0.00)	0.93 (0.49)	7.20 (1.23)	18.69 (2.39)	4.06 (1.10)	1.97 (0.95)	0.16 (0.29)	10.31 (1.71)	56.69 (2.40)
BB	0.00 (0.00)	0.10 (0.22)	1.87 (0.78)	7.26 (2.08)	3.61 (1.35)	3.22 (0.94)	0.23 (0.34)	25.30 (4.95)	58.40 (3.21)
B	0.00 (0.00)	0.00 (0.00)	0.48 (0.31)	3.21 (0.87)	2.88 (0.72)	1.96 (0.88)	0.30 (0.37)	37.30 (4.45)	53.88 (5.03)
CCC/C	0.00 (0.00)	0.00 (0.00)	0.22 (0.51)	0.87 (0.88)	2.61 (5.06)	0.65 (0.80)	0.00 (0.00)	56.43 (10.02)	39.22 (12.27)

Table 40

Average Multiyear Global Corporate Transition Matrix (1981-2012) (%) (cont.)

Note: Numbers in parentheses are standard deviations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 41

Average Multiyear Global Corporate Transition Matrices (1981-2012) (%)

All Financials									
From/to	AAA	AA	A	BBB	BB	B	CCC/C	D	NR
One-year									
AAA	87.33 (12.33)	8.99 (12.06)	0.38 (1.29)	0.08 (0.41)	0.08 (0.45)	0.04 (0.24)	0.08 (0.48)	0.00 (0.00)	3.00 (2.76)
AA	0.51 (0.85)	86.01 (5.49)	8.91 (4.99)	0.45 (1.01)	0.03 (0.07)	0.03 (0.07)	0.04 (0.29)	0.04 (0.10)	3.98 (2.17)
A	0.02 (0.35)	2.66 (1.78)	87.30 (4.16)	4.29 (3.24)	0.29 (0.87)	0.08 (0.18)	0.02 (0.04)	0.12 (0.17)	5.23 (2.50)
BBB	0.00 (0.00)	0.29 (0.99)	4.84 (3.29)	82.69 (6.22)	3.45 (4.44)	0.57 (1.82)	0.18 (0.44)	0.36 (1.00)	7.61 (2.79)
BB	0.00 (0.00)	0.14 (0.33)	0.24 (1.31)	7.01 (6.42)	74.02 (9.58)	4.98 (4.45)	1.07 (2.70)	1.04 (1.80)	11.51 (6.48)
B	0.00 (0.00)	0.05 (0.24)	0.16 (1.34)	0.52 (2.89)	8.44 (6.14)	72.98 (13.80)	3.05 (6.74)	3.42 (6.43)	11.39 (7.60)
CCC/C	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	1.81 (5.71)	15.36 (13.47)	45.48 (30.73)	17.47 (24.15)	19.88 (16.21)
Three-year									
AAA	66.25 (17.82)	21.94 (17.33)	1.68 (3.10)	0.34 (1.95)	0.22 (0.67)	0.09 (0.38)	0.17 (0.65)	0.22 (0.53)	9.09 (5.94)
AA	1.28 (1.46)	64.58 (8.88)	20.03 (7.80)	2.04 (2.21)	0.19 (0.41)	0.19 (0.52)	0.04 (0.09)	0.23 (0.31)	11.42 (4.53)
A	0.06 (0.45)	6.34 (3.25)	67.89 (7.29)	8.34 (3.21)	1.24 (2.00)	0.34 (1.10)	0.15 (0.37)	0.55 (0.61)	15.10 (5.52)
BBB	0.00 (0.00)	0.82 (2.31)	12.22 (6.07)	58.29 (7.48)	4.45 (3.75)	1.16 (2.71)	0.47 (1.44)	1.72 (1.82)	20.87 (5.63)
BB	0.00 (0.00)	0.20 (0.56)	1.09 (2.54)	15.60 (7.79)	41.55 (14.93)	6.75 (4.96)	1.33 (2.44)	4.32 (6.05)	29.14 (12.45)
B	0.00 (0.00)	0.00 (0.00)	0.45 (1.99)	2.18 (4.99)	17.10 (7.84)	41.38 (18.80)	2.43 (4.41)	9.03 (12.68)	27.42 (13.96)
CCC/C	0.00 (0.00)	0.00 (0.00)	0.34 (9.13)	0.69 (3.04)	2.41 (5.69)	19.66 (13.25)	12.07 (17.22)	24.14 (29.49)	40.69 (28.15)
10-year									
AAA	26.75 (8.26)	30.75 (12.55)	10.36 (5.76)	2.40 (4.41)	0.11 (0.30)	0.21 (0.62)	0.05 (0.20)	0.96 (1.34)	28.40 (9.80)
AA	1.42 (1.27)	32.24 (7.67)	28.60 (7.25)	4.68 (2.34)	0.28 (0.31)	0.37 (0.42)	0.04 (0.08)	1.16 (2.44)	31.21 (5.84)

Table 41

Average Multiyear Global Corporate Transition Matrices (1981-2012) (%) (cont.)									
A	0.15	8.74	35.93	8.55	2.10	0.30	0.25	2.23	41.76
	(0.85)	(3.43)	(3.78)	(3.24)	(0.76)	(0.77)	(0.22)	(1.57)	(5.45)
BBB	0.00	3.16	12.95	23.05	2.85	0.89	0.58	5.67	50.84
	(0.00)	(5.60)	(3.78)	(6.89)	(1.86)	(1.14)	(0.92)	(2.34)	(5.28)
BB	0.00	0.25	5.29	14.79	5.45	3.47	0.17	13.55	57.02
	(0.00)	(0.76)	(4.33)	(5.05)	(2.64)	(3.12)	(0.25)	(11.21)	(11.25)
B	0.00	0.00	2.78	7.91	9.81	7.32	0.29	19.33	52.56
	(0.00)	(0.00)	(3.78)	(8.84)	(7.18)	(6.96)	(5.28)	(16.04)	(16.09)
CCC/C	0.00	0.00	0.71	0.71	5.00	6.43	0.00	40.71	46.43
	(0.00)	(0.00)	(10.43)	(0.87)	(6.87)	(5.53)	(0.00)	(32.14)	(34.38)

Note: Numbers in parentheses are standard deviations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 42

Average Multiyear Global Corporate Transition Matrices (1981-2012) (%)									
Insurance									
From/to	AAA	AA	A	BBB	BB	B	CCC/C	D	NR
One-year									
AAA	87.84	10.05	0.29	0.00	0.07	0.07	0.15	0.00	1.53
	(24.11)	(24.18)	(1.49)	(0.00)	(0.28)	(0.49)	(0.98)	(0.00)	(2.06)
AA	0.65	86.74	8.11	0.46	0.05	0.05	0.08	0.05	3.78
	(3.76)	(6.93)	(5.68)	(1.03)	(0.14)	(0.12)	(1.77)	(0.13)	(2.46)
A	0.02	2.96	88.42	3.81	0.29	0.10	0.02	0.18	4.20
	(0.06)	(8.72)	(10.56)	(5.24)	(2.21)	(0.25)	(0.05)	(0.33)	(3.55)
BBB	0.00	0.22	5.74	82.24	3.14	0.53	0.44	0.27	7.42
	(0.00)	(2.25)	(5.44)	(6.17)	(5.03)	(2.15)	(1.57)	(1.98)	(5.29)
BB	0.00	0.16	0.64	8.76	72.77	3.82	1.59	0.96	11.31
	(0.00)	(1.47)	(3.14)	(12.30)	(16.10)	(6.68)	(4.18)	(3.80)	(9.01)
B	0.00	0.30	0.61	1.21	9.70	70.30	3.64	3.33	10.91
	(0.00)	(1.36)	(6.00)	(4.74)	(12.51)	(20.06)	(6.32)	(8.36)	(10.57)
CCC/C	0.00	0.00	0.00	0.00	2.70	10.81	44.59	25.68	16.22
	(0.00)	(0.00)	(0.00)	(0.00)	(6.77)	(20.92)	(38.30)	(31.36)	(18.52)
Three-year									
AAA	66.42	25.59	1.76	0.00	0.15	0.15	0.29	0.37	5.28
	(23.37)	(22.26)	(2.53)	(0.00)	(0.60)	(0.73)	(1.20)	(0.91)	(5.67)
AA	1.60	66.42	17.87	2.19	0.24	0.30	0.09	0.36	10.95
	(7.42)	(12.66)	(8.42)	(2.34)	(0.87)	(0.55)	(0.19)	(0.46)	(5.16)
A	0.09	7.12	70.31	7.10	1.06	0.23	0.21	0.78	13.11
	(0.19)	(13.65)	(15.73)	(5.49)	(4.94)	(3.40)	(0.22)	(3.00)	(6.89)
BBB	0.00	0.68	14.53	58.08	4.58	0.95	0.68	1.53	18.96
	(0.00)	(4.32)	(6.74)	(10.90)	(5.11)	(2.19)	(2.87)	(4.19)	(7.66)
BB	0.00	0.19	2.63	17.67	40.79	4.51	2.26	3.95	28.01

Table 42

Average Multiyear Global Corporate Transition Matrices (1981-2012) (%) (cont.)									
	(0.00)	(1.52)	(6.26)	(15.62)	(24.80)	(7.33)	(6.45)	(8.37)	(15.74)
B	0.00	0.00	2.53	4.69	15.88	42.60	1.81	9.75	22.74
	(0.00)	(0.00)	(10.01)	(13.29)	(16.13)	(24.96)	(2.60)	(13.17)	(11.59)
CCC/C	0.00	0.00	1.61	1.61	6.45	9.68	19.35	37.10	24.19
	(0.00)	(0.00)	(18.26)	(6.09)	(10.50)	(10.16)	(23.15)	(36.10)	(32.61)
10-year									
AAA	27.43	37.48	11.46	2.12	0.18	0.35	0.09	1.59	19.31
	(19.82)	(14.13)	(8.90)	(3.76)	(0.49)	(1.11)	(0.33)	(1.96)	(11.93)
AA	2.05	33.21	27.10	4.52	0.43	0.64	0.09	1.62	30.35
	(4.86)	(9.22)	(5.99)	(3.89)	(1.07)	(0.64)	(0.14)	(2.12)	(6.65)
A	0.44	8.64	37.23	8.88	2.43	0.24	0.68	3.50	37.96
	(5.87)	(11.00)	(9.16)	(6.38)	(2.45)	(0.38)	(0.48)	(4.27)	(11.29)
BBB	0.00	4.10	12.04	29.50	3.57	0.53	0.53	7.80	41.93
	(0.00)	(9.77)	(7.17)	(12.29)	(5.54)	(0.54)	(1.10)	(5.77)	(6.41)
BB	0.00	1.24	9.13	14.52	10.37	3.73	0.00	26.14	34.85
	(0.00)	(2.57)	(11.27)	(10.46)	(10.11)	(5.19)	(0.00)	(13.87)	(12.72)
B	0.00	0.00	11.02	18.64	11.86	2.54	1.69	21.19	33.05
	(0.00)	(0.00)	(13.40)	(22.51)	(15.72)	(10.62)	(8.50)	(18.30)	(14.06)
CCC/C	0.00	0.00	3.33	0.00	0.00	0.00	0.00	70.00	26.67
	(0.00)	(0.00)	(20.85)	(0.00)	(0.00)	(0.00)	(0.00)	(44.21)	(31.61)

Note: Numbers in parentheses are standard deviations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 43

Average Multiyear Global Corporate Transition Matrices (1981-2012) (%)									
Financial Institutions									
From/to	AAA	AA	A	BBB	BB	B	CCC/C	D	NR
One-year									
AAA	86.63	7.54	0.50	0.20	0.10	0.00	0.00	0.00	5.03
	(12.50)	(12.14)	(1.52)	(1.02)	(0.93)	(0.00)	(0.00)	(0.00)	(4.59)
AA	0.38	85.29	9.70	0.43	0.00	0.00	0.00	0.03	4.18
	(0.93)	(6.70)	(6.31)	(1.18)	(0.00)	(0.00)	(0.00)	(0.08)	(2.58)
A	0.03	2.45	86.51	4.62	0.29	0.07	0.01	0.08	5.94
	(0.43)	(2.10)	(5.35)	(3.88)	(1.03)	(0.18)	(0.06)	(0.20)	(3.38)
BBB	0.00	0.33	4.43	82.90	3.59	0.59	0.06	0.41	7.69
	(0.00)	(1.22)	(3.94)	(8.13)	(5.28)	(2.20)	(0.41)	(0.96)	(3.09)
BB	0.00	0.13	0.13	6.53	74.36	5.30	0.93	1.06	11.56
	(0.00)	(0.34)	(1.74)	(5.81)	(9.53)	(6.15)	(2.77)	(1.47)	(7.42)
B	0.00	0.00	0.06	0.37	8.18	73.53	2.93	3.43	11.49
	(0.00)	(0.00)	(1.18)	(4.64)	(6.20)	(15.46)	(8.44)	(10.82)	(7.93)
CCC/C	0.00	0.00	0.00	0.00	1.55	16.67	45.74	15.12	20.93
	(0.00)	(0.00)	(0.00)	(0.00)	(6.57)	(12.49)	(31.77)	(17.65)	(15.51)

Table 43

Average Multiyear Global Corporate Transition Matrices (1981-2012) (%) (cont.)									
Three-year									
AAA	66.00	16.74	1.57	0.84	0.31	0.00	0.00	0.00	14.54
	(17.73)	(17.20)	(3.78)	(2.55)	(1.09)	(0.00)	(0.00)	(0.00)	(8.26)
AA	0.97	62.79	22.12	1.89	0.14	0.09	0.00	0.11	11.88
	(1.08)	(10.51)	(9.41)	(2.61)	(0.52)	(0.59)	(0.00)	(0.28)	(5.42)
A	0.03	5.82	66.30	9.17	1.36	0.41	0.11	0.40	16.42
	(0.54)	(4.07)	(8.66)	(4.15)	(2.14)	(0.89)	(0.41)	(0.60)	(6.45)
BBB	0.00	0.88	11.18	58.39	4.38	1.26	0.38	1.80	21.73
	(0.00)	(2.07)	(7.61)	(9.80)	(5.10)	(3.58)	(1.53)	(2.28)	(5.90)
BB	0.00	0.21	0.67	15.04	41.76	7.36	1.08	4.43	29.45
	(0.00)	(0.78)	(2.51)	(6.70)	(12.85)	(5.84)	(2.79)	(6.74)	(13.45)
B	0.00	0.00	0.00	1.64	17.37	41.12	2.57	8.88	28.43
	(0.00)	(0.00)	(0.00)	(5.77)	(12.68)	(20.27)	(6.56)	(18.00)	(16.94)
CCC/C	0.00	0.00	0.00	0.44	1.32	22.37	10.09	20.61	45.18
	(0.00)	(0.00)	(0.00)	(2.03)	(6.56)	(14.79)	(23.13)	(20.52)	(26.73)
10-year									
AAA	25.71	20.43	8.66	2.84	0.00	0.00	0.00	0.00	42.35
	(10.61)	(11.71)	(7.50)	(5.78)	(0.00)	(0.00)	(0.00)	(0.00)	(11.33)
AA	0.78	31.26	30.13	4.83	0.13	0.09	0.00	0.70	32.09
	(1.14)	(10.42)	(9.72)	(3.36)	(0.30)	(0.28)	(0.00)	(3.16)	(6.54)
A	0.00	8.78	35.26	8.38	1.93	0.33	0.03	1.58	43.72
	(0.00)	(3.67)	(4.82)	(4.39)	(1.44)	(0.96)	(0.07)	(1.88)	(6.35)
BBB	0.00	2.83	13.27	20.79	2.60	1.02	0.60	4.92	53.97
	(0.00)	(4.80)	(4.02)	(7.04)	(2.12)	(1.63)	(1.32)	(3.04)	(6.69)
BB	0.00	0.00	4.33	14.86	4.23	3.41	0.21	10.42	62.54
	(0.00)	(0.00)	(3.22)	(5.58)	(3.05)	(4.11)	(0.28)	(12.22)	(14.07)
B	0.00	0.00	1.06	5.66	9.38	8.32	0.00	18.94	56.64
	(0.00)	(0.00)	(2.70)	(11.42)	(6.85)	(20.89)	(0.00)	(26.67)	(25.02)
CCC/C	0.00	0.00	0.00	0.91	6.36	8.18	0.00	32.73	51.82
	(0.00)	(0.00)	(0.00)	(1.16)	(9.26)	(6.75)	(0.00)	(22.90)	(36.59)

Note: Numbers in parentheses are standard deviations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 44

Average Multiyear Global Corporate Transition Matrices (1981-2012) (%)									
Nonfinancials									
From/to	AAA	AA	A	BBB	BB	B	CCC/C	D	NR
One-year									
AAA	86.90	8.17	0.81	0.00	0.07	0.00	0.00	0.00	4.05
	(7.98)	(6.58)	(1.48)	(0.00)	(0.29)	(0.00)	(0.00)	(0.00)	(4.16)
AA	0.57	86.63	7.70	0.72	0.10	0.15	0.00	0.00	4.13
	(0.74)	(5.63)	(3.77)	(1.12)	(0.31)	(0.35)	(0.00)	(0.00)	(2.69)

Table 44

Average Multiyear Global Corporate Transition Matrices (1981-2012) (%) (cont.)									
A	0.04	1.27	87.24	6.46	0.42	0.20	0.02	0.03	4.31
	(0.12)	(1.32)	(3.94)	(2.34)	(0.54)	(0.44)	(0.09)	(0.08)	(2.26)
BBB	0.01	0.06	3.08	85.94	4.03	0.63	0.12	0.17	5.95
	(0.07)	(0.19)	(2.50)	(5.16)	(1.83)	(1.03)	(0.25)	(0.29)	(2.03)
BB	0.02	0.02	0.14	4.83	76.52	7.62	0.65	0.83	9.37
	(0.07)	(0.17)	(0.40)	(2.35)	(5.37)	(4.86)	(0.71)	(1.11)	(2.98)
B	0.00	0.03	0.11	0.20	5.11	73.93	4.54	4.37	11.71
	(0.00)	(0.13)	(0.39)	(0.28)	(2.56)	(5.17)	(2.70)	(3.45)	(3.01)
CCC/C	0.00	0.00	0.19	0.28	0.57	13.43	43.64	28.32	13.57
	(0.00)	(0.00)	(0.80)	(1.10)	(1.28)	(8.54)	(12.79)	(13.03)	(7.66)
Three-year									
AAA	65.79	18.68	3.53	0.30	0.15	0.08	0.00	0.00	11.48
	(10.90)	(9.61)	(3.15)	(1.12)	(0.43)	(0.26)	(0.00)	(0.00)	(6.96)
AA	1.30	65.44	18.07	2.55	0.59	0.35	0.02	0.03	11.65
	(0.97)	(9.79)	(5.97)	(1.78)	(0.92)	(0.55)	(0.07)	(0.10)	(4.85)
A	0.08	2.98	67.21	14.58	1.56	0.71	0.10	0.14	12.64
	(0.12)	(2.77)	(6.35)	(3.75)	(1.14)	(0.94)	(0.17)	(0.20)	(3.54)
BBB	0.03	0.21	7.30	64.35	8.10	2.26	0.32	0.92	16.52
	(0.11)	(0.41)	(4.63)	(9.25)	(2.66)	(1.79)	(0.42)	(0.99)	(3.60)
BB	0.01	0.04	0.55	10.48	45.47	12.88	1.32	4.87	24.36
	(0.10)	(0.24)	(1.10)	(4.23)	(7.15)	(4.13)	(1.02)	(3.59)	(4.58)
B	0.01	0.04	0.27	0.84	10.14	40.09	4.64	15.20	28.77
	(0.12)	(0.17)	(0.85)	(0.94)	(3.52)	(6.30)	(2.52)	(7.05)	(6.21)
CCC/C	0.00	0.00	0.21	0.80	1.82	15.82	11.22	44.41	25.71
	(0.00)	(0.00)	(0.52)	(2.44)	(3.62)	(7.92)	(12.26)	(15.65)	(11.28)
10-year									
AAA	29.35	26.46	9.89	4.20	0.25	0.00	0.00	0.25	29.60
	(9.94)	(6.75)	(4.70)	(3.50)	(0.63)	(0.00)	(0.00)	(0.51)	(6.99)
AA	1.41	24.92	29.28	9.28	1.67	0.56	0.02	0.40	32.45
	(0.97)	(8.31)	(4.46)	(3.59)	(1.21)	(0.52)	(0.12)	(0.53)	(5.22)
A	0.14	3.63	33.64	22.76	3.69	1.49	0.12	1.59	32.93
	(0.15)	(2.76)	(4.58)	(4.67)	(0.89)	(0.90)	(0.21)	(0.83)	(2.99)
BBB	0.04	0.47	9.40	32.42	8.53	3.34	0.26	5.45	40.09
	(0.17)	(0.52)	(4.87)	(5.20)	(1.41)	(1.34)	(0.28)	(1.75)	(3.72)
BB	0.02	0.05	1.46	10.33	14.10	8.28	0.74	18.62	46.40
	(0.12)	(0.23)	(1.30)	(4.25)	(3.96)	(3.12)	(0.56)	(5.01)	(4.74)
B	0.00	0.02	0.43	2.14	6.15	7.71	0.89	33.22	49.44
	(0.00)	(0.08)	(1.02)	(1.80)	(1.73)	(2.70)	(0.67)	(6.54)	(5.68)
CCC/C	0.00	0.00	0.19	0.86	3.07	3.27	0.29	57.44	34.87
	(0.00)	(0.00)	(0.43)	(1.95)	(3.95)	(3.38)	(0.70)	(12.34)	(12.40)

Note: Numbers in parentheses are standard deviations. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Appendix II: Additional Tables

Table 45

Initial-To-Last Transition Rates By Rating Modifier: Nonfinancials (%)																				
Rating	Issuers	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	142	4.23	2.11	4.23	6.34	5.63	5.63	3.52	2.11	1.41	0.70	0.00	0.00	0.00	0.70	0.70	0.00	0.00	2.11	60.56
AA+	70	2.86	0.00	8.57	7.14	4.29	2.86	11.43	2.86	4.29	0.00	0.00	2.86	1.43	0.00	1.43	0.00	0.00	1.43	48.57
AA	277	0.36	0.72	2.53	4.33	1.81	6.14	9.75	3.61	5.05	3.25	0.72	0.36	0.00	0.00	0.36	0.00	0.36	2.53	58.12
AA-	207	0.48	0.00	0.48	6.76	6.28	8.70	9.18	8.21	5.80	3.38	0.48	0.00	0.48	0.48	0.00	0.00	0.48	1.45	47.34
A+	302	0.66	0.00	0.00	2.98	9.27	7.95	7.95	7.28	5.30	2.65	1.66	0.66	0.33	0.66	0.33	0.33	0.00	3.31	48.68
A	689	0.00	0.00	0.29	0.58	2.61	8.13	6.68	5.95	8.13	3.19	1.31	0.87	0.15	0.44	1.02	0.44	0.00	5.08	55.15
A-	456	0.00	0.00	0.22	0.22	1.75	5.26	14.47	9.43	7.46	4.39	1.75	1.97	0.88	0.44	0.00	0.22	0.22	3.73	47.59
BBB+	497	0.00	0.00	0.00	0.20	1.01	2.21	5.43	20.12	11.07	5.23	2.01	1.21	1.01	0.20	0.00	0.40	0.40	4.23	45.27
BBB	767	0.00	0.13	0.00	0.00	0.39	1.17	3.13	5.87	17.73	7.30	2.35	1.56	1.43	0.39	0.13	0.65	0.26	6.65	50.85
BBB-	696	0.00	0.00	0.14	0.00	0.00	0.57	1.44	2.59	8.48	18.10	4.31	1.87	1.01	1.15	1.72	0.14	0.00	9.20	49.28
BB+	446	0.00	0.00	0.00	0.00	0.00	0.22	1.35	1.35	4.04	8.30	14.57	3.81	2.91	2.02	1.79	2.24	0.00	10.31	47.09
BB	739	0.00	0.00	0.00	0.00	0.14	0.14	0.54	1.08	1.22	3.65	4.87	14.34	4.06	2.71	2.44	0.81	0.68	16.24	47.09
BB-	1,346	0.00	0.00	0.00	0.00	0.00	0.00	0.22	0.45	0.89	1.49	2.53	3.94	11.66	4.46	2.82	1.11	0.22	22.66	47.55
B+	2,189	0.00	0.00	0.00	0.00	0.05	0.05	0.14	0.09	0.37	0.64	0.73	1.74	2.74	12.84	5.12	1.51	0.78	25.81	47.42
B	1,729	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.17	0.23	0.29	0.35	0.69	1.21	4.45	24.12	3.76	1.79	20.82	42.05
B-	689	0.00	0.00	0.00	0.00	0.00	0.15	0.00	0.00	0.00	0.44	0.44	0.58	1.16	1.31	4.79	17.85	3.63	25.54	44.12
CCC/C	380	0.00	0.00	0.00	0.00	0.00	0.00	0.53	0.26	0.53	0.26	0.53	1.32	0.79	2.37	5.79	7.37	13.68	33.42	33.16

Note: Initial-to-last transition rates are calculated based on the original rating vis-à-vis the last rating for rated entities across all time horizons. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 46

Initial-To-Last Transition Rates By Rating Modifier: Insurance (%)																				
Rating	#	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	139	0.00	11.51	8.63	18.71	10.07	2.88	5.76	0.00	1.44	0.00	0.72	0.00	0.00	0.00	1.44	0.00	0.00	2.88	35.97
AA+	46	0.00	0.00	4.35	8.70	19.57	10.87	4.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.17	0.00	2.17	47.83
AA	137	0.00	0.73	3.65	11.68	13.87	7.30	7.30	0.73	0.00	2.19	0.00	0.00	0.00	0.00	0.00	1.46	0.00	5.84	45.26
AA-	120	0.00	0.00	2.50	20.00	13.33	8.33	10.83	2.50	1.67	0.00	0.83	0.00	0.83	0.00	0.00	0.00	0.00	1.67	37.50
A+	158	0.00	0.63	0.63	5.06	25.95	7.59	5.06	3.16	2.53	0.63	0.00	0.63	0.00	0.00	0.00	0.00	0.63	1.90	45.57
A	179	0.00	1.12	0.56	2.23	12.29	19.55	13.97	5.59	3.35	0.56	1.68	0.00	0.00	0.00	0.00	0.00	0.56	5.03	33.52
A-	197	0.00	0.00	0.00	0.00	3.55	13.20	30.96	5.58	3.55	3.05	0.00	0.51	0.00	0.00	0.00	0.51	0.00	3.55	35.53
BBB+	105	0.00	0.00	0.00	0.00	0.95	1.90	18.10	26.67	8.57	2.86	0.95	0.00	0.00	0.00	0.00	0.00	0.00	2.86	37.14
BBB	122	0.00	0.00	0.00	0.00	1.64	0.82	7.38	13.93	18.03	5.74	3.28	1.64	0.00	0.00	0.00	0.00	0.00	6.56	40.98
BBB-	83	0.00	0.00	1.20	0.00	2.41	1.20	2.41	8.43	6.02	14.46	8.43	1.20	0.00	0.00	0.00	0.00	0.00	3.61	50.60
BB+	36	0.00	0.00	0.00	0.00	0.00	2.78	2.78	2.78	0.00	11.11	27.78	2.78	2.78	0.00	0.00	0.00	0.00	8.33	38.89
BB	40	0.00	0.00	0.00	0.00	0.00	0.00	2.50	0.00	2.50	10.00	5.00	10.00	2.50	0.00	0.00	0.00	0.00	7.50	60.00
BB-	25	0.00	0.00	0.00	0.00	0.00	0.00	4.00	0.00	4.00	4.00	4.00	8.00	24.00	0.00	4.00	4.00	0.00	8.00	36.00
B+	28	0.00	0.00	0.00	0.00	3.57	0.00	0.00	3.57	7.14	3.57	0.00	7.14	3.57	17.86	7.14	0.00	0.00	7.14	39.29
B	36	0.00	0.00	0.00	2.78	0.00	0.00	2.78	2.78	0.00	0.00	5.56	2.78	0.00	5.56	27.78	0.00	0.00	16.67	33.33
B-	16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00	6.25	18.75	50.00

Table 46

Initial-To-Last Transition Rates By Rating Modifier: Insurance (%) (cont.)																							
CCC/C	6	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.67	0.00	0.00	16.67	33.33	33.33

Note: Initial-to-last transition rates are calculated based on the original rating vis-à-vis the last rating for rated entities across all time horizons. #Indicates number of issuers. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 47

Initial-To-Last Transition Rates By Rating Modifier: Financial Institutions (%)																				
Rating	#	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	129	4.65	13.95	1.55	3.10	7.75	6.98	2.33	0.00	0.78	0.00	0.78	0.78	0.00	0.00	0.00	0.00	0.00	0.78	56.59
AA+	50	4.00	6.00	6.00	8.00	6.00	6.00	2.00	0.00	0.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60.00
AA	143	0.00	2.10	2.80	12.59	6.99	6.29	1.40	1.40	3.50	1.40	0.70	0.70	0.00	0.70	0.00	0.00	0.00	2.80	56.64
AA-	192	0.52	0.00	1.56	9.38	11.46	9.38	5.73	3.65	1.56	1.56	0.00	0.00	0.52	0.00	0.00	0.00	0.00	2.08	52.60
A+	212	0.00	0.00	0.00	6.13	10.85	10.38	3.77	2.36	0.94	2.36	0.00	0.47	0.94	0.47	0.00	0.00	0.00	0.94	60.38
A	282	0.00	0.00	0.00	3.55	4.26	13.48	4.96	3.90	3.55	3.19	1.06	1.42	0.00	0.00	0.35	0.71	0.35	0.71	58.51
A-	243	0.00	0.00	0.41	0.82	5.76	9.88	17.28	5.35	6.58	3.29	1.65	1.65	1.65	0.41	0.41	0.00	0.00	1.23	43.62
BBB+	207	0.00	0.00	0.00	0.48	1.93	5.31	5.31	19.32	5.80	3.38	1.45	1.45	0.00	0.48	0.00	0.00	0.00	3.38	51.69
BBB	242	0.00	0.00	0.00	0.83	1.65	0.83	4.55	7.44	19.83	4.96	0.00	1.24	0.83	0.00	0.00	0.41	0.00	4.55	52.89
BBB-	250	0.00	0.00	0.00	0.00	0.40	1.20	2.80	4.80	10.40	21.20	1.60	0.80	0.40	0.80	0.00	0.80	2.00	8.00	44.80
BB+	118	0.00	0.00	0.00	0.00	0.00	0.85	0.85	1.69	11.02	9.32	14.41	2.54	4.24	0.85	0.00	0.00	0.00	11.02	43.22
BB	142	0.00	0.00	0.00	0.00	0.00	0.70	0.00	0.00	4.93	7.04	3.52	16.20	2.82	0.70	0.00	0.70	0.70	9.15	53.52
BB-	184	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.09	1.09	0.00	3.26	7.61	20.11	2.17	2.72	0.54	0.54	14.13	46.74
B+	162	0.00	0.00	0.00	0.00	0.00	0.00	1.23	0.00	0.62	1.23	3.09	4.94	7.41	20.99	4.94	3.09	0.00	9.88	42.59
B	173	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.16	0.00	0.58	1.16	2.31	5.20	18.50	9.25	0.58	15.61	45.66
B-	89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.12	0.00	1.12	1.12	1.12	5.62	11.24	28.09	1.12	6.74	42.70
CCC/C	92	0.00	0.00	0.00	0.00	0.00	1.09	0.00	0.00	1.09	0.00	1.09	0.00	2.17	3.26	10.87	3.26	8.70	22.83	45.65

Note: Initial-to-last transition rates are calculated based on the original rating vis-à-vis the last rating for rated entities across all time horizons. #Indicates number of issuers. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 48

Initial-To-Last Default Rates By Rating Category For Broad Sectors (%)						
Rating	--Nonfinancials--		--Insurance--		--Financial institutions--	
	Issuer count	Default rate (%)	Issuer count	Default rate (%)	Issuer count	Default rate (%)
AAA	142	2.11	139	2.88	129	0.78
AA+	70	1.43	46	2.17	50	0.00
AA	277	2.53	137	5.84	143	2.80
AA-	207	1.45	120	1.67	192	2.08
A+	302	3.31	158	1.90	212	0.94
A	689	5.08	179	5.03	282	0.71
A-	456	3.73	197	3.55	243	1.23
BBB+	497	4.23	105	2.86	207	3.38
BBB	767	6.65	122	6.56	242	4.55
BBB-	696	9.20	83	3.61	250	8.00
BB+	446	10.31	36	8.33	118	11.02
BB	739	16.24	40	7.50	142	9.15

Table 48

Initial-To-Last Default Rates By Rating Category For Broad Sectors (%) (cont.)						
BB-	1,346	22.66	25	8.00	184	14.13
B+	2,189	25.81	28	7.14	162	9.88
B	1,729	20.82	36	16.67	173	15.61
B-	689	25.54	16	18.75	89	6.74
CCC/C	380	33.42	6	33.33	92	22.83

Note: Initial-to-last default rates are calculated based on the original rating vis-à-vis the last rating for rated entities across all time horizons.
Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 49

Rating	--Nonfinancials--			--Insurance--			--Financial institutions--		
	One year (2012 pool)	Three year (2010 pool)	10 year (2003 pool)	One year (2012 pool)	Three year (2010 pool)	10 year (2003 pool)	One year (2012 pool)	Three year (2010 pool)	10 year (2003 pool)
AAA	0.00	0.00	0.00	0.00	0.00	2.44	0.00	0.00	0.00
AA+	0.00	0.00	0.00	0.00	0.00	4.55	0.00	0.00	0.00
AA	0.00	0.00	0.00	0.00	0.00	2.56	0.00	0.00	0.00
AA-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A+	0.00	0.00	0.00	0.00	0.00	1.11	0.00	0.00	0.93
A	0.00	0.00	0.43	0.00	0.00	1.20	0.00	0.00	3.30
A-	0.00	0.00	0.00	0.00	0.00	4.05	0.00	0.00	1.98
BBB+	0.00	0.00	0.99	0.00	0.00	2.13	0.00	0.00	1.14
BBB	0.00	0.00	2.55	0.00	0.00	3.13	0.00	0.77	3.26
BBB-	0.00	0.00	5.43	0.00	2.13	0.00	0.00	0.00	6.15
BB+	0.00	0.00	6.62	0.00	0.00	0.00	0.00	3.85	4.76
BB	0.00	0.88	11.55	0.00	0.00	0.00	0.00	2.63	1.82
BB-	0.58	1.03	13.31	0.00	0.00	0.00	2.00	4.84	0.00
B+	0.44	0.90	18.33	0.00	12.50	0.00	1.59	0.00	4.88
B	1.23	6.79	19.02	0.00	10.00	33.33	2.99	0.00	12.50
B-	3.49	11.16	25.00	0.00	0.00	100.00	2.70	4.55	0.00
CCC/C	29.01	32.64	52.14	16.67	42.86	66.67	11.76	27.27	11.11

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 50

Corporate Transition Matrix--One Year Ended Dec. 31, 2012 (%)																				
Nonfinancials																				
Rating	#	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	13	92.31	7.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AA+	6	0.00	83.33	16.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AA	21	0.00	0.00	95.24	0.00	4.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AA-	60	0.00	0.00	5.00	80.00	10.00	0.00	0.00	0.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A+	99	0.00	0.00	0.00	5.05	73.74	14.14	5.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.02
A	182	0.00	0.00	0.00	0.00	6.59	79.67	7.14	1.10	1.10	0.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.85

Table 50

Corporate Transition Matrix--One Year Ended Dec. 31, 2012 (%) (cont.)																				
A-	282	0.00	0.00	0.00	0.00	0.00	0.00	4.61	80.14	7.45	5.67	0.35	0.00	0.00	0.00	0.35	0.00	0.00	0.00	1.42
BBB+	325	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.15	80.62	8.31	0.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00
BBB	390	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.67	84.36	4.87	0.51	0.00	0.26	0.00	0.00	0.00	0.00	3.33
BBB-	369	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.27	9.76	79.67	4.07	1.63	0.00	0.00	0.00	0.27	0.00	4.34
BB+	229	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.44	0.00	0.44	13.10	72.93	6.11	1.31	0.00	0.00	0.44	0.00	5.24
BB	263	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.66	12.55	67.68	6.84	3.42	0.00	0.00	0.00	6.84
BB-	344	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.45	11.34	63.08	10.76	4.65	0.58	0.29	7.27
B+	451	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.22	0.00	1.33	7.98	62.97	12.42	2.22	1.11	11.31
B	568	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.18	8.80	66.02	10.56	3.17	1.23	10.04
B-	258	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.39	0.00	1.55	12.79	55.43	13.57	12.79
CCC/C	131	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.76	4.58	9.92	42.75	29.01	12.98

#Indicates number of issuers. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 51

Corporate Transition Matrix--One Year Ended Dec. 31, 2012 (%)																				
Insurance																				
Rating	#	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	1	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AA+	20	0.00	95.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00
AA	25	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AA-	102	0.00	0.00	0.00	73.53	20.59	2.94	0.98	0.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.98
A+	107	0.00	0.00	0.00	3.74	85.98	5.61	1.87	0.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.87
A	124	0.00	0.00	0.00	0.00	14.52	72.58	9.68	0.81	0.00	0.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.67
A-	156	0.00	0.00	0.00	0.00	0.00	3.85	82.05	3.21	7.05	0.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.21
BBB+	83	0.00	0.00	0.00	0.00	0.00	0.00	8.43	80.72	0.00	1.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.64
BBB	55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.27	76.36	3.64	3.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.09
BBB-	50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00	8.00	70.00	6.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00	8.00
BB+	24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.33	83.33	0.00	4.17	0.00	0.00	0.00	0.00	0.00	4.17
BB	15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13.33	73.33	0.00	0.00	0.00	0.00	0.00	0.00	13.33
BB-	9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.11	11.11	44.44	0.00	22.22	0.00	0.00	0.00	11.11
B+	12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.33	41.67	8.33	25.00	0.00	0.00	16.67
B	11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.09	9.09	0.00	0.00	0.00	0.00	72.73	0.00	0.00	0.00	9.09
B-	4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	0.00	0.00	50.00
CCC/C	6	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.67	50.00	16.67	16.67

#Indicates number of issuers. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 52

Corporate Transition Matrix--One Year Ended Dec. 31, 2012 (%)																				
Financial Institutions																				
Rating	#	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	10	90.00	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AA+	25	0.00	88.00	12.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Table 52

Corporate Transition Matrix--One Year Ended Dec. 31, 2012 (%) (cont.)																			
AA	15	0.00	0.00	53.33	26.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00
AA-	76	0.00	0.00	0.00	81.58	9.21	1.32	0.00	0.00	2.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.26
A+	131	0.00	0.00	0.00	3.05	67.18	17.56	0.76	0.00	1.53	0.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.16
A	139	0.00	0.00	0.00	0.00	1.44	76.98	5.76	7.19	0.00	2.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.47
A-	110	0.00	0.00	0.00	0.00	0.00	0.91	84.55	8.18	2.73	0.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.73
BBB+	115	0.00	0.00	0.00	0.00	0.00	0.00	2.61	67.83	10.43	5.22	3.48	4.35	0.00	0.00	0.00	0.00	0.00	6.09
BBB	144	0.00	0.00	0.00	0.00	0.00	0.00	0.69	1.39	78.47	7.64	3.47	1.39	0.00	0.00	0.00	0.00	0.00	6.94
BBB-	106	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.60	72.64	3.77	1.89	1.89	0.00	0.00	0.00	0.00	13.21
BB+	58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.34	51.72	10.34	6.90	1.72	1.72	0.00	0.00	17.24
BB	55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.64	76.36	7.27	3.64	0.00	0.00	0.00	9.09
BB-	50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.00	78.00	4.00	2.00	0.00	0.00	2.00	6.00
B+	63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.59	12.70	61.90	7.94	3.17	0.00	11.11
B	67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.46	65.67	17.91	2.99	2.99
B-	37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.22	67.57	5.41	2.70	8.11
CCC/C	17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.76	52.94	11.76	23.53

#Indicates number of issuers. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 53

Corporate Transition Matrix--Three Years Ended Dec. 31, 2012 (%)																				
Nonfinancials																				
Rating	#	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	11	81.82	18.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
AA+	9	33.33	44.44	11.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.11	
AA	49	0.00	0.00	36.73	28.57	8.16	12.24	4.08	2.04	0.00	0.00	0.00	0.00	0.00	2.04	0.00	0.00	0.00	6.12	
AA-	50	0.00	0.00	6.00	52.00	20.00	8.00	2.00	0.00	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.00	
A+	81	0.00	0.00	0.00	13.58	60.49	11.11	7.41	0.00	2.47	0.00	1.23	0.00	0.00	0.00	0.00	0.00	0.00	3.70	
A	198	0.00	0.00	0.00	0.00	12.12	53.54	11.62	6.06	3.03	2.02	0.00	0.00	0.51	0.51	0.00	0.00	0.00	10.61	
A-	269	0.00	0.00	0.00	0.37	0.00	7.43	59.11	13.01	10.78	0.74	0.37	0.74	0.00	0.37	0.00	0.00	0.00	7.06	
BBB+	276	0.00	0.00	0.00	0.00	0.00	2.17	14.49	54.71	14.13	2.54	0.72	0.00	0.36	0.00	0.00	0.00	0.00	10.87	
BBB	394	0.00	0.00	0.00	0.00	0.00	0.25	3.05	17.26	54.82	11.93	2.28	0.51	0.00	0.00	0.25	0.25	0.00	9.39	
BBB-	287	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.18	21.95	51.22	6.62	3.48	0.35	0.35	0.00	0.35	0.35	11.15	
BB+	177	0.00	0.00	0.00	0.00	0.00	1.13	0.00	0.56	2.82	24.86	39.55	7.91	3.39	0.56	0.00	0.00	0.00	19.21	
BB	226	0.00	0.00	0.00	0.00	0.00	0.00	0.44	0.44	1.77	8.41	22.12	33.19	8.41	4.42	1.77	0.44	0.44	17.26	
BB-	291	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.34	0.69	3.44	5.84	18.56	32.30	10.31	5.50	1.03	1.72	19.24	
B+	335	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30	0.00	0.90	2.69	6.87	11.64	30.15	13.43	2.99	1.49	28.66	
B	383	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.78	2.87	3.39	12.01	32.38	8.36	2.35	31.07	
B-	242	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.83	2.07	3.31	8.26	18.18	22.31	6.61	27.27	
CCC/C	193	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.52	2.07	6.22	8.81	11.92	10.36	27.46	

#Indicates number of issuers. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 54

Corporate Transition Matrix--Three Years Ended Dec. 31, 2012 (%)

Insurance

Rating	#	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	25	0.00	72.00	0.00	24.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00
AA+	4	0.00	50.00	25.00	25.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AA	43	0.00	0.00	46.51	20.93	18.60	2.33	0.00	2.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.30
AA-	85	0.00	0.00	4.71	49.41	21.18	5.88	2.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.47
A+	126	0.00	0.00	0.00	9.52	63.49	7.14	7.14	0.00	0.00	0.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.90
A	128	0.00	0.00	0.00	2.34	17.19	53.13	11.72	4.69	0.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.16
A-	141	0.00	0.00	0.00	0.00	0.00	11.35	64.54	9.22	8.51	0.71	0.71	0.71	0.00	0.00	0.00	0.00	0.00	0.00	4.26
BBB+	74	0.00	0.00	0.00	0.00	0.00	0.00	18.92	52.70	6.76	2.70	1.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17.57
BBB	59	0.00	0.00	0.00	0.00	0.00	0.00	3.39	18.64	44.07	10.17	6.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.95
BBB-	47	0.00	0.00	0.00	0.00	0.00	0.00	2.13	6.38	12.77	51.06	4.26	2.13	0.00	0.00	2.13	0.00	0.00	2.13	17.02
BB+	18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.56	11.11	50.00	0.00	0.00	0.00	5.56	0.00	0.00	0.00	27.78
BB	14	0.00	0.00	0.00	0.00	0.00	0.00	7.14	0.00	0.00	14.29	14.29	28.57	7.14	0.00	0.00	0.00	0.00	0.00	28.57
BB-	17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17.65	35.29	11.76	0.00	0.00	5.88	0.00	0.00	29.41
B+	8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00	12.50	25.00	0.00	12.50	25.00
B	10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	50.00	0.00	0.00	10.00	30.00
B-	6	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.67	0.00	33.33	0.00	0.00	50.00
CCC/C	7	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28.57	42.86	28.57

#Indicates number of issuers. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 55

Corporate Transition Matrix --Three Years Ended Dec. 31, 2012 (%)

Financial Institutions

Rating	#	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	27	25.93	59.26	3.70	3.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.70	0.00	0.00	0.00	0.00	0.00	0.00	3.70
AA+	12	16.67	50.00	25.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.33
AA	52	0.00	1.92	7.69	40.38	9.62	1.92	0.00	0.00	3.85	1.92	1.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.77
AA-	75	0.00	0.00	1.33	34.67	21.33	16.00	1.33	6.67	0.00	1.33	0.00	2.67	0.00	0.00	0.00	0.00	0.00	0.00	14.67
A+	139	0.00	0.00	0.00	10.07	40.29	25.90	1.44	2.88	0.72	2.16	0.00	0.00	0.72	0.00	0.00	0.00	0.00	0.00	15.83
A	150	0.00	0.00	0.00	0.00	10.00	38.00	19.33	3.33	2.67	2.67	0.67	2.67	2.67	0.67	0.00	0.00	0.00	0.00	17.33
A-	110	0.00	0.00	0.00	0.00	0.91	12.73	37.27	10.91	10.00	4.55	5.45	2.73	0.00	0.91	0.00	0.00	0.00	0.00	14.55
BBB+	104	0.00	0.00	0.00	0.00	0.00	0.96	16.35	43.27	11.54	5.77	0.96	0.00	0.00	0.96	0.00	0.96	0.96	0.00	18.27
BBB	130	0.00	0.00	0.00	0.00	0.00	0.77	1.54	7.69	52.31	7.69	1.54	1.54	0.00	0.00	0.00	0.00	2.31	0.77	23.85
BBB-	93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.30	18.28	47.31	3.23	1.08	2.15	0.00	0.00	1.08	0.00	0.00	22.58
BB+	52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17.31	17.31	17.31	9.62	7.69	0.00	0.00	3.85	1.92	3.85	21.15
BB	38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.63	7.89	18.42	28.95	10.53	2.63	0.00	0.00	0.00	2.63	26.32
BB-	62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.61	11.29	25.81	20.97	1.61	3.23	0.00	0.00	4.84	30.65
B+	43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.65	6.98	23.26	30.23	9.30	2.33	2.33	0.00	20.93
B	32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.13	9.38	25.00	28.13	3.13	0.00	0.00	31.25
B-	44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.27	11.36	38.64	34.09	0.00	4.55	9.09
CCC/C	22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.55	4.55	22.73	0.00	27.27	40.91

Table 55
Corporate Transition Matrix --Three Years Ended Dec. 31, 2012 (%) (cont.)

#Indicates number of issuers. Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 56
Corporate Transition Matrix--10 Years Ended Dec. 31, 2012 (%)
Nonfinancials

Rating	No. issuers	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	29	20.69	6.90	20.69	13.79	6.90	3.45	3.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24.14
AA+	18	0.00	11.11	5.56	11.11	11.11	22.22	0.00	0.00	0.00	0.00	0.00	5.56	0.00	0.00	0.00	0.00	0.00	0.00	33.33
AA	48	2.08	0.00	8.33	25.00	12.50	10.42	6.25	2.08	2.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31.25
AA-	78	2.56	0.00	3.85	15.38	17.95	10.26	14.10	6.41	1.28	3.85	1.28	0.00	0.00	1.28	0.00	0.00	0.00	0.00	21.79
A+	144	0.00	0.00	0.00	2.78	12.50	22.92	18.06	5.56	6.94	2.78	0.69	0.00	0.00	0.69	0.69	0.00	0.00	0.00	26.39
A	230	0.00	0.00	0.43	0.43	6.09	16.09	17.39	12.17	9.13	3.04	0.43	0.87	1.74	0.87	0.00	0.43	0.00	0.43	30.43
A-	247	0.00	0.00	0.00	0.00	2.02	6.88	23.08	19.43	16.60	2.83	0.40	0.40	0.00	0.40	0.40	0.00	1.62	0.00	25.91
BBB+	303	0.00	0.00	0.66	0.00	1.32	1.98	9.57	25.74	17.49	6.27	1.98	2.64	0.33	0.66	0.00	0.33	0.33	0.99	29.70
BBB	392	0.00	0.00	0.00	0.00	0.00	0.77	4.59	10.20	21.68	14.54	3.57	2.81	2.81	0.26	1.28	0.00	0.51	2.55	34.44
BBB-	276	0.00	0.00	0.00	0.00	0.00	2.17	3.99	4.35	11.96	11.59	5.80	4.71	1.81	2.90	1.81	2.90	0.00	5.43	40.58
BB+	151	0.00	0.00	0.00	0.00	0.00	1.99	0.66	1.99	7.28	8.61	9.93	4.64	2.65	5.96	3.31	3.31	0.00	6.62	43.05
BB	251	0.00	0.00	0.00	0.00	0.00	0.00	1.20	1.99	3.59	8.37	7.97	7.97	3.59	5.18	4.78	0.40	0.80	11.55	42.63
BB-	323	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.93	3.72	5.26	3.72	8.36	3.41	5.88	2.48	0.31	13.31	52.63
B+	360	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.94	1.11	3.33	3.33	3.89	5.28	5.28	1.39	1.11	18.33	55.00
B	184	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.54	1.09	3.26	2.72	3.26	1.09	6.52	2.17	0.00	19.02	60.33
B-	100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	3.00	3.00	3.00	3.00	6.00	2.00	0.00	25.00	53.00
CCC/C	140	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.71	0.00	0.71	0.71	1.43	3.57	2.86	2.14	0.00	52.14	35.71

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 57
Corporate Transition Matrix--10 Years Ended Dec. 31, 2012 (%)
Insurance

Rating	No. issuers	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	41	0.00	41.46	2.44	17.07	2.44	2.44	2.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.88	0.00	0.00	2.44	24.39
AA+	22	0.00	4.55	4.55	31.82	18.18	0.00	0.00	4.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.55	0.00	4.55	27.27
AA	78	0.00	1.28	15.38	20.51	16.67	8.97	5.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.56	0.00	2.56	26.92
AA-	60	0.00	0.00	3.33	16.67	21.67	11.67	13.33	1.67	0.00	1.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.00
A+	90	0.00	0.00	2.22	12.22	17.78	10.00	20.00	5.56	3.33	1.11	0.00	0.00	1.11	0.00	0.00	0.00	1.11	1.11	24.44
A	83	0.00	0.00	0.00	3.61	14.46	22.89	14.46	6.02	2.41	0.00	2.41	0.00	0.00	0.00	0.00	0.00	1.20	1.20	31.33
A-	74	0.00	0.00	0.00	1.35	9.46	9.46	27.03	4.05	2.70	1.35	1.35	0.00	0.00	0.00	0.00	0.00	0.00	4.05	39.19
BBB+	47	0.00	0.00	0.00	4.26	4.26	6.38	14.89	14.89	6.38	4.26	0.00	2.13	0.00	0.00	0.00	2.13	0.00	2.13	38.30
BBB	32	0.00	0.00	0.00	0.00	0.00	0.00	12.50	15.63	21.88	3.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.13	43.75
BBB-	30	0.00	0.00	3.33	0.00	3.33	0.00	10.00	6.67	10.00	23.33	6.67	3.33	0.00	0.00	0.00	0.00	0.00	0.00	33.33
BB+	9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.22	33.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	44.44
BB	8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00	25.00	12.50	0.00	0.00	0.00	0.00	0.00	0.00	37.50

Table 57

Corporate Transition Matrix--10 Years Ended Dec. 31, 2012 (%) (cont.)																			
BB-	5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00	0.00	0.00	20.00	0.00	0.00	0.00	0.00	0.00	0.00	60.00
B+	8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.50	0.00	0.00	0.00	25.00	0.00	0.00	0.00	0.00	0.00	62.50
B	3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33.33	33.33
B-	1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00
CCC/C	6	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	66.67	33.33

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 58

Corporate Transition Matrix--10 Years Ended Dec. 31, 2012 (%)																				
Financial Institutions																				
Rating	No. issuers	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	35	8.57	48.57	2.86	2.86	2.86	2.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31.43	
AA+	15	13.33	20.00	20.00	0.00	0.00	13.33	0.00	0.00	0.00	0.00	6.67	0.00	0.00	0.00	0.00	0.00	0.00	26.67	
AA	44	0.00	4.55	0.00	6.82	4.55	18.18	4.55	0.00	2.27	0.00	0.00	2.27	0.00	0.00	0.00	0.00	0.00	56.82	
AA-	88	1.14	0.00	2.27	18.18	22.73	10.23	5.68	4.55	2.27	2.27	0.00	0.00	0.00	1.14	0.00	0.00	0.00	29.55	
A+	108	0.00	0.00	0.00	10.19	19.44	6.48	10.19	3.70	3.70	0.93	0.93	0.93	1.85	0.93	0.00	0.00	0.93	38.89	
A	91	0.00	0.00	0.00	3.30	5.49	15.38	9.89	4.40	6.59	6.59	1.10	3.30	0.00	0.00	1.10	1.10	0.00	38.46	
A-	101	0.00	0.00	0.99	5.94	4.95	15.84	6.93	5.94	2.97	7.92	2.97	1.98	2.97	0.99	0.00	0.00	0.00	37.62	
BBB+	88	0.00	0.00	0.00	1.14	4.55	9.09	7.95	7.95	9.09	4.55	3.41	1.14	1.14	1.14	0.00	0.00	3.41	44.32	
BBB	92	0.00	0.00	0.00	1.09	4.35	2.17	9.78	10.87	11.96	7.61	1.09	0.00	0.00	0.00	0.00	0.00	1.09	46.74	
BBB-	65	0.00	0.00	0.00	0.00	3.08	3.08	1.54	6.15	16.92	10.77	1.54	0.00	0.00	1.54	0.00	0.00	1.54	47.69	
BB+	42	0.00	0.00	0.00	0.00	0.00	4.76	2.38	4.76	7.14	4.76	0.00	2.38	0.00	0.00	0.00	4.76	0.00	64.29	
BB	55	0.00	0.00	0.00	0.00	0.00	0.00	1.82	7.27	10.91	10.91	0.00	1.82	1.82	1.82	0.00	1.82	0.00	60.00	
BB-	32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.13	3.13	0.00	0.00	9.38	0.00	0.00	0.00	0.00	0.00	84.38	
B+	41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.44	0.00	2.44	0.00	4.88	2.44	7.32	0.00	4.88	0.00	70.73	
B	24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.17	0.00	0.00	4.17	0.00	0.00	0.00	0.00	12.50	79.17	
B-	26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.85	15.38	19.23	0.00	7.69	19.23	3.85	0.00	30.77	
CCC/C	18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.56	0.00	0.00	0.00	5.56	0.00	11.11	0.00	0.00	66.67	

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 59

One-Year Average Global Corporate Transition Matrices By Rating Modifier (1981-2012) (%)																			
Nonfinancials																			
Rating	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	86.90	3.24	4.19	0.74	0.29	0.22	0.29	0.00	0.00	0.00	0.00	0.07	0.00	0.00	0.00	0.00	0.00	0.00	4.05
AA+	3.15	79.86	7.95	3.29	0.68	0.68	0.27	0.14	0.27	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.56
AA	0.42	1.16	81.97	6.90	2.45	1.40	0.46	0.56	0.11	0.11	0.07	0.04	0.04	0.04	0.00	0.04	0.00	0.00	4.27
AA-	0.00	0.08	3.62	77.79	9.65	2.98	0.68	0.24	0.32	0.16	0.08	0.00	0.00	0.04	0.20	0.04	0.00	0.00	4.13
A+	0.00	0.05	0.55	3.32	77.82	9.56	2.92	0.83	0.33	0.08	0.15	0.10	0.03	0.15	0.08	0.00	0.00	0.05	4.00
A	0.06	0.03	0.26	0.39	4.16	78.63	6.75	3.19	1.25	0.31	0.18	0.18	0.15	0.18	0.00	0.01	0.01	0.01	4.24
A-	0.05	0.00	0.07	0.07	0.38	5.31	76.74	8.79	2.70	0.57	0.15	0.15	0.12	0.17	0.02	0.02	0.05	0.03	4.61
BBB+	0.00	0.02	0.05	0.02	0.17	0.88	6.09	74.34	9.47	1.99	0.41	0.44	0.17	0.30	0.14	0.03	0.05	0.13	5.34

Table 59

One-Year Average Global Corporate Transition Matrices By Rating Modifier (1981-2012) (%) (cont.)																			
BBB	0.01	0.00	0.03	0.01	0.09	0.41	1.10	6.44	76.08	6.44	1.46	0.78	0.33	0.27	0.17	0.05	0.05	0.15	6.12
BBB-	0.02	0.00	0.00	0.07	0.07	0.19	0.36	1.25	8.43	72.39	5.61	2.63	1.03	0.41	0.36	0.22	0.31	0.26	6.40
BB+	0.08	0.00	0.00	0.00	0.00	0.08	0.08	0.50	2.14	11.93	63.12	6.90	3.31	1.22	0.81	0.19	0.42	0.28	8.93
BB	0.00	0.00	0.04	0.00	0.00	0.08	0.08	0.18	0.63	2.37	9.04	64.50	8.25	2.79	1.23	0.47	0.57	0.71	9.06
BB-	0.00	0.00	0.00	0.01	0.01	0.01	0.07	0.15	0.28	0.44	1.82	8.80	63.74	8.82	3.15	0.81	0.84	1.21	9.82
B+	0.00	0.01	0.00	0.04	0.00	0.04	0.08	0.05	0.06	0.09	0.27	1.42	6.94	65.04	8.17	2.56	1.88	2.41	10.93
B	0.00	0.00	0.02	0.00	0.00	0.05	0.06	0.03	0.08	0.02	0.18	0.34	1.35	8.23	59.20	8.38	5.12	5.20	11.74
B-	0.00	0.00	0.00	0.00	0.03	0.03	0.00	0.10	0.03	0.17	0.13	0.20	0.50	2.82	10.22	51.23	11.66	8.74	14.12
CCC/C	0.00	0.00	0.00	0.00	0.05	0.00	0.14	0.09	0.09	0.09	0.00	0.14	0.42	1.27	3.16	9.00	43.64	28.32	13.57

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 60

One-Year Average Global Corporate Transition Matrices By Rating Modifier (1981-2012) (%)																			
Insurance																			
Rating	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	87.84	6.99	2.11	0.95	0.07	0.22	0.00	0.00	0.00	0.00	0.00	0.07	0.00	0.00	0.07	0.00	0.15	0.00	1.53
AA+	2.03	74.28	13.20	5.08	1.02	0.51	0.34	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.38
AA	0.57	1.08	80.06	9.43	2.99	1.15	0.57	0.19	0.32	0.00	0.06	0.06	0.00	0.00	0.00	0.00	0.19	0.06	3.25
AA-	0.20	0.26	4.17	76.06	11.57	1.65	0.86	0.33	0.20	0.00	0.00	0.00	0.00	0.07	0.07	0.00	0.00	0.07	4.50
A+	0.00	0.23	0.68	5.88	76.88	8.56	2.23	0.91	0.46	0.06	0.00	0.11	0.00	0.00	0.00	0.00	0.00	0.06	3.94
A	0.06	0.17	0.39	0.90	6.51	76.95	7.12	1.35	1.01	0.39	0.11	0.17	0.00	0.00	0.11	0.00	0.06	0.28	4.43
A-	0.00	0.06	0.12	0.25	1.06	7.05	78.73	4.87	2.18	0.56	0.12	0.19	0.19	0.12	0.06	0.00	0.00	0.19	4.24
BBB+	0.00	0.00	0.11	0.11	0.88	1.21	10.36	72.44	6.06	1.21	0.55	0.22	0.22	0.11	0.11	0.00	0.22	0.00	6.17
BBB	0.00	0.00	0.12	0.12	0.49	0.74	0.49	10.37	69.14	5.93	1.73	0.74	0.25	0.37	0.25	0.00	0.49	0.25	8.52
BBB-	0.00	0.00	0.18	0.00	0.00	0.18	0.37	1.83	10.26	69.60	5.68	1.10	0.55	0.55	0.37	0.00	0.73	0.73	7.88
BB+	0.00	0.00	0.00	0.00	0.00	0.69	0.69	0.34	1.72	10.31	65.64	2.75	4.47	1.37	0.34	0.34	0.69	1.37	9.28
BB	0.00	0.00	0.48	0.00	0.00	0.00	0.00	0.48	1.44	6.22	11.00	57.89	3.35	0.96	1.44	0.00	2.39	0.96	13.40
BB-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.78	0.00	0.78	8.59	16.41	48.44	4.69	2.34	3.13	2.34	0.00	12.50
B+	0.00	0.00	0.00	0.00	0.00	0.00	0.68	0.00	0.00	0.00	1.35	7.43	8.78	58.11	4.73	4.05	3.38	3.38	8.11
B	0.00	0.00	0.00	0.78	0.00	0.78	0.00	0.78	0.78	0.78	0.00	0.00	3.88	10.85	61.24	2.33	2.33	2.33	13.18
B-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.89	0.00	0.00	0.00	0.00	1.89	3.77	13.21	52.83	7.55	5.66	13.21
CCC/C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.35	1.35	1.35	2.70	6.76	44.59	25.68	16.22

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 61

One-Year Average Global Corporate Transition Matrices By Rating Modifier (1981-2012) (%)																			
Financial Institutions																			
Rating	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	86.63	6.03	1.21	0.30	0.10	0.30	0.10	0.00	0.20	0.00	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.03
AA+	2.05	73.86	15.23	3.86	0.91	0.68	0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.18
AA	0.38	1.76	75.73	11.56	4.06	1.38	0.15	0.46	0.00	0.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.36
AA-	0.00	0.05	4.63	76.45	10.42	3.17	0.55	0.30	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	4.28

Table 61

One-Year Average Global Corporate Transition Matrices By Rating Modifier (1981-2012) (%) (cont.)																			
A+	0.00	0.08	0.38	5.79	75.45	9.29	1.94	0.38	0.46	0.17	0.04	0.13	0.00	0.04	0.00	0.00	0.00	0.08	5.75
A	0.00	0.04	0.14	0.57	6.53	75.08	7.49	2.52	0.85	0.28	0.04	0.04	0.04	0.04	0.04	0.00	0.00	0.07	6.25
A-	0.09	0.00	0.14	0.37	0.55	9.53	72.87	6.03	2.49	1.29	0.32	0.14	0.18	0.05	0.05	0.00	0.05	0.09	5.76
BBB+	0.00	0.00	0.11	0.33	0.33	1.00	8.04	72.04	7.14	2.29	0.67	0.45	0.06	0.11	0.17	0.06	0.17	0.28	6.75
BBB	0.00	0.06	0.17	0.12	0.23	0.35	1.67	8.64	72.48	5.12	1.96	0.86	0.52	0.29	0.12	0.06	0.00	0.40	6.97
BBB-	0.00	0.07	0.00	0.07	0.07	0.44	0.22	1.31	10.12	69.12	4.08	2.11	0.87	0.80	0.07	0.22	0.00	0.58	9.83
BB+	0.00	0.00	0.00	0.27	0.13	0.13	0.00	0.53	2.27	12.97	61.36	5.61	2.14	0.94	0.80	0.13	0.94	1.07	10.70
BB	0.00	0.00	0.00	0.14	0.00	0.14	0.00	0.41	0.68	2.04	10.46	65.08	4.35	1.63	1.22	0.41	1.22	0.68	11.55
BB-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.38	0.51	2.94	8.44	62.79	5.12	3.84	1.53	0.64	1.41	12.40
B+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.45	0.89	2.23	12.91	61.28	4.30	3.26	0.89	2.08	11.72
B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.18	0.18	0.18	0.55	2.58	13.44	55.80	5.89	4.05	4.60	12.52
B-	0.00	0.00	0.00	0.00	0.00	0.26	0.00	0.00	0.26	0.00	0.26	0.26	0.78	2.08	16.88	60.52	4.94	4.16	9.61
CCC/C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.39	0.39	0.78	1.94	1.55	13.18	45.74	15.12	20.93

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 62

Three-Year Average Global Corporate Transition Matrices By Rating Modifier (1981- 2012) (%)																			
Nonfinancials																			
Rating	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	65.79	7.58	8.48	2.63	1.95	0.68	0.90	0.30	0.00	0.00	0.00	0.00	0.15	0.00	0.08	0.00	0.00	0.00	11.48
AA+	7.10	49.30	16.57	8.91	2.65	2.65	1.81	0.56	0.70	0.70	0.00	0.00	0.00	0.00	0.28	0.14	0.00	0.00	8.64
AA	0.93	2.58	55.35	13.70	6.30	3.94	1.68	1.68	0.50	0.18	0.43	0.14	0.18	0.11	0.04	0.07	0.04	0.00	12.16
AA-	0.00	0.25	7.72	47.51	17.30	8.01	3.15	1.45	1.12	0.37	0.41	0.08	0.08	0.21	0.25	0.04	0.00	0.08	11.95
A+	0.00	0.13	1.42	6.27	47.67	18.06	7.14	3.22	2.03	0.50	0.37	0.29	0.13	0.37	0.32	0.03	0.05	0.24	11.76
A	0.12	0.12	0.80	1.27	8.40	50.10	12.20	6.50	3.92	1.56	0.68	0.79	0.28	0.51	0.14	0.06	0.08	0.08	12.37
A-	0.10	0.00	0.17	0.29	1.39	10.83	46.61	15.16	6.65	2.32	0.57	0.89	0.44	0.53	0.13	0.04	0.15	0.13	13.60
BBB+	0.00	0.03	0.17	0.10	0.40	2.76	11.59	43.24	17.14	4.75	1.70	1.16	0.62	0.82	0.56	0.21	0.16	0.64	13.95
BBB	0.03	0.00	0.09	0.06	0.40	0.99	3.52	11.88	45.17	10.77	3.43	2.40	1.12	1.01	0.72	0.28	0.20	0.65	17.28
BBB-	0.08	0.00	0.00	0.18	0.16	0.55	1.50	4.00	14.91	39.78	7.71	4.63	2.54	1.89	0.84	0.62	0.66	1.60	18.35
BB+	0.03	0.00	0.00	0.00	0.06	0.25	0.69	1.76	4.76	18.24	27.44	9.58	5.73	3.15	1.86	0.72	0.88	2.36	22.46
BB	0.02	0.00	0.07	0.02	0.00	0.25	0.38	0.88	2.19	6.62	10.59	28.41	11.22	6.03	2.48	1.06	1.26	4.49	24.01
BB-	0.00	0.00	0.00	0.02	0.07	0.02	0.18	0.38	1.20	2.06	3.98	11.12	28.33	10.68	5.93	2.39	1.59	6.45	25.61
B+	0.00	0.04	0.00	0.04	0.00	0.07	0.14	0.18	0.21	0.57	1.24	3.54	9.36	28.08	10.00	4.21	3.25	11.03	28.04
B	0.02	0.00	0.02	0.00	0.04	0.20	0.16	0.14	0.18	0.35	0.75	1.53	4.45	10.00	23.12	7.24	5.65	17.90	28.27
B-	0.00	0.00	0.00	0.00	0.04	0.00	0.16	0.16	0.41	0.20	0.24	1.26	2.11	6.14	9.10	16.78	7.27	23.81	32.30
CCC/C	0.00	0.00	0.00	0.00	0.00	0.11	0.11	0.21	0.32	0.27	0.05	0.59	1.18	3.05	5.77	7.00	11.22	44.41	25.71

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 63

Three-Year Average Global Corporate Transition Matrices By Rating Modifier (1981-2012) (%)

Insurance																			
Rating	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	66.42	14.59	6.82	4.18	1.25	0.44	0.07	0.00	0.00	0.00	0.07	0.07	0.00	0.00	0.15	0.00	0.29	0.37	5.28
AA+	3.80	41.85	24.09	11.59	5.07	2.17	1.09	0.18	0.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.18	9.06
AA	1.79	1.92	51.46	18.19	7.01	2.71	2.51	0.86	0.86	0.53	0.00	0.20	0.07	0.33	0.07	0.07	0.20	0.33	10.91
AA-	0.46	0.68	10.49	44.68	20.59	5.70	2.05	2.05	0.46	0.08	0.23	0.08	0.00	0.23	0.00	0.00	0.00	0.46	11.78
A+	0.07	0.66	1.77	11.76	47.11	14.06	6.57	2.23	0.79	0.46	0.20	0.20	0.07	0.20	0.00	0.00	0.00	0.26	13.60
A	0.20	0.52	0.65	2.94	12.79	48.47	13.24	2.61	2.22	0.52	0.46	0.52	0.13	0.00	0.20	0.00	0.39	1.24	12.92
A-	0.00	0.16	0.70	1.48	2.88	14.70	50.78	8.48	3.58	1.40	0.78	0.31	0.62	0.08	0.08	0.16	0.23	0.86	12.75
BBB+	0.00	0.00	0.27	0.27	2.40	3.73	21.30	35.82	10.79	4.13	1.46	0.27	0.27	0.13	0.13	0.13	0.40	0.67	17.84
BBB	0.00	0.00	0.57	0.14	2.00	1.72	4.15	18.03	38.34	6.58	3.00	0.86	1.00	0.72	0.14	0.14	0.29	1.72	20.60
BBB-	0.00	0.00	0.89	0.00	0.45	0.67	2.23	6.01	16.93	39.87	5.57	2.00	0.89	0.67	0.67	0.45	1.78	2.67	18.26
BB+	0.00	0.00	0.00	0.00	0.41	2.45	1.22	1.63	4.90	14.69	30.20	3.67	4.49	2.45	0.41	0.00	2.86	4.08	26.53
BB	0.00	0.00	0.55	0.00	0.00	0.55	1.10	2.75	2.20	13.74	8.79	23.63	4.95	1.65	1.65	0.00	0.55	3.30	34.62
BB-	0.00	0.00	0.00	0.00	0.00	0.95	0.00	0.95	0.95	5.71	20.95	20.00	11.43	5.71	1.90	2.86	3.81	4.76	20.00
B+	0.00	0.00	0.00	0.00	0.00	0.00	2.40	1.60	3.20	4.00	8.00	6.40	8.00	26.40	8.00	4.00	1.60	12.00	14.40
B	0.00	0.00	0.00	0.00	0.00	0.94	1.89	0.94	0.00	0.94	0.94	4.72	7.55	13.21	32.08	1.89	0.94	4.72	29.25
B-	0.00	0.00	0.00	0.00	2.17	0.00	0.00	0.00	0.00	0.00	2.17	0.00	2.17	10.87	10.87	21.74	4.35	15.22	30.43
CCC/C	0.00	0.00	0.00	0.00	0.00	0.00	1.61	0.00	0.00	1.61	1.61	0.00	4.84	4.84	1.61	3.23	19.35	37.10	24.19

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 64

Three-Year Average Global Corporate Transition Matrices By Rating Modifier (1981-2012) (%)

Financial Institutions																			
Rating	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	66.00	10.98	4.18	1.57	0.52	0.84	0.21	0.42	0.31	0.10	0.10	0.21	0.00	0.00	0.00	0.00	0.00	0.00	14.54
AA+	5.43	41.73	23.21	7.90	5.19	4.20	2.22	0.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.14
AA	0.96	1.93	44.69	19.29	11.98	5.14	1.13	0.88	0.24	0.40	0.08	0.00	0.00	0.08	0.00	0.00	0.00	0.00	13.18
AA-	0.00	0.33	9.49	48.67	15.93	8.62	2.49	1.57	0.60	0.16	0.05	0.11	0.05	0.00	0.05	0.05	0.00	0.22	11.60
A+	0.00	0.10	1.63	12.39	47.42	13.40	5.17	1.91	1.29	0.57	0.29	0.19	0.10	0.05	0.14	0.00	0.05	0.29	15.02
A	0.00	0.00	0.35	2.08	13.14	45.52	11.41	4.09	2.20	1.26	0.59	0.59	0.39	0.20	0.04	0.08	0.08	0.28	17.70
A-	0.10	0.10	0.31	0.88	3.31	17.32	41.05	9.93	5.22	1.96	0.88	0.67	0.36	0.36	0.36	0.05	0.21	0.67	16.24
BBB+	0.00	0.06	0.25	0.70	0.95	3.99	16.03	39.80	10.77	3.93	0.95	0.57	0.44	0.19	0.06	0.25	0.38	1.08	19.58
BBB	0.00	0.20	0.41	0.54	0.68	2.37	4.00	15.65	41.73	5.83	2.10	1.49	0.54	0.54	0.47	0.27	0.34	1.42	21.41
BBB-	0.00	0.17	0.00	0.17	0.43	1.54	1.20	5.40	15.09	37.05	4.97	1.72	1.29	1.46	0.34	0.43	0.43	3.26	25.04
BB+	0.00	0.00	0.00	0.16	0.31	0.47	0.62	2.95	7.44	17.98	27.75	5.74	1.86	1.55	2.02	0.93	0.93	3.26	26.05
BB	0.00	0.00	0.00	0.16	0.00	0.16	0.32	1.28	4.01	8.65	12.34	28.53	4.01	3.37	1.44	0.32	0.80	4.49	30.13
BB-	0.00	0.00	0.00	0.30	0.00	0.15	0.00	0.30	1.19	1.78	5.35	14.12	25.56	6.39	4.46	1.34	1.49	5.50	32.10
B+	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.18	0.36	1.96	3.93	4.64	15.89	25.54	6.07	3.21	2.68	7.32	28.21
B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.72	0.72	2.16	2.16	12.02	11.78	16.59	6.01	2.40	10.58	34.86
B-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.32	0.00	0.97	0.97	3.90	10.39	23.70	27.60	2.60	9.42	20.13
CCC/C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.44	0.44	0.44	0.44	3.07	4.39	14.91	10.09	20.61	45.18

Table 64

Three-Year Average Global Corporate Transition Matrices By Rating Modifier (1981-2012) (%) (cont.)

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 65

10-Year Average Global Corporate Transition Matrices By Rating Modifier (1981-2012) (%)

Nonfinancials																			
Rating	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	29.35	5.36	12.61	8.49	4.45	3.87	1.57	0.99	2.97	0.25	0.08	0.16	0.00	0.00	0.00	0.00	0.00	0.25	29.60
AA+	6.94	10.48	9.19	9.68	6.45	12.10	6.29	2.58	1.77	0.32	1.77	1.13	0.32	0.00	0.00	0.00	0.00	0.65	30.32
AA	0.94	2.05	16.00	11.94	9.06	9.15	5.70	3.08	3.12	1.72	0.49	0.53	0.08	0.21	0.00	0.04	0.04	0.33	35.52
AA-	0.25	0.61	5.15	11.47	13.10	15.19	9.07	6.57	3.47	2.40	0.71	0.66	0.51	0.87	0.10	0.15	0.00	0.41	29.31
A+	0.33	0.37	1.73	5.15	13.53	16.75	11.13	7.54	5.48	3.29	1.36	0.86	0.66	0.76	0.60	0.10	0.00	1.69	28.65
A	0.00	0.20	0.87	2.19	6.36	17.36	9.87	7.94	8.83	5.29	1.18	1.50	0.81	0.89	0.38	0.18	0.16	1.48	34.50
A-	0.18	0.00	0.30	0.58	2.73	8.53	15.35	12.32	12.26	5.10	1.58	2.00	1.15	1.03	0.42	0.12	0.18	1.67	34.50
BBB+	0.00	0.00	0.40	0.28	1.73	3.51	8.43	16.50	14.80	6.56	2.57	2.63	1.67	1.33	0.65	0.37	0.17	3.74	34.66
BBB	0.05	0.05	0.21	0.12	0.76	2.71	5.32	8.45	14.43	9.50	2.83	2.66	2.07	1.57	0.74	0.55	0.19	4.75	43.07
BBB-	0.06	0.00	0.03	0.32	0.78	1.94	2.65	6.02	10.16	10.09	4.53	3.95	3.27	2.17	1.84	1.13	0.45	8.38	42.24
BB+	0.11	0.00	0.00	0.11	0.28	0.83	1.43	3.14	8.10	7.71	4.90	4.90	4.19	3.75	2.75	1.38	0.72	11.63	44.08
BB	0.00	0.00	0.00	0.04	0.26	0.60	0.71	2.24	4.00	4.67	3.40	6.28	6.17	4.49	2.02	1.57	0.90	16.75	45.91
BB-	0.00	0.00	0.00	0.03	0.00	0.30	0.55	0.68	1.75	3.20	3.00	3.61	6.26	4.18	3.11	1.34	0.63	23.46	47.91
B+	0.00	0.04	0.00	0.00	0.00	0.17	0.15	0.61	0.68	1.25	1.18	2.43	3.37	4.34	3.06	1.56	1.03	29.63	50.51
B	0.00	0.00	0.00	0.00	0.20	0.32	0.24	0.20	0.77	0.89	1.33	1.73	2.14	1.65	2.94	1.29	0.81	36.06	49.42
B-	0.00	0.00	0.00	0.00	0.00	0.00	0.26	0.00	0.00	0.87	0.70	1.40	2.18	1.66	2.97	1.05	0.44	44.07	44.42
CCC/C	0.00	0.00	0.00	0.00	0.00	0.19	0.00	0.00	0.48	0.38	0.67	1.06	1.34	1.63	0.96	0.67	0.29	57.44	34.87

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 66

10-Year Average Global Corporate Transition Matrices By Rating Modifier (1981-2012) (%)

Insurance																			
Rating	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	27.43	13.76	13.67	10.05	7.14	2.20	2.12	1.15	0.79	0.18	0.09	0.00	0.09	0.00	0.35	0.00	0.09	1.59	19.31
AA+	4.19	6.19	18.16	19.36	10.38	3.99	4.39	2.00	0.20	0.00	0.00	0.00	0.00	1.00	0.00	0.20	0.00	0.60	29.34
AA	2.12	2.79	16.55	16.94	11.74	7.80	5.10	3.08	0.58	0.67	0.10	0.10	0.10	0.48	0.00	0.38	0.19	1.44	29.84
AA-	0.62	0.87	7.85	13.95	15.44	9.96	10.09	4.23	1.12	0.87	0.00	0.87	0.00	0.00	0.00	0.00	0.00	2.49	31.63
A+	0.36	0.24	4.94	8.07	16.27	11.93	12.29	3.73	1.45	1.33	0.48	0.24	0.60	0.00	0.00	0.00	1.08	1.81	35.18
A	0.84	0.28	1.95	5.43	11.28	15.46	11.42	3.34	3.20	0.70	2.09	0.00	0.56	0.14	0.00	0.00	0.42	5.29	37.60
A-	0.00	0.20	0.00	2.34	4.10	7.42	19.14	5.47	4.88	4.69	3.32	0.00	0.59	0.00	0.59	0.20	0.39	3.71	42.97
BBB+	0.00	0.00	0.37	4.44	6.30	4.07	7.78	8.52	10.00	7.78	1.48	1.48	0.00	0.00	0.00	0.37	0.74	7.04	39.63
BBB	0.00	0.00	2.46	2.77	2.46	1.54	6.77	9.85	12.92	3.69	1.54	1.23	0.00	0.31	0.00	0.00	0.31	8.00	46.15
BBB-	0.00	0.00	0.62	0.00	1.24	0.62	2.48	6.21	11.80	22.98	3.11	2.48	0.62	0.00	0.62	0.62	0.62	8.70	37.27
BB+	0.00	0.00	0.00	1.90	0.95	8.57	5.71	1.90	1.90	3.81	11.43	2.86	2.86	0.95	0.00	2.86	0.00	33.33	20.95
BB	0.00	0.00	0.00	1.14	1.14	1.14	2.27	0.00	11.36	6.82	3.41	2.27	1.14	2.27	0.00	0.00	0.00	15.91	51.14
BB-	0.00	0.00	0.00	0.00	0.00	2.08	2.08	6.25	12.50	4.17	0.00	0.00	2.08	6.25	0.00	0.00	0.00	29.17	35.42

Table 66

10-Year Average Global Corporate Transition Matrices By Rating Modifier (1981-2012) (%) (cont.)																			
B+	0.00	0.00	0.00	0.00	2.99	1.49	4.48	2.99	5.97	13.43	10.45	0.00	1.49	4.48	0.00	0.00	1.49	25.37	25.37
B	0.00	0.00	0.00	0.00	0.00	2.78	13.89	5.56	8.33	5.56	8.33	8.33	0.00	0.00	0.00	0.00	2.78	11.11	33.33
B-	0.00	0.00	0.00	0.00	6.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26.67	66.67
CCC/C	0.00	0.00	0.00	0.00	3.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	70.00	26.67

Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Table 67

10-Year Average Global Corporate Transition Matrices By Rating Modifier (1981-2012) (%)																			
Financial Institutions																			
Rating	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC/C	D	NR
AAA	25.71	11.10	6.50	2.84	3.65	3.11	1.89	1.76	0.54	0.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	42.35
AA+	2.14	7.50	9.64	13.57	11.43	14.29	8.93	3.57	1.79	0.00	0.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26.79
AA	0.70	0.93	14.98	16.72	12.54	7.08	3.95	2.56	1.28	0.58	0.00	0.12	0.00	0.00	0.00	0.00	0.00	0.70	37.86
AA-	0.52	0.61	8.48	21.28	18.51	10.90	4.50	2.60	1.64	0.78	0.09	0.00	0.00	0.09	0.09	0.00	0.00	0.87	29.07
A+	0.00	0.31	3.77	10.53	18.47	12.26	5.50	3.85	2.91	1.26	0.86	0.16	0.39	0.08	0.16	0.00	0.08	1.02	38.36
A	0.00	0.00	1.17	6.36	11.42	19.26	7.04	2.84	1.85	1.36	0.25	0.19	0.68	0.19	0.12	0.06	0.00	1.11	46.11
A-	0.00	0.00	0.91	2.99	6.07	12.41	12.05	6.52	3.26	2.45	2.63	0.63	0.45	0.36	0.00	0.00	0.00	2.90	46.38
BBB+	0.00	0.13	0.26	3.92	4.05	6.14	8.22	6.66	6.01	2.48	1.44	0.78	0.52	0.26	0.26	0.13	0.78	3.26	54.70
BBB	0.00	0.52	0.52	2.19	2.19	1.16	8.52	9.68	9.03	4.52	1.42	0.39	0.13	0.13	0.00	0.00	0.39	3.23	56.00
BBB-	0.00	0.00	0.00	0.49	2.28	3.58	2.77	8.79	9.45	6.51	2.28	0.49	0.49	1.47	0.98	0.16	0.65	9.12	50.49
BB+	0.00	0.00	0.00	0.00	0.86	5.44	0.86	4.87	6.88	4.87	2.01	0.57	0.29	0.57	0.57	1.15	0.00	5.44	65.62
BB	0.00	0.00	0.00	0.00	0.62	2.46	1.23	6.15	7.08	8.00	0.62	1.85	2.15	0.62	1.23	0.31	0.31	10.15	57.23
BB-	0.00	0.00	0.00	0.00	0.00	0.34	0.68	3.05	1.02	1.69	2.37	3.05	0.00	1.02	2.03	3.05	0.34	16.61	64.75
B+	0.00	0.00	0.00	0.00	0.00	0.00	1.47	4.04	2.21	2.21	1.47	4.04	4.04	4.04	2.21	2.57	0.00	13.24	58.46
B	0.00	0.00	0.00	0.00	0.00	1.07	0.00	1.07	0.53	2.67	2.14	1.60	0.00	2.14	2.67	1.07	0.00	24.60	60.43
B-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.94	6.60	8.49	3.77	2.83	7.55	0.94	0.00	23.58	45.28
CCC/C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.91	0.00	0.00	1.82	4.55	2.73	3.64	1.82	0.00	32.73	51.82

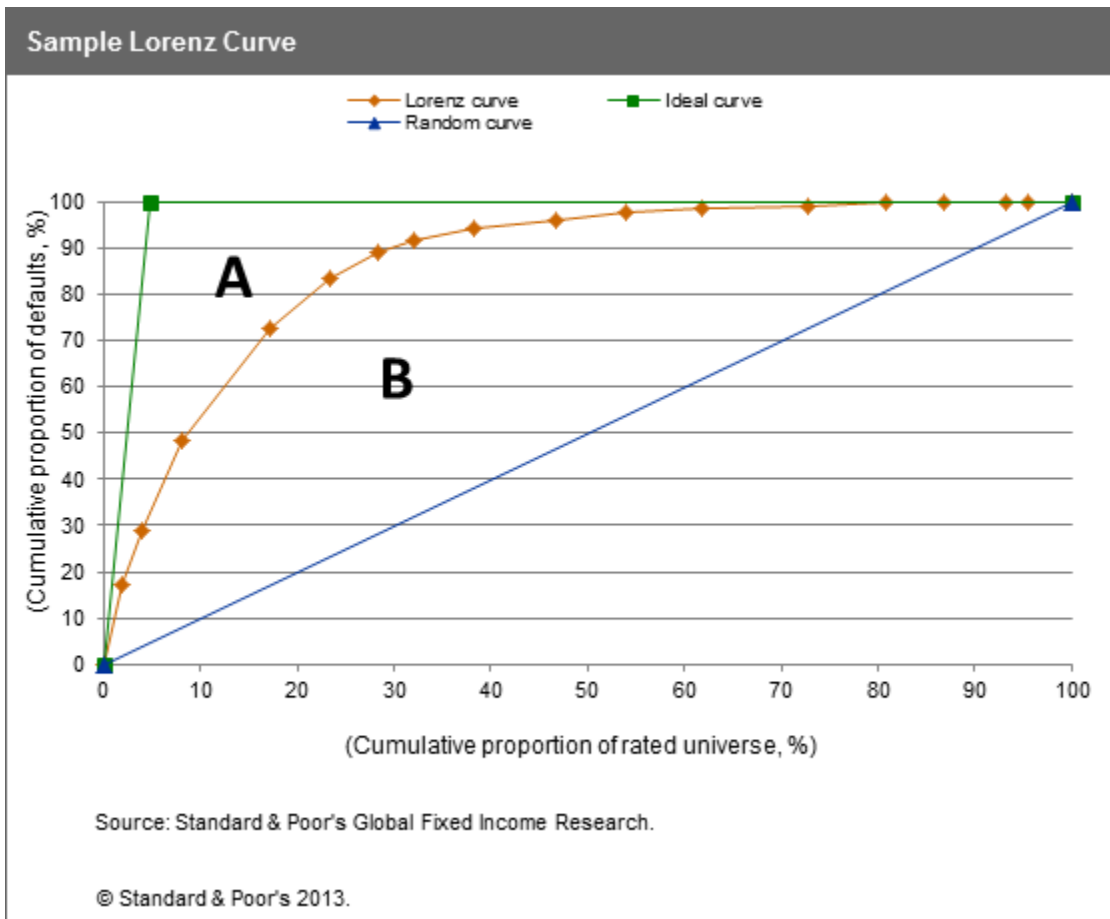
Sources: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro®.

Appendix III: Gini Methodology

To measure ratings performance, or ratings accuracy, we plotted the cumulative share of issuers by rating against the cumulative share of defaulters in a Lorenz curve to visually render the accuracy of their rank ordering. Max O. Lorenz developed the Lorenz curve as a graphical representation of the proportionality of a distribution. To build the Lorenz curve, the observations are ordered from the low end of the ratings scale ('CCC'/C) to the high end ('AAA'). If Standard & Poor's corporate ratings only randomly approximated default risk, the Lorenz curve would fall along the diagonal. Its Gini coefficient--which is a summary statistic of the Lorenz curve--would thus be zero. If corporate ratings were perfectly rank-ordered so that all defaults occurred only among the lowest-rated entities, the curve would capture all of the area above the diagonal on the graph and its Gini coefficient would be one (see chart 31). The procedure for calculating the Gini coefficients is illustrated below--divide area B by the total area A plus B. In other words, the Gini

coefficient captures the extent to which actual ratings accuracy diverges from the random scenario and aspires to the ideal scenario.

Chart 31



Appendix IV: Defaults In Profile

In 2012, 84 companies, including 22 entities that Standard & Poor's Ratings Services rates confidentially, defaulted on US\$86.7 billion of debt. Here we provide summaries of the events leading up to each default and, in some cases, events following default. We also include the defaulting instruments for each company that we rate.

Buffets Inc.

Andy Sookram, New York (1) 212-438-5024; Charles Pinson-Rose, New York (1) 212-438-4944

- US\$37.16 million senior secured line of credit (LOC) due April 22, 2015
- US\$245 million first-lien term bank loan due April 22, 2015

On Jan. 10, 2012, Standard & Poor's lowered its corporate credit rating on U.S.-based buffet-style restaurant operator Buffets Inc. to 'D' from 'CCC'. We also lowered our issue-level rating on the company's first-lien term loan due 2015 to 'D' from 'CCC'. The downgrade of Buffets follows its missed interest payment on its first-lien term loan. Cash balances

have been falling at the company as a result of capital spending and the lack of a revolving credit facility. Therefore, the company's liquidity position was "less than adequate" according to our criteria. Buffets is mulling various alternatives, including a possible sale of the company.

On March 1, 2012, we withdrew the 'D' corporate credit rating on Buffets Inc. We also withdrew our ratings on the company's debt. The company is operating under Chapter 11 bankruptcy protection.

Buffets Inc. announced in the first week of July 2012 that it emerged from bankruptcy with a reduced debt load through sustained restructuring that also improved its balance sheet. The company eliminated \$255 million in outstanding prepetition debt and closed 140 nonperforming restaurants.

Table 68

Buffets Inc.--Issuer Credit Rating History

Date	To
01-Mar-2012	NR/--/--
10-Jan-2012	D/--/--
01-Jul-2011	CCC/Negative/--
30-Mar-2009	B-/Stable/--
24-Jan-2008	NR/--/--
04-Jan-2008	D/--/--
06-Nov-2007	CCC/Negative/--
27-Sep-2007	CCC+/Negative/--
13-Oct-2006	B-/Negative/--
25-Jul-2006	B-/Watch Neg/--
18-Jan-2006	B-/Watch Dev/--
06-May-2005	B-/Negative/--
12-Nov-2004	B/Negative/--
27-Aug-2004	B/Watch Neg/--
20-May-2004	B/Negative/--
12-May-2004	B+/Watch Neg/--
19-Feb-2004	B+/Negative/--
27-Jan-2004	B+/Watch Neg/--
03-Jul-2003	B+/Negative/--
05-Feb-2003	BB-/Watch Neg/--
03-Jun-2002	BB-/Stable/--

Coach America Holdings Inc.

Lisa Jenkins, New York (1) 212-438-7697; Funmi Afonja, New York (1) 212-438-4711

- US\$55 million secured-lien term bank loan due Oct. 20, 2014
- US\$195 million secured term B bank loan due April 20, 2014
- US\$50 million secured delayed-draw term bank loan due April 20, 2014
- US\$50 million secured synthetic LOC bank loan due April 18, 2014
- US\$30 million secured revolving bank loan due April 19, 2013

On Jan. 4, 2012, Standard & Poor's lowered its corporate credit rating and first-lien debt issue-level rating on U.S.-based charter bus operator Coach America Holdings Inc. to 'D' from 'CCC'. At the same time, we also lowered our second-lien debt issue rating to 'D' from 'CC'. The downgrades followed the company's Chapter 11 bankruptcy filing on Jan. 3, 2012. The liquidity position of the company deteriorated in spite of its consistent efforts to reduce costs and improve operational efficiency. Also, the company got an equity infusion from sponsor Fenway Partners.

On Feb. 10, 2012, we withdrew our ratings at the company's request.

Vertrue LLC

Chris Valentine, New York (1) 212-438-1434; Hal F Diamond, New York (1) 212-438-7829

- US\$430 million first-lien term bank loan due Aug. 16, 2014
- US\$200 million senior secured second-lien term bank loan due Aug. 14, 2015
- US\$30 million revolving bank loan due Aug. 16, 2013

On Jan. 6, 2012, Standard & Poor's lowered its corporate credit rating on U.S.-based Internet direct marketing company Vertrue LLC to 'D' from 'CCC+'. At the same time, we also lowered our issue-level ratings on the company's first-lien senior secured credit facilities to 'D' from 'CCC'. The downgrade of Vertrue follows its failure to pay the scheduled interest on its term loan due 2014 and interest and fees on its revolver due 2013. The interest payment on the term loan was due Dec. 30, 2011, and the interest and fees on the revolver were due on Jan. 3, 2012.

The company has been facing weak demand in its core business, Internet direct marketing services. Vertrue has been considering various financial alternatives. However, a change in regulation forced the company to modify its business practices, which resulted in fewer new customers and put substantial pressure on profitability.

On March 29, 2012, Standard & Poor's withdrew all ratings on Vertrue, including the 'D' corporate credit rating. The ratings were withdrawn because of the lack of availability of financial information about the company.

On April 2, 2012, Vertrue, along with its parent and other affiliates, filed a voluntary petition for reorganization under Chapter 11 in the U.S. Bankruptcy Court.

Table 69

Vertrue LLC--Issuer Credit Rating History

Date	To
29-Mar-2012	NR/--/--
06-Jan-2012	D/--/--
02-Sep-2011	CCC+/Negative/--
26-Jan-2011	B/Negative/--
12-Jul-2010	B/Stable/--
15-Aug-2008	B/Negative/--
17-Aug-2007	B/Stable/--
22-Mar-2007	B+/Watch Neg/--
26-Mar-2004	B+/Stable/--

Hanley Wood LLC

Jeanne Shoemith, Chicago (1) 312-233-7026; Michael Altberg, New York (1) 212-438-3950

- US\$400.9 million term B bank loan due March 8, 2014
- US\$22.5 million revolving bank loan due March 8, 2013

On Jan. 17, 2012, Standard & Poor's lowered its corporate credit rating on U.S.-based media company Hanley Wood LLC to 'SD' from 'CCC-'. We also lowered our issue-level rating on the company's senior secured debt to 'D' from 'CC'. The rating action on Hanley Wood follows its recent recapitalization, which, according to our criteria on subpar debt exchange transactions, we view as tantamount to a default. Hanley Wood reduced debt to about \$80 million from \$406 million as of Sept. 30, 2011. Lenders accepted roughly 20% of original par value in addition to a majority equity stake in the company. In conjunction with the recapitalization, the company now has a new ownership group that invested US\$35 million in capital.

On Jan. 30, 2012, Standard & Poor's withdrew its ratings on Hanley Wood at the company's request.

Table 70

Hanley Wood LLC--Issuer Credit Rating History	
Date	To
30-Jan-2012	NR/--/--
17-Jan-2012	SD/NM/--
14-Dec-2011	CCC-/Negative/--
28-Apr-2011	CCC/Negative/--
10-Dec-2009	CCC+/Negative/--
03-Sep-2009	B-/Negative/--
20-Apr-2009	B-/Stable/--
05-Feb-2009	B/Watch Neg/--
28-Feb-2008	B/Negative/--
13-Jul-2005	B/Stable/--

Eastman Kodak Co.

John Moore, New York 212 438-2140; Martha Toll-Reed, New York (1) 212-438-7867

- US\$250 million 10.625% senior secured notes due Dec. 31, 2019
- US\$500 million 9.75% second-lien secured notes due March 1, 2018
- US\$400 million 7% notes due April 1, 2017
- US\$500 million 7.25% senior notes due Nov. 15, 2013
- US\$200 million 9.2% notes due June 1, 2021
- US\$125 million 9.95% debenture due July 1, 2018
- US\$225 million asset-based super-priority term loan due July 20, 2013

On Jan. 19, 2012, Standard & Poor's lowered its long-term corporate credit rating on U.S.-based photographic product manufacturer Eastman Kodak Co. to 'D' from 'CCC-' and removed the ratings from CreditWatch with negative implications. The downgrade follows Kodak and its U.S. subsidiaries filing voluntary petitions for Chapter 11 reorganization in U.S. Bankruptcy Court. However, its non-U.S. subsidiaries are not included in this bankruptcy filing.

The company expects to complete the restructuring in 2013.

The bankruptcy filing was a result of continued deterioration in business from traditional imaging, less favorable terms demanded by trade creditors in recent months, as well as new business investment funding requirements. In its bankruptcy filing, the company announced that it has obtained a fully committed \$950 million debtor-in-possession (DIP) credit facility with an 18-month maturity from Citigroup.

On Feb. 22, 2012, Standard & Poor's assigned ratings to Kodak's \$950 million DIP credit facility, including a \$250 million revolving credit facility and a \$700 million term loan due July 2013. We have assigned the revolver a 'B+' rating and the term loan a 'B-' rating. The ratings reflect our view of the possible repayment of the DIP loans in full upon the company's reorganization and emergence from bankruptcy, as well as our assessment of lenders' prospects for full recovery in the event that liquidation becomes necessary.

On March 6, 2012, Standard & Poor's withdrew its corporate credit and issue-level ratings on Eastman Kodak Co. because it had filed voluntary petitions for Chapter 11 reorganization in the U.S. Bankruptcy Court.

Eastman Kodak announced in early November 2012 that it reached an agreement to borrow \$793 million from a combination of lenders, including private investment firm Centerbridge Partners; GSO Capital Partners, which is a subsidiary of The Blackstone Group; and banks JPMorgan Chase & Co. and UBS AG. The deal is conditional on the company being able to sell its patent portfolio for at least \$500 million.

In the last week of November 2012, Kodak also announced that the company will secure a loan worth \$830 million in a new financing package that would replace its \$793 million deal, which it announced in early November 2012, provided it receives approval from U.S. Bankruptcy Court.

Table 71

Eastman Kodak Co.--Issuer Credit Rating History

Date	To
06-Mar-2012	NR/--/--
19-Jan-2012	D/--/--
05-Jan-2012	CCC-/Watch Neg/--
28-Feb-2011	CCC/Negative/--
26-Jan-2011	B-/Watch Neg/--
11-Feb-2010	B-/Stable/--
05-Mar-2009	B-/Negative/--
11-Dec-2008	B/Watch Neg/--
03-Nov-2008	B+/Watch Neg/--
23-Apr-2008	B+/Stable/--
11-Sep-2007	B+/Negative/--
02-Aug-2006	B+/Watch Neg/--
20-Oct-2005	B+/Negative/--
30-Sep-2005	BB-/Watch Neg/--
21-Jul-2005	BB/Watch Neg/--
22-Apr-2005	BB+/Negative/--

Table 71

Eastman Kodak Co.--Issuer Credit Rating History (cont.)

21-Oct-2004	BBB-/Watch Neg/--
26-Nov-2003	BBB-/Negative/--
25-Sep-2003	BBB-/Stable/--
21-Jul-2003	BBB-/Watch Neg/--
18-Jun-2003	BBB+/Watch Neg/--
15-Apr-2003	BBB+/Negative/--
23-Apr-2002	BBB+/Stable/--
25-Oct-2001	A-/Stable/--
23-Jul-2001	A+/Watch Neg/--
18-Dec-2000	A+/Negative/--
27-May-1998	A+/Stable/--
12-Nov-1997	AA-/Watch Neg/--
16-Sep-1997	AA-/Negative/--
24-Apr-1996	AA-/Stable/--
03-Oct-1994	A+/Stable/--
02-May-1994	BBB+/Watch Pos/--
06-Dec-1993	BBB+/Stable/--
15-Jun-1993	A-/Watch Dev/--
16-Oct-1990	A-/Stable/--
25-Feb-1988	A-/Negative/--
17-Jun-1986	AA-/Watch Neg/--
15-Dec-1982	AAA/--

hibu PLC (Yell Group PLC)

Carlo Castelli, CFA, London (44) 20-7176-3670; Melvyn Cooke, Paris (33) 1-4420-6783

- £629.53 million senior secured term loan due April 30, 2014
- US\$1.22 billion senior secured term loan due July 31, 2014
- €356.31 million senior secured term loan due July 31, 2014
- US\$1.03 billion senior secured term loan due April 30, 2014
- €499.49 million senior secured term loan due April 30, 2014
- £51.98 million senior secured term loan due April 30, 2014
- US\$44.81 million senior secured term loan due Oct. 29, 2012
- £244.51 million senior secured term loan due April 30, 2014
- €45.21 million senior secured term loan due Oct. 29, 2012
- £193.2 million senior secured term loan due April 30, 2014

On Jan. 19, 2012, Standard & Poor's lowered its long-term corporate credit rating on U.K.-based classified directories publisher Yell Group PLC to 'SD' from 'CC'. The rating action on Yell reflects its subpar debt repurchase on Jan. 19, 2012, which we view as tantamount to a default under our criteria. The company has obtained consent from the majority of its senior lenders to amend its 2009 term debt agreements and, according to the new terms, Yell reduced its revolving credit facility to £75 million from £173 million. In addition, it also reset the covenant test on its net

debt-to-EBITDA ratio to restore an appropriate amount of headroom, which is about 20%.

On Jan. 24, 2012, we raised our long-term corporate credit rating on Yell to 'B-' from 'SD'. The outlook is negative. The upgrade of Yell reflects our reassessment of the company's credit upon the completion of its first subpar debt repurchase on Jan. 19, 2012. Under the 2009 amended credit agreement, Yell has the ability to repurchase debt below par until 2014 if certain conditions are met. Yet, £110 million of cash is still available for subpar debt repurchases. However, our 'B-' corporate credit rating on Yell reflects that the company's business will remain under pressure because of the significant risk of decline in print directories business, coupled with increased competition from small business advertising by a large number of online marketing channels.

On May 30, 2012, Standard & Poor's lowered its long-term corporate credit rating on Yell to 'CCC+' from 'B-'. The outlook is negative. The rating action reflects its 2012 financial results, which indicated the limited visibility on the timing and level of the inflection point of its revenues and earnings. Therefore, in our view, this could hinder its liquidity and potentially jeopardize the refinancing of its £2.4 billion credit facility (in addition to the £75 million revolving credit facility) due in 2014.

On Oct. 31, 2012, Standard & Poor's lowered its long-term corporate credit rating on hibu PLC (hibu), formerly known as Yell Group Plc. to 'SD' from 'CC'. The downgrade follows hibu's decision not to pay interest (£160,000) and principal (£64 million equivalent) on its 2006 facility, following the group's announcement on Oct. 25, 2012, that it will suspend all further payments to its lenders. The payment due date fell on Oct. 29, 2012, and hibu did not meet its payment obligations.

On Dec. 12, 2012, Standard & Poor's raised its long-term corporate credit rating to 'CC' from 'SD' and assigned it a negative outlook. The upgrade followed the announcement on Dec. 7, 2012, that hibu will reach an agreement with the lenders of the 2006 credit facilities to settle all of these lenders' claims. As per the settlement, the 2006 lenders will receive a payment in cash equal to 39% of the total amount outstanding to them, which is a full and final settlement of all the lenders' claims under the 2006 facilities agreement.

Table 72

hibu PLC--Issuer Credit Rating History

Date	To
12-Dec-2012	CC/Negative/--
31-Oct-2012	SD/NM/--
26-Oct-2012	CC/Negative/--
30-May-2012	CCC+/Negative/--
24-Jan-2012	B-/Negative/--
19-Jan-2012	SD/NM/--
21-Nov-2011	CC/Negative/--
23-Aug-2011	CCC+/Negative/--
04-Feb-2011	B-/Negative/--
09-Apr-2010	B/Stable/--
01-Jul-2009	B/Negative/--
17-Mar-2009	B+/Stable/--
09-Apr-2008	BB-/Negative/--

Table 72

hibu PLC--Issuer Credit Rating History (cont.)

15-Sep-2006	BB-/Stable/--
28-Apr-2006	BB-/Watch Neg/--
17-May-2005	BB-/Stable/--
12-Feb-2004	BB+/Stable/--
15-Jul-2003	BB-/Positive/--
01-Jul-2003	BB-/Watch Pos/--
01-Jul-2002	BB-/Stable/--
23-May-2002	BB-/Watch Pos/--
06-Jul-2001	BB-/Stable/--

Petroplus Holdings AG

Per Karlsson, Stockholm (46) 8-440-5927; Simon Redmond, London (44) 20-7176-3683

- US\$1.05 billion senior secured revolver due Oct. 21, 2012
- US\$150 million 4% convertible due Oct. 16, 2015
- US\$400 million 9.375% notes due Sept. 15, 2019
- US\$600 million 6.75% callable high-yield notes due May 1, 2014
- US\$600 million 7% callable high-yield notes due May 1, 2017

On Jan. 25, 2012, Standard & Poor's lowered its long-term corporate credit rating on Switzerland-based refiner Petroplus Holdings AG to 'D' from 'CC'. At the same time, we lowered our senior unsecured debt ratings on notes totaling \$1.6 billion and a \$150 million convertible bond issued by Petroplus Finance Ltd. to 'D' from 'C'. The rating actions on Petroplus reflect our view that the company has received notices of acceleration from its banks under its \$2.1 billion both committed and uncommitted revolving credit facilities.

In the last week of March 2012, Petroplus decided to apply for a delisting of the company's shares from the Swiss stock exchange following its filing for protection from its creditors during early this year.

On May 11, 2012, Standard & Poor's affirmed its 'D' long-term corporate credit rating on Petroplus and then withdrew it at the company's request.

Table 73

Petroplus Holdings AG--Issuer Credit Rating History

Date	To
11-May-2012	NR/--/--
25-Jan-2012	D/--/--
17-Jan-2012	CC-/Watch Neg/--
29-Dec-2011	CCC+/Watch Neg/--
09-Nov-2011	B-/Negative/--
23-Sep-2011	B-/Stable/--
23-Feb-2010	B+/Negative/--
05-Feb-2010	BB-/Watch Neg/--
06-Nov-2009	BB-/Negative/--

Table 73

Petroplus Holdings AG--Issuer Credit Rating History (cont.)

08-May-2009	BB/Negative/--
17-Apr-2007	BB/Stable/--

Republic Mortgage Insurance Co.

Robert E Green, New York (1) 212-438-2013; Ron Joas, CPA, New York (1) 212-438-3131

On Jan. 26, 2012, Standard & Poor's lowered its unsolicited financial strength rating on U.S.-based insurance service provider Republic Mortgage Insurance Co. (RMIC) to 'R' from 'CC'. We also affirmed our unsolicited ratings on RMIC-NC at 'CC' and subsequently withdrew them. The downgrade of RMIC reflects increased regulation, following the North Carolina Department of Insurance placing the company under its supervision. As per the order, RMIC will reduce the cash payments on all claims paid after Jan. 19, 2012, by 50% for an initial period not to exceed one year. The remaining 50% will be included in the statutory capital of RMIC to be paid at a future date as and when necessary funds are available.

On Nov. 21, 2012, Standard & Poor's withdrew its 'R' issuer credit rating and issue-level ratings on RMIC.

Table 74

Republic Mortgage Insurance Co.--Financial Strength Rating History (Unsolicited)

Date	To
21-Nov-2012	NR/--/--
26-Jan-2012	R/--/--
28-Oct-2011	CC/Negative/--
01-Aug-2011	B+/Watch Neg/--
27-Jun-2011	BB+/Negative/--
22-Dec-2009	BBB-/Negative/--
27-Oct-2009	A-/Watch Neg/--
08-Apr-2009	A-/Stable/--
01-Apr-2009	A/Watch Neg/--
19-Dec-2008	A/Negative/--
05-Dec-2008	A+/Watch Neg/--
26-Aug-2008	A+/Negative/--
08-Apr-2008	AA-/Negative/--
25-Feb-2008	AA/Watch Neg/--
21-Nov-2007	AA/Negative/--
29-Oct-2007	AA/Watch Neg/--
25-Jul-2003	AA/Stable/--

China Medical Technologies Inc.

Joe Poon, Hong Kong (852) 2533-3507; Andrew Wong, Singapore (65) 6239-6306

- US\$150 million 6.25% convertible due Dec. 15, 2016
- US\$276 million 4% notes due Aug. 15, 2013

On Jan. 31, 2012, Standard & Poor's lowered its long-term corporate credit rating on China-based health care equipment manufacturer China Medical Technologies Inc. (CMED) to 'SD' from 'B+'. At the same time, we lowered our debt rating on the US\$150 million convertible bond due Dec. 15, 2016, to 'D' from 'B+'. The downgrade follows the confirmation that CMED failed to make the semiannual interest payment on its 6.25% \$150 million convertible bond due December 2016--the coupon payment was due on Dec. 15, 2011. CMED also failed to make the payment within the 30-day applicable grace period ended Jan. 14, 2012. We also note the absence of remediation concerning the missed payment.

On Feb. 17, 2012, we lowered our long-term corporate credit rating on CMED to 'D' from 'SD'. Simultaneously, we lowered our Greater China credit scale rating on CMED to 'D' from 'SD'. We subsequently withdrew all ratings, and our debt rating on the company's \$150 million convertible bond due December 2016 was 'D'. The downgrade reflects the confirmation that CMED missed the coupon payment on its \$276 million 4% convertible bond maturing in August 2013--the interest payment was due on Feb. 15, 2012. We understand the issuer has a 30-day grace period under the bond's terms and conditions to make the payment.

We withdrew the ratings on CMED because the company had not provided us with adequate information to enable us to determine its financial position.

Table 75

China Medical Technologies Inc.--Issuer Credit Rating History	
Date	To
17-Feb-2012	NR/--/--
17-Feb-2012	D/--/--
31-Jan-2012	SD/NM/--
21-Sep-2010	B+/Stable/--

PT Berlian Laju Tanker Tbk.

Katsuyuki Nakai, Singapore (65) 6239 6345; Vishal Kulkarni, CFA, Mumbai (91) 22-3342-021; Abhishek Dangra, Mumbai (91) 22-3342-3815

- US\$48.8 million 12% senior unsecured notes due Feb. 10, 2015
- US\$125 million 12% senior unsecured notes due Feb. 10, 2015
- IDR Rp55 billion 16.25% unsecured notes due May 28, 2014
- IDR Rp190 billion 16.25% unsecured notes due May 28, 2014
- IDR Rp45 billion 15.5% unsecured notes due May 28, 2012
- IDR Rp150 billion 15.5% unsecured notes due May 28, 2012
- IDR Rp200 billion 10.3% unsecured notes due July 5, 2012
- IDR Rp700 billion 10.3% unsecured notes due July 5, 2012
- US\$400 million 7.5% senior unsecured notes due May 15, 2014
- US\$30 million senior secured LOC due Aug. 15, 2013
- US\$400 million senior secured revolver due Aug. 15, 2013
- US\$55 million delay-draw term loan due Aug. 15, 2013
- US\$1701 million senior secured term loan due March 31, 2012
- US\$70.66 million senior secured term loan due Sept. 30, 2016

- US\$500 million senior secured term loan due Nov. 30, 2013
- US\$337 million senior secured term loan due March 31, 2015
- US\$400 million senior secured term loan due March 31, 2014
- US\$15 million senior secured term loan due Aug. 31, 2017

On Feb. 10, 2012, Standard & Poor's lowered its long-term corporate credit rating on Indonesia-based shipping company PT Berlian Laju Tanker Tbk. (BLT) to 'D' from 'CC'. We also lowered the issue-level rating on the US\$400 million senior unsecured notes due 2014, issued by BLT Finance B.V., a wholly owned subsidiary of BLT, to 'D' from 'C'. BLT guarantees the notes. The downgrade follows our confirmation that BLT failed to make ship-lease payments to at least one company. We believe that BLT is likely to fail to honor other financial obligations, such as interest payments and debt repayments, in days ahead.

On Nov. 21, 2012, Standard & Poor's withdrew its 'D' long-term corporate credit rating on BLT at the company's request. We also withdrew the 'D' issue-level rating on the US\$400 million senior unsecured notes due 2014 that BLT guarantees.

On Dec. 18, 2012, creditors of BLT lodged a Chapter 11 petition in the U.S. against the company. In Indonesia, BLT is in a restructuring process overseen by the Central Jakarta Commercial Court. The company presented its plan for creditors to consider and vote, and the court could sanction the restructuring plan if the requisite majority of them approves.

Table 76

PT Berlian Laju Tanker Tbk.--Issuer Credit Rating History

Date	To
21-Nov-2012	NR/--/--
10-Feb-2012	D/--/--
30-Jan-2012	CC/Watch Neg/--
02-Nov-2011	B-/Negative/--
25-Feb-2011	B-/Stable/--
26-Aug-2010	B-/Watch Neg/--
24-Nov-2008	B/Negative/--
31-Mar-2008	B/Watch Neg/--
15-Oct-2007	B+/Watch Neg/--
23-Apr-2007	BB-/Stable/--

DirectBuy Holdings Inc.

Helena Song, CFA, New York (1) 212-438-2477; Andy Sookram, New York (1) 212-438-5024

- US\$335 million 12% senior secured notes due Feb. 1, 2017
- US\$30 million senior secured revolver due Nov. 30, 2012
- US\$275 million senior secured term loan bank due Nov. 30, 2012

On Feb. 13, 2012, Standard & Poor's lowered its corporate credit rating on U.S.-based consumer buying club DirectBuy Holdings Inc. to 'D' from 'CC'. We also lowered the ratings on the company's \$335 million senior secured notes to 'D' from 'CC'. The downgrade follows DirectBuy's missing an interest payment due Feb. 1, 2011, on its \$335

million senior secured notes. The company is seeking to restructure its balance sheet and, in our opinion, could file for protection under Chapter 11. We view DirectBuy's business risk as vulnerable and financial risk as highly leveraged.

On March 29, 2012, Standard & Poor's withdrew its ratings, including its 'D' corporate credit rating, on DirectBuy. The company was no longer providing timely and sufficient information to maintain a credit rating.

Table 77

DirectBuy Holdings Inc.--Issuer Credit Rating History

Date	To
29-Mar-2012	NR/--/--
13-Feb-2012	D/--/--
07-Nov-2011	CC/Negative/--
02-Sep-2011	CCC/Negative/--
25-Apr-2011	B/Watch Neg/--

Jobson Medical Information LLC

Jeanne Mathewson, CFA, Chicago (1) 312-233-7026; Tulip Lim, New York (1) 212-438-4061

- US\$117.36 million senior secured term loan due Dec. 31, 2014
- US\$5 million senior secured revolver loan due Dec. 31, 2014

On Feb. 2, 2012, U.S.-based Jobson Medical Information LLC defaulted after filing for Chapter 11 bankruptcy. The company filed a prepackaged bankruptcy plan that provides for three years to pay off its loan and grants its secured lender equity in the new company.

On March 7, 2012, Jobson received approval for its prepackaged Chapter 11 plan, allowing the company to exit bankruptcy by March 26 of this year. Subsequently, we withdrew all ratings on Jobson at the company's request.

Table 78

Jobson Medical Information LLC--Issuer Credit Rating History

Date	To
15-Jun-2009	NR/--/--
15-Jun-2009	CCC+/Negative/--
05-Dec-2008	CCC+/Stable/--
26-Mar-2008	B-/Watch Neg/--
04-May-2006	B-/Negative/--

Global Aviation Holdings Inc.

Lisa Jenkins, New York (1) 212-438-7697; Betsy R Snyder, CFA, New York (1) 212-438-7811

- US\$175 million 14% senior first-lien notes due Aug. 15, 2013

On Feb. 6, 2012, Standard & Poor's lowered its corporate credit rating and issue-level rating on Global Aviation Holdings' senior secured notes to 'D' from 'CCC-'. The 'D' ratings reflect the company's Chapter 11 bankruptcy filing on Feb. 5, 2012.

On June 26, 2012, Standard & Poor's withdrew all of its ratings, including the 'D' corporate credit rating, on Global Aviation.

On Sept. 18, 2012, Global Aviation filed a restructuring plan designed to hand over ownership of its charter-airline service to its senior secured bondholders and cut its debt by about \$168 million.

Table 79

Global Aviation Holdings Inc.--Issuer Credit Rating History

Date	To
26-Jun-2012	NR/--/--
06-Feb-2012	D/--/--
09-Dec-2011	CCC-/Watch Neg/--
19-Sep-2011	CCC/Watch Dev/--
23-Aug-2011	SD/NM/--
16-Aug-2011	CCC+/Watch Neg/--
01-Apr-2011	B/Stable/--
25-Oct-2010	B/Positive/--
14-Oct-2009	B/Stable/--
20-Jul-2009	B/Negative/--

The Tensar Corp.

Megan Johnston, New York (1) 212-438-7257; Thomas Nadramia, New York (1) 212-438-3944

- US\$37 million floating-rate revolving credit facility bank loan due April 30, 2012
- US\$227 million term bank loan due Oct. 31, 2012

On Feb. 6, 2012, Standard & Poor's lowered its long-term corporate credit rating on U.S.-based The Tensar Corp. to 'SD' from 'CCC'. We also lowered the issue-level rating on TCO Funding Corp.'s first-lien term loan to 'D' from 'B-'. The rating actions followed our understanding that TCO Funding Corp., an entity formed to comply with Islamic Shari'ah financing rules, did not make its quarterly amortization payment on its first-lien term loan.

On April 11, 2012, Standard & Poor's lowered its rating on a revolving credit facility issued by TCO Funding Corp. (a subsidiary of Tensar Corp.) to 'CCC-' from 'B-' and removed the issue rating from CreditWatch, where it was placed with developing implications on Oct. 11, 2011. The downgrade reflected our view of the company's weak liquidity as the maturity of the credit facility approaches. The corporate credit rating on Tensar Corp. and all its related issues were withdrawn at the company's request.

Table 80

Tensar Corp. (The)--Issuer Credit Rating History

Date	To
11-Apr-2012	NR/--/--
06-Feb-2012	SD/NM/--
11-Oct-2011	CCC/Watch Dev/--
12-Aug-2011	CCC/Negative/--
14-Jan-2011	CCC/Developing/--

Table 80

Tensar Corp. (The)--Issuer Credit Rating History (cont.)

19-Nov-2010	CC/Negative/--
20-Aug-2009	CCC/Negative/--
19-Dec-2008	B-/Negative/--
21-Aug-2008	B/Watch Neg/--
30-Oct-2007	B/Stable/--
21-Sep-2007	B/Watch Pos/--
29-Aug-2007	B-/Watch Pos/--
07-Oct-2005	B-/Stable/--

Reichhold Industries Inc.

Seamus Ryan, New York (1) 212-438-7785; James T Siahaan, CFA, New York (1) 212-438-3023

- US\$195 million senior notes due Aug. 15, 2014

On Feb. 16, 2012, Standard & Poor's lowered its corporate credit rating on U.S.-based chemical company Reichhold Industries Inc. to 'D' from 'CCC+' as the company failed to make the interest payment on its \$195 million senior unsecured notes due Aug. 15, 2014. The issue-level rating on the company's senior unsecured notes was also lowered to 'D' from 'CCC-'.

On May 8, 2012, Standard & Poor's raised its rating on Reichhold Industries Inc. to 'B-' from 'D'. The outlook is stable. The company completed the exchange of its outstanding unsecured notes due 2014 for new secured notes due 2017, following its failure to make the interest payment on the exchanged notes on Feb. 15, 2012. The stable outlook reflected Standard & Poor's expectations that operating results were likely to improve in 2012 and that the company's increased financial flexibility following the exchange offer would support adequate liquidity. However, the company remains highly leveraged, and we expect reported debt to increase over the next two years as a result of the payment-in-kind (PIK) interest payments. Nevertheless, we believe Reichhold's operating performance will improve in 2013 as key transportation and construction end markets gradually recover and the company benefits from the recent cost cuts.

Table 81

Reichhold Industries Inc.--Issuer Credit Rating History

Date	To
08-May-2012	B-/Stable/--
16-Feb-2012	D/--/--
6-Dec-2011	CCC+/Negative/--
18-May-2011	B-/Negative/--
23-Apr-2010	B-/Stable/--
24-Apr-2009	B-/Negative/--
21-Nov-2008	B/Stable/--
2-Aug-2006	BB-/Stable/--

ERC Ireland Preferred Equity Ltd.

Carlo Castelli, CFA, London (44) 20-7176-3670; Chris Meyer, London (44) 20-7176-3842; Osnat Jaeger, London (44) 20-7176-7066

- €425 million subordinated PIK notes due Feb. 15, 2017
- €350 million subordinated notes due Aug. 15, 2016
- €150 million senior secured revolving credit facility due Sept. 30, 2013
- €650 million senior secured term loan A amortizing bank loan due Sept. 30, 2013
- €1.25 billion senior secured term loan B bullet bank loan due Sept. 30, 2014
- €1.25 billion senior secured term loan C bullet bank loan due Sept. 30, 2015
- €350 million senior second-lien term loan D bank loan due March 30, 2016

On Feb. 22, 2012, Standard & Poor's lowered its long-term corporate credit ratings on ERC Ireland Preferred Equity Ltd. (ERCIPE), ERC Ireland Finance Ltd. (ERCIF), and ERC Ireland Holdings Ltd. (ERCIH) to 'SD' from 'CC'. These entities are the parent companies of leading Ireland-based telecommunications provider the eircom Group Ltd. At the same time, we lowered the issue-level rating on ERCIF's €350 million floating-rate notes to 'D' from 'C'.

The downgrade followed ERCIF's delay in making the coupon payment on its €350 million floating-rate notes for more than five business days after the scheduled due date. The payment was due Feb. 15, 2012, and the delay follows ERCIH's senior lenders exercising their rights to suspend payments by ERCIH and its subsidiaries of amounts that fund coupon payments on the floating-rate notes.

On Nov. 8, 2011, Standard & Poor's lowered to 'CC' from 'CCC+' its long-term corporate credit ratings on ERC Ireland Preferred Equity Ltd. (ERCIPE), ERC Ireland Finance Ltd. (ERCIF), and ERC Ireland Holdings Ltd. (ERCIH), together, the eircom Group.

The downgrades followed the eircom group's recent confirmation of a breach of the leverage covenant under its senior facility agreement on June 30, 2011. The group obtained a temporary waiver until Dec. 15, 2011.

On May 22, 2012, the Irish High Court approved a scheme of arrangement to restructure the eircom Group.

On June 11, 2012, the eircom Group exited examinership (court protection from creditors) and began implementing an approved restructuring. The restructuring is likely to result in the write-off of various classes of debt.

On June 18, 2012, Standard & Poor's lowered to 'D' from 'SD' its long-term corporate credit ratings on ERCIPE, ERCIF, and ERCIH. Standard & Poor's subsequently withdrew these ratings. The withdrawal of the corporate credit ratings reflected the eircom Group's announcement that on April 30, 2012, following a petition presentation by these companies for liquidation to the Grand Court of the Cayman Islands on April 27, 2012. The withdrawal of Standard & Poor's issue-level ratings on the various debt instruments reflects that, among other things, the restructuring will result in the write-off of certain classifications of debt, allowing the eircom Group to reduce financial debt on the balance sheet by 40% or €1.7 billion.

Table 82

ERC Ireland Preferred Equity Ltd.--Issuer Credit Rating History

Date	To
18-Jun-2012	NR/--/--
18-Jun-2012	D/--/--
22-Feb-2012	SD/NM/--
8-Nov-2011	CC/Negative/--
11-Nov-2010	CCC+/Negative/--
9-Jul-2010	B-/Negative/--
23-Mar-2010	B-/Stable/--
19-Jan-2010	B/Watch Neg/--
11-May-2009	B/Stable/--
16-Nov-2006	B+/Stable/--

Elpida Memory Inc.

- ¥27.5 billion 0.7% senior unsecured notes due Aug. 1, 2016
- ¥60 billion 0.5% senior unsecured notes due Oct. 26, 2015
- US\$75 million 0% senior secured notes due April 19, 2013
- ¥20 billion 2.1% bonds series 6 due Nov. 29, 2012
- ¥10 billion 2.29% bonds series 4 due Dec. 7, 2012
- ¥15 billion 2.03% bonds series 2 due March 22, 2012
- ¥110 billion senior secured term loan due March 30, 2012
- ¥40 billion senior secured term loan due April 2, 2012
- ¥60 billion senior secured term loan due April 2, 2012
- ¥4 billion senior secured term loan due April 2, 2012
- ¥6 billion senior secured term loan due April 2, 2012
- ¥20 billion senior secured term loan due April 2, 2012

On Feb. 27, 2012, Japan-based Elpida Memory Inc. went insolvent and, therefore, defaulted. It is not an entity Standard & Poor's rates. Elpida Memory engaged in the design, manufacture, and sale of dynamic random access memory (DRAM) integrated circuits in Japan and internationally.

On March 5, 2012, Elpida Memory filed for bankruptcy protection. The chip producer said its debts amounted to roughly ¥448 billion (US\$5.53 billion) as of March 31, 2011.

Table 83

Elpida Memory Inc.--Issuer Credit Rating History

Date	To
9-Apr-2009	NR/--/--
19-Feb-2009	B+/Watch Neg/--
12-Sep-2008	BB-/Negative/--
7-Dec-2007	BB-/Stable/--

Centrais Eletricas do Para S.A.

Veronica Yanez, Mexico City (52) 55-5081-4485; Vinicius Ferreira, Sao Paulo (55) 11 3039-9763

- US\$250 million 10.50% senior unsecured notes due June 3, 2016
- BRL R\$449.28 million senior secured term loan due Dec. 1, 2019
- US\$75 million senior secured term loan due June 1, 2015
- US\$60 million senior secured term loan due June 1, 2012

On March 1, 2012, Standard & Poor's lowered its corporate credit rating on Centrais Eletricas do Para S.A. (Celpa) to 'D' from 'CCC+' following its judicial reorganization filing.

On Dec. 20, 2012, Standard & Poor's affirmed its 'D' corporate credit rating on Celpa. The entity accepted a recovery plan on debt maturity extension and reduction in interest expenses as approved by its creditors.

Table 84

Centrais Eletricas do Para S.A. (Rede Empresas de Energia Eletrica S.A.)--Issuer Credit Rating History

Date	To
01-Mar-2012	D/--/--
22-Jun-2011	CCC+/Stable/--
27-May-2009	CCC+/Negative/--
26-Feb-2009	B/Watch Neg/--
12-May-2008	B/Stable/--
02-Dec-2005	B-/Stable/--

Circus and Eldorado Joint Venture

Michael Halchak, New York (1) 212-438-7459; Melissa Long, New York (1) 212-438-3886

- US\$160 million 10.125% mortgage notes due March 31, 2012

On March 2, 2012, Standard & Poor's lowered its corporate credit rating on U.S.-based gaming operator Circus and Eldorado Joint Venture (CEJV) and its issue-level rating on CEJV's US\$143 mortgage notes to 'D' from 'CCC-'. The rating action reflects the entity's failure to repay the principal on its mortgage notes at maturity due on March 1, 2012.

CEJV's inability to repay constitutes default under the terms of the notes' indenture.

On June 5, 2012, we withdrew the ratings on CEJV, including its 'D' rating, following the company's filing of voluntary petition with U.S. Bankruptcy Court.

Table 85

Circus and Eldorado Joint Venture--Issuer Credit Rating History

Date	To
05-Jun-2012	NR/--/--
02-Mar-2012	D/--/--
06-Feb-2012	CCC-/Watch Dev/--
12-Jan-2012	CCC-/Watch Neg/--
29-Sep-2011	CCC/Developing/--
20-Aug-2009	B-/Stable/--

Table 85

Circus and Eldorado Joint Venture--Issuer Credit Rating History (cont.)	
18-Nov-2008	B/Negative/--
26-Aug-2005	B/Stable/--
16-May-2005	B+/Watch Neg/--
26-Sep-2003	B+/Negative/--
12-Feb-2002	B+/Stable/--

Mohegan Tribal Gaming Authority

Carissa Schreck, New York (1) 212-438-4634; Melissa A Long, New York (1) 212-438-3886

- US\$400 million term A bank loan due March 31, 2015
- US\$225 million first-lien last-out term bank loan due March 31, 2016
- US\$75 million revolver bank loan due March 31, 2015
- US\$675 million revolving credit facility bank loan due March 9, 2012
- US\$417.771 million 10.5% exchange third-lien notes due Dec. 15, 2012
- US\$199.8 million 11.5% exchange second-lien notes due Nov. 1, 2017
- US\$344.19 million 11% exchange PIK toggle notes due Sept. 15, 2018
- US\$0.2 million 11.5% notes due Nov. 1, 2017
- US\$15.775 million 6.125% senior notes due Feb. 15, 2013
- US\$21.156 million 7.125% senior subordinated notes due Aug. 15, 2014
- US\$9.654 million 6.875% senior subordinated notes due Feb. 15, 2015

On March 7, 2012, Standard & Poor's lowered its issuer credit rating on U.S.-based Mohegan Tribal Gaming Authority (MTGA) to 'SD' from 'CC'. The rating actions followed the company's announcement of the final results and settlement of the exchange offers and the amendment and restatement of the credit facility. We consider the exchange offers and extension of credit facility to be restructuring and tantamount to default according to our criteria.

On March 9, 2012, Standard & Poor's raised its corporate credit rating on MTGA to 'B-' from 'SD'. The rating outlook is stable. The reassessment of MTGA's capital structure after the completion of its debt restructuring plan showed that, after the exchange, the entity has substantially reduced its debt maturities for the next few years. Standard & Poor's also expects that, though MTGA will face competition, it will be able to generate good cash flows, which it can use to improve its credit.

Table 86

Mohegan Tribal Gaming Authority--Issuer Credit Rating History	
Date	To
09-Mar-2012	B-/Stable/--
07-Mar-2012	SD/NM/--
25-Jan-2012	CC/Watch Neg/--
24-Nov-2010	CCC/Watch Neg/--
23-Jun-2009	B/Negative/--
30-Jan-2009	B/Watch Neg/--
08-May-2008	BB-/Negative/--
16-Nov-2006	BB-/Stable/--

Table 86

Mohegan Tribal Gaming Authority--Issuer Credit Rating History (cont.)

08-Nov-2004	BB/Stable/--
15-Oct-2004	BB+/Watch Neg/--
01-Jul-2003	BB+/Stable/--
12-Feb-1999	BB+/Negative/--
15-Jan-1999	NR/NM/--
10-Feb-1998	BB+/Watch Neg/--
25-Oct-1996	BB+/Stable/--

Arcapita Bank

Mohamed Damak, Paris (33) 1-4420-7322; Emmanuel Volland, Paris (33) 1-4420-6696; Andreas Kindahl, Stockholm (46) 8-440-5907

- US\$1.1 billion senior secured term loan due March 28, 2012

On March 19, 2012, Arcapita Bank filed for bankruptcy protection after its failure to strike a US\$1 billion deal with its creditors to delay the payment of its debt obligation for three years, which jeopardized Arcapita's ability to perform its fiduciary duties for its stakeholders.

Table 87

Arcapita Bank--Issuer Credit Rating History

Date	To
29-Jun-2009	NR/--/--
01-Jun-2009	BB-/Negative/--
06-Apr-2009	BB/Watch Neg/--
28-Jan-2009	BB+/Watch Neg/--
10-Dec-2008	BBB/Negative/--
16-Nov-2006	BBB/Stable/--

Dex One Corp.

Chris Valentine, New York (1) 212-438-1434; Andy Liu, CFA, Chicago (1) 312-233-7052; Elton Cerda, New York

- US\$300 million 12% notes due Jan. 29, 2017
- US\$1.225 billion variable rate term loan due Oct. 24, 2014
- US\$956 million variable rate term loan due Oct. 24, 2014
- US\$904 million variable rate term loan due Oct. 24, 2014

On March 23, 2012, Standard & Poor's lowered its corporate credit rating on U.S.-based Dex One Corp. and related entities to 'SD' from 'CC'. The downgrade reflects the entity's cash tender offer to purchase a portion of its senior subordinated notes due in 2017 below par as tantamount to default. Standard & Poor's views the entity's rising debt leverage, low debt trading, weak operating outlook, and steadily declining discretionary cash flow as indications of financial distress. Later, on March 30, following completion of the tender offer, Standard & Poor's raised its corporate credit rating on Dex One Corp. and related entities to 'CCC' from 'SD'. The rating outlook is negative.

Table 88

Dex One Corp.--Issuer Credit Rating History

Date	To
30-Mar-2012	CCC/Negative/--
23-Mar-2012	SD/NM/--
15-Mar-2012	CC/Negative/--
16-Nov-2011	CCC+/Negative/--
19-Aug-2011	B-/Negative/--
01-Feb-2011	B/Negative/--
29-Jan-2010	B/Stable/--
16-Apr-2009	D/--/--
12-Feb-2009	CCC+/Negative/--
24-Oct-2008	B+/Negative/--
08-May-2008	B+/Stable/--
11-Feb-2008	BB-/Negative/--
31-Jan-2006	BB-/Stable/--
03-Oct-2005	BB/Watch Neg/--
12-Nov-2002	BB/Stable/--

Sino-Forest Corp.

Frank Lu, Hong Kong (852) 2533-3593; Jerry Fang, Hong Kong (852) 2533 3563

- US\$600 million 6.25% senior unsecured due Oct. 21, 2017
- US\$460 million 4.25% convertible due Dec. 15, 2016
- US\$185.4 million 10.25% notes due July 28, 2014
- US\$212.33 million 10.25% guaranteed due July 28, 2014
- US\$300 million 5% convertible notes due Aug. 1, 2013

On Aug. 29, 2011, Standard & Poor's lowered the long-term corporate credit rating on China-based commercial forest operator Sino-Forest Corp. to 'CCC-' from 'B'. All the ratings were later withdrawn. Standard & Poor's lowered the ratings because, in our view, recent developments suggested that the allegations of fraud at the company would be substantiated. The ratings also reflect the liquidity pressure which had increased as a result of operational difficulties.

Standard & Poor's withdrew the ratings because it did not have adequate information to rate the entity. The company declined to share the interim results of an independent committee's investigation.

On March 30, 2012, Sino-Forest filed for creditor protection. Sino-Forest plans to sell off its assets in court-monitored process. If it fails, the noteholders will gain rights to sell the assets.

In the first week of December 2012, the court approved the restructuring plan giving rights to creditors to take possession of its assets under the Companies' Creditors Arrangement Act.

Table 89

Sino-Forest Corp.--Issuer Credit Rating History

Date	To
29-Aug-2011	NR/--/--

Table 89

Sino-Forest Corp.--Issuer Credit Rating History (cont.)	
29-Aug-2011	CCC-/Negative/--
23-Aug-2011	B/Watch Neg/--
30-Jun-2011	B+/Watch Neg/--
27-Mar-2007	BB/Stable/--
04-Dec-2006	BB-/Positive/--
28-Jul-2004	BB-/Stable/--

Hawker Beechcraft Inc.

Christopher Denicolo, CFA, New York (1) 212-438-1449; Chris Mooney, CFA, New York (1) 212-438-4240

- US\$1.3 billion term B bank loan due March 26, 2014
- US\$200 million floating-rate incremental term bank loan due March 26, 2014
- US\$240 million revolving credit facility bank loan due March, 26 2013
- US\$75 million synthetic letter of credit facility bank loan due March 26, 2014
- US\$124.5 million secured term loan due June 29, 2012
- US\$300 million 9.75% senior subordinated notes due April 1, 2017
- US\$400 million 8.5% senior cash notes due April 1, 2015
- US\$400 million 8.875% senior PIK toggle notes due April 1, 2015

On April 2, 2012, Standard & Poor's lowered its corporate credit rating on Hawker Beechcraft Inc. to 'SD' and lowered the issue-level rating on the company's secured credit facility to 'D'. The downgrade reflected Standard & Poor's view that Hawker Beechcraft did not make the scheduled interest payment due March 30, 2012, on its secured credit facility, which is tantamount to default. The next day, Standard & Poor's lowered its corporate credit rating on Hawker Beechcraft to 'D', after the company failed to make interest payments on its unsecured and subordinated notes due April 1, 2012. At the same time, Standard & Poor's lowered its issue-level ratings on the company's unsecured and subordinated notes to 'D' from 'C'.

After reaching an agreement with most of its debtors, Hawker Beechcraft filed for Chapter 11 bankruptcy protection on May 3, 2012. The bankruptcy filing will eliminate almost all of the company's debt. On May 10, 2012, Standard & Poor's withdrew all of its ratings on the company.

Table 90

Hawker Beechcraft Inc.--Issuer Credit Rating History	
Date	To
10-May-2012	NR/--/--
03-Apr-2012	D/--/--
02-Apr-2012	SD/NM/--
29-Mar-2012	CC/Negative/--
01-Dec-2011	CCC/Negative/--
09-Jun-2009	CCC+/Negative/--
05-Jun-2009	SD/NM/--
07-May-2009	CC/Watch Neg/--
15-Apr-2009	B-/Negative/--

Table 90

Hawker Beechcraft Inc.--Issuer Credit Rating History (cont.)

30-Jan-2009	B+/Watch Neg/--
05-Mar-2007	B+/Stable/--

Reddy Ice Holdings Inc.

Jean C Stout, New York (1) 212-438-7865; Stephanie Harter, Chicago (1) 312-233-7053

- US\$11.7 million 10.5% senior discount note due Nov. 1, 2012
- US\$300 million 11.25% notes series 144A due March 15, 2015
- US\$139.4 million 13.25% second-lien notes series 144A due Nov. 1, 2015
- US\$50 million secured revolver due Oct. 22, 2014

On April 12, 2012, Standard & Poor's lowered its ratings on U.S.-based Reddy Ice Holdings Inc. to 'D' from 'CC'. The downgrade followed Reddy Ice's announcement that it will voluntarily file for Chapter 11 bankruptcy because of its extremely weak operating performance, which resulted from the pricing declines caused by intense competition in the market, rising input costs, and sluggish economic conditions.

On May 18, 2012, Standard & Poor's withdrew its issuer credit rating and recovery rating on Reddy Ice and its wholly owned operating subsidiary, Reddy Ice Corp. The rating actions reflected Standard & Poor's view that it had insufficient information to maintain the recovery ratings.

Reddy Ice effectively reemerged from Chapter 11 bankruptcy as of May 31, 2012. It is majority owned by affiliates of Centerbridge Partners L.P., which has investment of US\$7.5 million in preferred stock in the company. Reddy Ice now has a capital structure in place that gives it financial flexibility to invest in long-term growth plans. The company was able to reduce its debt by US\$145 million, and it received new equity infusions of US\$25 million and a US\$50 million revolving credit facility from Macquarie Bank Ltd.

Table 91

Reddy Ice Holdings Inc.--Issuer Credit Rating History

Date	To
18-May-2012	NR/--/--
12-Apr-2012	D/--/--
02-Apr-2012	CC/Negative/--
17-Nov-2011	CCC+/Negative/--
26-Mar-2010	B-/Negative/--
25-Mar-2010	SD/NM/--
24-Feb-2010	CC/Negative/--
19-Feb-2010	B/Watch Neg/--
08-Apr-2009	B/Negative/--
18-Aug-2008	B+/Negative/--
05-Feb-2008	B+/Stable/--
02-Jul-2007	B+/Watch Neg/--
11-May-2006	B+/Stable/--
18-Oct-2004	B+/Negative/--

Residential Capital LLC

Tom G Connell, Toronto (1) 416-507-2501; Brendan Browne, New York (1) 212-438-1000

- US\$4.01 billion junior secured subordinated notes due May 15, 2015
- GBP £400 million 7.875% notes due July 1, 2014
- US\$1.25 billion 8.5% notes due June 1, 2012
- GBP £400 million 8.375% notes due May 17, 2013
- €750 million 7.125% notes due May 17, 2012
- US\$1.75 billion 8.5% notes due April 17, 2013
- US\$500 million notes due June 30, 2015

On April 18, 2012, Standard & Poor's lowered its issuer credit rating on U.S.-based mortgage finance company Residential Capital LLC (ResCap) to 'SD' from 'CC'. The downgrade reflected ResCap's inability to make the scheduled interest payment on its senior unsecured notes that matures in April 2013. Standard & Poor's deemed the missed payment as equivalent to a default.

On May 17, 2012, Standard & Poor's lowered its issuer credit rating on ResCap to 'D'. The downgrade followed ResCap's bankruptcy filing on May 14, 2012. The company was also nearing the end of the 30-day grace period for its missed scheduled interest payment in April.

On Dec. 21, 2012, Standard & Poor's withdrew its 'D' corporate credit rating, issue-level rating, and '6' recovery rating on ResCap.

Table 92

Residential Capital LLC--Issuer Credit Rating History

Date	To
21-Dec-2012	NR/--/--
17-May-2012	D/--/--
18-Apr-2012	SD/NM/--
10-Feb-2012	CC/Watch Neg/--
10-Nov-2011	CCC/Watch Neg/--
04-May-2011	B+/Stable/--
27-Jan-2010	B/Stable/--
26-May-2009	CCC/Developing/--
04-Feb-2009	CCC/Negative/--
31-Dec-2008	SD/NM/--
20-Nov-2008	CC/Watch Neg/--
07-Nov-2008	CCC-/Negative/--
15-Jul-2008	CCC+/Negative/--
04-Jun-2008	SD/NM/--
02-May-2008	CC/Watch Neg/--
24-Apr-2008	CCC+/Watch Neg/--
22-Feb-2008	B/Negative/--
01-Nov-2007	BB+/Negative/--
17-Oct-2007	BBB-/Watch Neg/--

Table 92

Residential Capital LLC--Issuer Credit Rating History (cont.)	
16-Aug-2007	BBB-/Negative/--
02-May-2007	BBB-/Stable/--
27-Nov-2006	BBB-/Negative/--
10-Oct-2005	BBB-/Watch Dev/--
03-Oct-2005	BBB-/Watch Neg/--
09-Jun-2005	BBB-/Negative/--

Lupatech S.A.

Renata Lotfi, Sao Paulo (55) 11-3039-9724; Luciano D Gremone, Buenos Aires (54) 114-891-2143

- BRL R\$320 million 6.5% secured notes due April 15, 2018
- US\$275 million 9.875% guaranteed perpetual bonds
- BRL R\$40 million unsecured revolver due Dec. 31, 2014
- BRL R\$5 million senior secured revolver
- BRL R\$70 million unsecured revolver due Sept. 24, 2012

On April 23, 2012, Standard & Poor's lowered its issuer credit rating on Lupatech S.A. to 'SD' from 'B-'. The rating action followed the entity's postponement of annual interest payment on its second private issuance of convertible debentures due April 15. We consider the incident tantamount to a default, based on our criteria. We also consider the company's business profile to be weak and its financial profile as highly leveraged.

On Nov. 28, 2012, Standard & Poor's affirmed its global and national scale corporate credit rating on Lupatech S.A. at 'SD'. The rating affirmation reflects the fact that Lupatech S.A. has postponed the interest payment due on April 15, 2012, for the third time. The company had earlier postponed the payments to debenture holders in August and November, and now it expects to make the payments by February 2013. We will keep the credit rating at 'SD' as long as it fails to pay the interest payment or until all its convertible debentures are transformed into equity in entirety. If the latter occurs, then we will have to reassess the ratings taking into account the change in the capital structure.

Table 93

Lupatech S.A.--Issuer Credit Rating History	
Date	To
23-Apr-2012	SD/NM/--
11-Oct-2011	B-/Negative/--
10-Dec-2010	B-/Stable/--
03-Sep-2010	B+/Watch Neg/--
05-Mar-2010	B+/Negative/--
13-Nov-2009	BB-/Watch Neg/--
15-Jul-2009	BB-/Negative/--
21-Jun-2007	BB-/Stable/--

Barneys New York Inc.

David M Kuntz, New York (1) 212-438-5022; Helena Song, CFA, New York (1) 212-438-2477

- US\$280 million term bank loan due Dec. 31, 2014

On May 8, 2012, Standard & Poor's lowered its corporate credit rating on Barneys to 'SD' from 'CC'. The downgrade followed the company's debt-for-equity swap, which we considered to be equivalent to a default. Barneys already had a distressed financial condition, since the investors received less than the original security amount.

On May 9, 2012, Standard & Poor's raised the corporate credit rating on Barneys to 'B-' from 'SD'. The rating action reflected the company's completion of the deleveraging transaction. Barneys continues to benefit from good consumer demand and an increase in full-priced sales. But in spite of these positive trends, the company's weak business profile and substantially leveraged capital structure could still negatively affect its credit protection measures.

Standard & Poor's withdrew its 'B-' corporate credit rating on Barneys on May 9 at the company's request.

Table 94

Barneys New York Inc.--Issuer Credit Rating History

Date	To
09-May-2012	NR/--/--
09-May-2012	B-/Stable/--
08-May-2012	SD/NM/--
09-Feb-2012	CC/Negative/--
10-Jun-2010	CCC/Negative/--
21-Apr-2010	CCC/Watch Pos/--
13-Apr-2009	CCC/Negative/--
05-Mar-2009	B-/Negative/--
12-Nov-2008	B-/Stable/--
27-Jul-2007	B/Negative/--

Verso Paper Holdings LLC

Tobias Crabtree, CFA, New York (1) 212-438-6503; James Fielding, New York (1) 212-438-2452

- US\$345 million 11.75% notes due Jan. 15, 2019
- US\$396 million 8.75% second-priority senior secured notes due Feb. 1, 2019
- US\$300 million 11.375% senior subordinated notes due Aug. 1, 2016
- US\$363 million 9.125% second-priority senior secured notes due Aug. 1, 2014
- US\$157.5 million 11.75% senior secured notes due Dec. 31, 2019
- US\$180.2 million 9.75% senior secured due Feb. 1, 2019
- US\$150 million ABL revolver bank loan due May 4, 2017
- US\$200 million senior secured revolving credit bank loan due Aug. 1, 2012
- US\$285 million senior secured term B bank loan due Aug. 1, 2013
- US\$350 million 11.5% senior secured notes due July 1, 2014
- US\$50 million revolver bank loan due May 4, 2017
- US\$250 million term bank loan due Feb. 1 2013

On May 11, 2012, Standard & Poor's lowered its corporate credit ratings on Verso Paper Holdings LLC to 'SD' from 'CC'. The rating action followed Verso Paper's completed exchange offer in which the company issued US\$104.7 million aggregate principal amount of exchange notes in exchange for US\$157.5 million of subordinated notes.

Standard & Poor's considers the exchange offer as a distressed exchange, which, based on its criteria, is equivalent to a default. Earlier, on May 2, 2012, Standard & Poor's lowered its corporate credit rating on U.S.-based coated-paper manufacturer Verso Paper Finance Holdings LLC to 'CC' from 'B' after the company announced that it will enter into an exchange offer.

On May 14, 2012, Standard & Poor's raised its corporate credit rating on Verso Paper to 'B' from 'SD'. The upgrade reflects Standard & Poor's view of two exchange offers that reduced Verso Paper's debt level by approximately US\$53 million and extended the maturity of a portion of its debt to 2019. Although we believe that Verso Paper's credit measures will remain weak over the next year, we also believe that the company's liquidity, which is backed by its cash position, new credit facilities, and a manageable near-term debt maturity profile (following the completed exchange offers), will stay adequate.

On Nov. 27, 2012, Standard & Poor's lowered its corporate credit rating on Verso Paper to 'B-' from 'B'. The rating action follows the difficult operating environment for North American coated paper producers, which we expect to persist throughout 2013, coupled with its "vulnerable" business profile. The downgrade also indicates the company's significant debt burden and our expectations that interest coverage will remain weak at 1.5x or below throughout 2013.

Table 95

Verso Paper Holdings LLC--Issuer Credit Rating History

Date	To
27-Nov-2012	B-/Stable/--
13-Aug-2012	B/Negative/--
14-May-2012	B/Stable/--
11-May-2012	SD/NM/--
02-May-2012	CC/Negative/--
05-Apr-2010	B/Stable/--
23-Dec-2009	B-/Watch Pos/--
28-May-2009	B-/Negative/--
12-Mar-2009	B/Watch Neg/--
25-Nov-2008	B/Stable/--
12-Aug-2008	B/Positive/--
29-Apr-2008	B/Watch Pos/--
09-Feb-2007	B/Stable/--
12-Jul-2006	B+/Stable/--

Centrais Eletricas Matogrossenses S.A.

Candela Macchi, Buenos Aires (54) 114-891-2110; Paula Martins, Sao Paulo (55) 11-3039-9731

On May 31, 2012, Standard & Poor's downgraded Cemat to 'SD' from 'CCC' following the company's postponement of R\$448.5 million debt payment (which represented 30% of its total adjusted debt) as part of the request for debt restructuring with its creditors. Since Cemat did not provide appropriate compensation to its creditors regarding the deferred obligation, Standard & Poor's considers it as a default event, based on our criteria.

Table 96

Centrais Eletricas Matogrossenses S.A.--Issuer Credit Rating History

Date	To
31-May-2012	SD/NM/--
01-Mar-2012	CCC/Watch Neg/--
28-Dec-2011	B-/Stable/--
27-May-2009	B-/Negative/--
26-Feb-2009	B/Watch Neg/--
06-Oct-2008	B/Stable/--
12-May-2008	B/Positive/--
11-Jul-2006	B-/Positive/--
02-Dec-2005	B-/Stable/--

PBG S.A.

Anna Stegert, Frankfurt (49) 69-33-999-128; Izabela Listowska, Frankfurt (49) 69-33-999-127

- Polish zloty (PLN) 450 million 8.97% secured notes due Oct. 22, 2013
- PLN375 million 8.42% secured notes due Sept. 10, 2012
- PLN200 million unsecured bridge loan due July 19, 2012
- PLN34.21 million first-lien guaranteed term loan due Dec. 31, 2013
- PLN18.7 million first-lien guaranteed term loan due Sept. 30, 2013
- PLN10 million first-lien senior secured term loan due March 30, 2013
- PLN4.88 million unsecured term loan due April 20, 2019

On May 31, 2012, Standard & Poor's lowered its long-term corporate credit rating on PBG S.A. to 'SD' from 'B+'. The rating action followed PBG's announcement that it will enter into a standstill agreement with its financing banks, according to which the banks will refuse to collect receivables on its maturing short-term bilateral loans until the agreement expires on July 19, 2012. Since PBG did not provide any compensation to the banks in return for the maturity extension, Standard & Poor's considered the event as tantamount to a default, based on its criteria.

On June 8, 2012, Standard & Poor's lowered its long-term corporate credit rating on PBG to 'D' from 'SD' after the company announced that three of its subsidiaries, which had generated a substantial part of the group's earnings, had filed an insolvency petition with the Municipal Court in Poznan, Poland. The filing resulted from PBG's inability to secure any funding for its operations and its weak liquidity conditions.

On Aug. 27, 2012, Standard & Poor's withdrew its 'D' long-term corporate credit rating on PBG S.A. at the company's request.

Table 97

PBG S.A.--Issuer Credit Rating History

Date	To
27-Aug-2012	NR/--/--
08-Jun-2012	D/--/--
31-May-2012	SD/NM/--
09-May-2012	B+/Watch Neg/--

Table 97

PBG S.A.--Issuer Credit Rating History (cont.)

28-Oct-2011 BB-/Stable/--

ATI Acquisition Co.

Chris Valentine, New York (1) 212-438-1434; Hal F Diamond, New York (1) 212-438-7829

- US\$157.5 million term loan B bank loan due Dec. 30, 2014
- US\$17.5 million revolver bank loan due Dec. 30, 2014
- US\$90 million senior subordinated notes due Dec. 31, 2015

On June 20, 2012, Standard & Poor's lowered its corporate credit rating on U.S.-based, for-profit postsecondary education ATI Acquisition Co. to 'D' from 'CCC-'. The downgrade reflected confidential information that ATI made available to Standard & Poor's regarding its debt obligations. ATI's credit quality has deteriorated significantly over the past year, primarily because of earnings erosion stemming from weak enrollment trends.

On Dec. 13, 2012, Standard & Poor's withdrew all of ratings on ATI Acquisition Co. The corporate credit rating and all issue-level ratings were 'D' at the time of withdrawal. The ratings were withdrawn because of a lack of financial information on the company.

Table 98

ATI Acquisition Co.--Issuer Credit Rating History

Date	To
13-Dec-2012	NR/--/--
20-Jun-2012	D/--/--
15-Dec-2011	CCC-/Negative/--
30-Jun-2011	CCC/Negative/--
24-Sep-2010	B/Watch Neg/--
02-Dec-2009	B/Stable/--

Central European Media Enterprises Ltd.

Patrizia D'Amico, Milan (39) 02-72111-206; Melvyn Cooke, Paris (33) 1-4420-6783

- US\$261.03 million secured notes due Nov. 15, 2015
- €170 million 9.00% bonds due Nov. 1, 2017
- €440 million 11.625% notes due Sept. 15, 2016
- US\$475 million 3.50% convertible notes due March 15, 2013
- €150 million notes due May 15, 2014
- US\$130 million multitranches term loan due March 15, 2013
- Czech koruna (CZK) 1.5 billion senior secured revolver due Oct. 21, 2015

On June 22, 2012, Standard & Poor's lowered its long-term corporate credit rating on Bermuda-registered emerging markets TV broadcaster Central European Media Enterprises Ltd. (CME) to 'SD' from 'CC' and the issue-level rating on the company's 2014 notes to 'D' from 'C'. The downgrades reflected the completion of CME's debt repurchase of its 2014 notes at a price below face value. We considered the group's repurchase of €60.5 million of its 2014 notes at a

price of 93.75% to be tantamount to default under our criteria.

On the same day, Standard & Poor's upgraded the company to 'B-' from 'SD' and raised the rating on the 2014 notes to 'CCC+' from 'D'. It also assigned a stable outlook to the long-term corporate credit rating. The rating actions reflected Standard & Poor's view of CME's business and financial risk profiles after the company completed its debt repurchases, offset by the company's "highly leveraged" financial risk profile and "weak" business risk profile, which remain unchanged following the debt restructuring. CME's financial risk profile incorporates the completion of its US\$180 million debt buyback and its US\$89 million private equity placement, which repaid part of the loans it had used to fund the debt repurchasing. The company's key shareholder, Time Warner Inc., had provided the loan.

On Nov. 30, 2012, Standard & Poor's lowered its long-term corporate credit rating on CME to 'CCC+' from 'B-'. The outlook is negative. The rating action reflected our revised assessment that CME's capital structure may be unsustainable over the next two years owing to the group's significant debt burden and persistent low growth on advertising spending and absence of growth potential in CME's main markets. In addition, the liquidity may fall short of funding the normal course of business in 2013. Finally, the rating action incorporated our opinion that the current 49.9% ownership of the group by Time Warner does not provide sufficient comfort to offset the increasing liquidity and default risks at this time.

Table 99

Central European Media Enterprises Ltd.--Issuer Credit Rating History

Date	To
30-Nov-2012	CCC+/Negative/--
22-Jun-2012	B-/Stable/--
22-Jun-2012	SD/NM/--
18-May-2012	CC/Negative/--
25-Apr-2012	B-/Negative/--
18-Nov-2011	B/Negative/--
26-Apr-2010	B/Stable/--
11-Nov-2009	B-/Negative/--
04-Aug-2009	B/Negative/--
28-May-2009	B+/Stable/--
26-Feb-2009	BB-/Watch Neg/--
05-Nov-2008	BB/Negative/--
10-Sep-2007	BB/Stable/--
01-Mar-2007	BB-/Positive/--
13-Apr-2005	BB-/Stable/--

Cinram International Inc.

Lori Harris, Toronto (1) 416-507-2546; Madhav Hari, CFA, Toronto (1) 416-507-2522

- US\$90 million second-lien senior secured mandatorily exchangeable term bank loan due Dec. 31, 2011
- US\$3 million revolving credit facility bank loan due Dec. 31, 2013
- US\$18 million revolving credit facility bank loan due Dec. 31, 2013
- US\$14 million variable-rate revolver bank loan due Dec. 31, 2013

- US\$97 million term bank loan due Dec. 31, 2013
- US\$143 million term bank loan due Dec. 31, 2013

On March 30, 2012, Standard & Poor's lowered its long-term corporate credit rating on Canada-based Cinram International Inc., a leading global manufacturer of prerecorded multimedia products, to 'CC' from 'CCC'. The downgrade reflected Standard & Poor's view of Cinram's weak liquidity position and poor operating performance. The company's reported revenue and EBITDA dropped 28% and 79%, respectively, in 2011, compared with the previous year, resulting in the company's need for waivers to its financial covenants. In addition, Cinram held discussions with a number of its counterparties regarding strategic alternatives for the business that would have led to a debt restructuring, given its ongoing deterioration. Immediately following, Standard & Poor's withdrew the ratings on Cinram and its subsidiaries at the company's request. The rating outlook on the company was negative at the time of the withdrawal.

On June 25, 2012, Cinram defaulted after filing for Chapter 15 bankruptcy in the U.S., listing more than US\$500 million in debt and as much as US\$50 million in assets.

Table 100

Cinram International Inc.--Issuer Credit Rating History

Date	To
30-Mar-2012	NR/--/--
30-Mar-2012	CC/Negative/--
07-Sep-2011	CCC/Negative/--
02-Aug-2011	CCC/Watch Neg/--
13-Apr-2011	B-/Negative/--
12-Apr-2011	D/--/--
27-Jan-2011	CC/Watch Neg/--
04-May-2010	CCC+/Negative/--
01-Feb-2010	B-/Watch Neg/--
22-May-2009	B/Negative/--
07-Apr-2009	SD/NM/--
02-Apr-2009	CC/Watch Neg/--
25-Mar-2009	CCC+/Watch Neg/--
06-Mar-2009	B/Negative/--
31-Jan-2008	B+/Stable/--
06-Nov-2007	BB-/Watch Neg/--
14-Nov-2006	BB-/Negative/--
09-May-2006	BB-/Stable/--
03-Mar-2006	BB/Watch Neg/--
12-Aug-2005	BB/Negative/--
29-Aug-2003	BB/Stable/--

Kleopatra Lux 1 S.a.r.l

Rachel Lion, CA, London (44) 20-7176-6680; David Matthews, London (44) 20-7176-3611

On June 25, 2012, Standard & Poor's lowered its long-term corporate credit rating on Germany-based packaging manufacturer Kleopatra Lux 1 S.a.r.l. (also known as Kloeckner Pentaplast) to 'SD' from 'CC'. The downgrade followed Kloeckner Pentaplast's implementation of a debt restructuring led by investment firm Strategic Value Partners and the junior lender group. Since the total value that the junior lenders received was less than par, the debt restructuring constituted a selective default under our criteria.

The debt restructuring involved the repayment of all outstanding senior term loans at par plus accrued interest, a debt-to-equity swap on second-lien and mezzanine debt, and a write-off of preferred equity certificates. The debt restructuring took place on June 22, 2012--just before Kloeckner Pentaplast's covenant waiver period expired. The company breached its financial covenants on the Dec. 31, 2011, and March 31, 2012, test dates, but it obtained waivers from its lenders for those two quarters that gave it and its stakeholders time to consider possible solutions.

On July 4, 2012, Standard & Poor's withdrew its 'SD' rating on Kloeckner Pentaplast following the debt restructuring and assigned its 'B-' long-term corporate credit rating to Kloeckner Holdings S.C.A., Kloeckner Pentaplast's ultimate holding company.

Table 101

Kleopatra Lux 1 S.a.r.l --Issuer Credit Rating History	
Date	To
04-Jul-2012	NR/--/--
25-Jun-2012	SD/NM/--
13-Mar-2012	CC/Negative/--
23-Nov-2011	CCC-/Negative/--
08-Sep-2011	CCC+/Stable/--
10-Jun-2009	B-/Negative/--
11-Mar-2008	B-/Stable/--
11-Dec-2007	B/Negative/--
14-Sep-2007	B/Stable/--
03-May-2007	BB-/Watch Neg/--
31-Jan-2002	BB-/Stable/--

Dynegy Inc.

Terry A Pratt, New York (1) 212-438-2080; Aneesh Prabhu, CFA, FRM, New York (1) 212-438-1285

On July 6, 2012, Standard & Poor's lowered its corporate credit rating on U.S.-based independent power producer Dynegy Inc. to 'D' following the company's bankruptcy filing. Standard & Poor's also affirmed its 'CCC+' corporate credit rating on Dynegy Power LLC, which is ring-fenced from its parent, Dynegy Holdings LLC. Dynegy Inc. and Dynegy Holdings, which filed for bankruptcy protection in November 2011, had planned to emerge from bankruptcy as a single unit in the late third-quarter 2012.

On Oct. 2, 2012, Dynegy Inc. emerged from Chapter 11 bankruptcy protection. The company said that it will have about US\$800 million in liquidity in the form of cash and will have eliminated more than US\$4 billion in debt through the Chapter 11 process. Despite Dynegy Holdings' bankruptcy filing, creditors have not tried to pull Dynegy Power into the bankruptcy proceedings. After the filing, Dynegy Power issued US\$1.1 billion in credit facilities due 2017 that

are secured by the firm's assets. This provides a disincentive for Dynegy Holdings' creditors to force a bankruptcy filing, and those creditors will gain Dynegy Power under the proposed plan.

On Dec. 12, 2012, Standard & Poor's raised its corporate credit rating on Dynegy Power LLC to 'B' from 'CCC+'. The outlook is stable. Dynegy Power recently repaid about 25% of its term loan but remains highly leveraged. Also, Standard & Poor's withdrew their 'D' rating on parent Dynegy Inc., which emerged from bankruptcy and had no funded debt.

Table 102

Dynegy Inc.--Issuer Credit Rating History

Date	To
12-Dec-2012	NR/--/--
06-Jul-2012	D/--/--
08-Nov-2011	CC/Negative/--
18-Mar-2011	CC/Watch Neg/--
01-Mar-2011	CCC/Negative/--
17-Aug-2010	B-/Watch Neg/--
12-Apr-2010	B-/Negative/--
18-Aug-2009	B/Negative/--
22-Jul-2009	B/Stable/--
24-Apr-2009	NR/--/--
15-May-2007	B/Stable/--
18-Sep-2006	B/Watch Dev/--
16-Mar-2006	B/Stable/--
03-Aug-2005	B/Watch Dev/--
16-Apr-2003	B/Negative/--
26-Nov-2002	B/Watch Neg/--
25-Jul-2002	B+/Watch Neg/--
22-Jul-2002	BB/Watch Neg/--
25-Jun-2002	BBB-/Watch Neg/--
08-May-2002	BBB/Watch Neg/--
24-Apr-2002	BBB/Negative/--
09-Nov-2001	BBB+/Watch Neg/--
09-Mar-2001	BBB+/Stable/--
24-May-2000	BBB+/Watch Neg/--
28-Jan-2000	BBB+/Stable/--

Patriot Coal Corp.

Maurice Austin, New York (1) 212-438-2077; Marie Shmaruk, New York (1) 212-438-7816

- US\$250 million 8.25% senior unsecured notes due March 30, 2015
- US\$200 million 14.78% senior unsecured notes due May 31, 2013
- US\$427.5 million senior secured revolver due Dec. 31, 2013

On July 10, 2012, Standard & Poor's lowered its corporate credit rating on U.S.-based thermal coal mining, production,

and sales company Patriot Coal Corp. to 'D' from 'CCC' following the company's voluntary filing of Chapter 11 bankruptcy as a part of its restructuring plan.

During the months leading up the bankruptcy filing, the cancellation of customer contracts, lower thermal coal prices, and rising expenditures for environmental and other liabilities severely constrained the company's liquidity and financial flexibility. Patriot obtained US\$802 million of DIP credit facilities, consisting of US\$500 million of new money facilities and a US\$302 million roll-up facility for outstanding prebankruptcy letters of credit. Upon the U.S. Bankruptcy Court's approval, the company had planned to use the new financing and cash generated from its ongoing operations to support the business during the reorganization process.

On Aug. 16, 2012, Standard & Poor's assigned its 'BB-' rating to Patriot's US\$125 million DIP revolving credit facility and its 'B+' rating to the company's US\$375 million DIP term loan. The DIP facilities constitute super priority administrative expense claims.

On Oct. 1, 2012, Standard & Poor's withdrew its 'D' corporate credit rating on Patriot at the company's request.

Table 103

Patriot Coal Corp.--Issuer Credit Rating History

Date	To
01-Oct-2012	NR/--/--
10-Jul-2012	D/--/--
23-May-2012	CCC/Watch Neg/--
16-May-2012	B-/Watch Neg/--
10-Feb-2012	B/Watch Neg/--
23-Jan-2012	B+/Watch Neg/--
05-May-2011	B+/Negative/--
06-Dec-2010	B+/Watch Neg/--
26-Apr-2010	B+/Stable/--

National Service Industries Inc.

Daniel R. DiSenso, New York (1) 212-438-7693

On July 12, 2012, U.S.-based diversified manufacturing and service company and the largest domestic manufacturer of lighting fixtures National Service Industries Inc. (NSI) defaulted after the company filed for Chapter 7 bankruptcy protection. Standard & Poor's had withdrawn its ratings on the company in 2001.

Standard & Poor's placed its long-term corporate credit rating on NSI on CreditWatch with negative implications on June 29, 2001. The rating actions followed the company's announcement of the spin-off of its lighting fixture and cleaning chemicals segments in a tax-free transaction to a new company to be named L&C SpinCo Inc. NSI had expected the spinoff to occur in late summer 2001, and L&C SpinCo was to assume virtually all of NSI's debt. On completion of the spinoff, Standard & Poor's would have assigned its 'BBB' corporate credit rating to L&C SpinCo and lowered its ratings on NSI's senior unsecured debt issues that L&C SpinCo would have assumed to 'BBB' from 'A-'. Standard & Poor's withdrew its corporate credit rating on NSI.

Table 104

National Service Industries Inc.--Issuer Credit Rating History

Date	To
03-Dec-2001	NR/--/--
29-Jun-2001	A-/Watch Neg/--
16-May-2001	A-/Negative/--
16-Jul-1999	A/Negative/--
03-Aug-1998	A/Watch Neg/--

BTA Bank J.S.C.

Natalia Yalovskaya, Moscow +7495 783 4097; Annette Ess, Frankfurt (49) 69-33-999-157

- US\$698.19 million unsecured revolver due Sept. 30, 2013
- US\$5.22 billion senior secured notes due June 30, 2020
- €437.1 million 3.14% notes due July 1, 2021
- US\$384.85 million 3.7% senior secured due July 1, 2021
- US\$496.63 million 7.2% senior secured due July 1, 2025
- Kazakhstani tenge (KZT) 32.6 billion 14.75% senior unsecured due July 1, 2018
- €28.24 million 6.75% subordinated due July 1, 2025
- KZT7.4 billion 11.2% subordinated due July 1, 2025
- KZT28 billion 8% subordinated due July 1, 2030
- US\$2.08 billion 10.75% senior unsecured due July 1, 2018
- KZT14 billion 6.1% secured due April 1, 2018
- KZT10 billion 4.7% secured due April 3, 2014
- KZT10 billion 8.5% secured due Aug. 4, 2016
- KZT4 billion 6% secured due Feb. 21, 2016
- KZT7 billion 6.4% secured due Aug. 22, 2013
- KZT4 billion 5.8% secured due May 11, 2015
- KZT1.5 billion 10% secured due Oct. 21, 2014

On July 16, 2012, Kazakhstan-based financial services provider BTA Bank J.S.C. defaulted after filing for Chapter 15 bankruptcy. BTA Bank provides retail and corporate banking services, insurance services, and leasing and other financial services in Kazakhstan, the Russian Federation, Belarus, Georgia, Armenia, and Ukraine.

The bank, which is Kazakhstan's third-largest bank by assets, said that it had begun formal discussions with its creditors on the proposed restructuring of roughly US\$5 billion of its debt, and its advisers presented a draft of its preliminary restructuring proposal.

On Oct. 3, 2012, BTA Bank JSC said that it had reached an agreement with its creditors for restructuring US\$11.2 billion of debt, which will help ensure the bank's viability. This restructuring plan was later realized on Dec. 24, when the bank distributed more than 90% of entitlements to its claimants.

Table 105

BTA Bank J.S.C.--Issuer Credit Rating History

Date	To
10-Nov-2011	NR/--/--

Table 105

BTA Bank J.S.C.--Issuer Credit Rating History (cont.)

10-Nov-2011	B-/Negative/--
26-Oct-2010	B-/Stable/--
24-Apr-2009	D/--/--
31-Mar-2009	CC/Watch Neg/--
26-Mar-2009	C/Watch Neg/--
20-Mar-2009	CCC+/Watch Neg/--
16-Feb-2009	B+/Watch Dev/--
03-Feb-2009	BB/Watch Dev/--
11-Dec-2007	BB/Negative/--
03-Oct-2007	BB/Stable/--
04-Dec-2006	BB/Positive/--
10-Feb-2006	BB/Stable/--
08-Jun-2004	BB-/Positive/--
11-Apr-2003	BB-/Stable/--
17-Apr-2002	B+/Stable/--
28-Sep-2001	B/Positive/--
18-Dec-2000	B/Stable/--

Broadview Networks Holdings Inc.

Catherine Cosentino, New York (1) 212-438-7828; Olen Honeyman, New York (1) 212-438-4031; Allyn Arden, CFA, New York (1) 212-438-7832

- US\$300 million 11.375% senior secured notes due Sept. 1, 2012
- US\$25 million revolver senior secured loan due Sept. 5, 2012

On July 23, 2012, Standard & Poor's lowered its corporate credit rating on U.S.-based wireline operator Broadview Networks Holdings Inc. to 'D' from 'CC'. The rating action followed the company's announced extension of its revolving credit facility's maturity date to Sept. 5, 2012, from Aug. 1, 2012. This extension is tantamount to a default under Standard & Poor's criteria.

Broadview had previously announced an agreement with two-thirds of its noteholders to restructure its debt, which it plans to implement through a Chapter 11 bankruptcy filing. Moreover, the company had obtained a commitment letter from CIT Group Inc., its revolving credit lender, to roll the existing revolving facility into a DIP financing, contingent on Broadview filing for bankruptcy protection by Sept. 5, 2012. Upon the company's completion of its restructuring plans, Standard & Poor's would expect to raise the corporate credit rating on Broadview.

On Aug. 23, 2012, Standard & Poor's lowered its rating on Broadview's US\$300 million senior secured notes due 2012 to 'D' from 'C'. The rating action reflected Broadview's filings of its prepackaged plan of reorganization and Chapter 11 bankruptcy petition. Under the terms of the prepackaged plan, the 2012 secured notes will be converted into US\$150 million of new 10.5% senior secured notes due 2017 and 97.5% of the common stock of the reorganized company.

On Oct. 5, 2012, the U.S. Bankruptcy Court approved Broadview's financial restructuring plan. A majority of

Broadview's stakeholders supported the plan, and it should reduce the company's outstanding debt securities by half.

On Nov. 20, 2012, Standard & Poor's withdrew all ratings on Broadview Networks Holdings Inc., including the corporate credit rating, following the company's emergence from bankruptcy on Nov. 14, 2012.

Table 106

Broadview Networks Holdings Inc.--Issuer Credit Rating History

Date	To
20-Nov-2012	NR/--/--
23-Jul-2012	D/--/--
13-Jul-2012	CC/Negative/--
18-Jun-2012	CCC-/Negative/--
19-Sep-2011	CCC+/Developing/--
03-May-2011	B/Negative/--
10-May-2010	B/Stable/--
01-May-2009	B-/Positive/--
15-Apr-2008	B-/Stable/--
08-May-2007	B-/Positive/--
04-Aug-2006	B-/Stable/--

Aventine Renewable Energy Holdings Inc.

Matthew R Hobby, New York (1) 212-438-6441; Ben L Macdonald, CFA, San Francisco (1) 415-371-5005

- US\$225 million variable-rate term bank loan due Dec. 22, 2015
- US\$50 million asset-based term loan due July 20, 2015

On July 30, 2012, Standard & Poor's lowered its corporate credit rating on U.S.-based ethanol producer Aventine Renewable Energy Holdings Inc. to 'SD' from 'CC'. At the same time, Standard & Poor's lowered its rating on the company's senior secured debt due December 2015 (\$215.9 million outstanding as of March 31, 2012) to 'D' from 'CCC-'. The rating actions followed the waiver of a scheduled interest payment on Aventine's \$225 million term loan agreement on July 31, 2012. Although Aventine received a debt forbearance agreement with its lenders on July 27, 2012, under which the lenders will not consider a missed interest payment as an event of default, Standard & Poor's considers such an event a default under its criteria.

On Oct. 8, 2012, Standard & Poor's withdrew the ratings at the company's request.

Table 107

Aventine Renewable Energy Holdings Inc.--Issuer Credit Rating History

Date	To
08-Oct-2012	NR/--/--
30-Jul-2012	SD/NM/--
18-Jul-2012	CC/Negative/--
08-Dec-2011	CCC+/Negative/--
30-Sep-2011	B/Watch Neg/--
03-Dec-2010	B/Stable/--

Nobina AB

Roneil Thadani, London, London (44) 20-7176-3891; Gustav Liedgren, Stockholm (46) 8-440-5916

- €121.5 million 9.125% notes due Oct. 31, 2012

On Aug. 2, 2012, Standard & Poor's lowered its corporate credit ratings on Sweden-based bus service provider Nobina AB (Nobina) and the company's subordinate holding company, Nobina Europe Holding AB, to 'SD' from 'CC'. At the same time, Standard & Poor's lowered its rating on the senior secured notes issued by Nobina's finance subsidiary Nobina Europe AB to 'D' from 'CC'. The rating actions followed Nobina's announcement of a delay of the interest and principal payments due on its €85 million senior secured notes on Aug. 1, 2012, until Oct. 31, 2012. Based on its criteria, Standard & Poor's viewed Nobina's inability to meet its original obligations under the notes in full and on time as tantamount to default.

On Nov. 6, 2012, Standard & Poor's raised its long-term corporate credit rating on Nobina AB to 'B' from 'SD'. The rating action follows Nobina's announcement of the refinancing of its €85 million senior secured notes, which include a debt-to-equity swap, with about Swedish krona (SEK) 180 million (25%) of the old senior secured notes being converted into shares in Nobina. The remaining amount (around SEK550 million) was primarily refinanced through a new SEK-denominated bond that Nobina issued in the Nordic market. Therefore, we believe the transactions would have helped the company to improve its leverage, liquidity, and financial flexibility, eliminating any major bond debt maturities until 2017.

Table 108

Nobina AB--Issuer Credit Rating History

Date	To
06-Nov-2012	B/Stable/--
02-Aug-2012	SD/NM/--
02-Jul-2012	CC/Negative/--
23-Apr-2012	CCC+/Negative/--
13-Dec-2011	B-/Negative/--
24-Dec-2009	B/Stable/--
04-Jun-2009	B-/Watch Pos/--
23-Feb-2009	B-/Watch Dev/--
14-Feb-2007	B-/Stable/--
13-Jan-2006	B-/Negative/--
07-Oct-2005	CC/Watch Pos/--
24-May-2005	SD/NM/--
19-Jan-2005	CC/Watch Neg/--
17-Dec-2004	CCC/Watch Neg/--
03-Aug-2004	CCC/Negative/--
28-Apr-2004	B-/Negative/--
02-May-2003	B/Negative/--
08-Feb-2002	B+/Negative/--
18-May-2001	BB-/Negative/--
09-Oct-2000	BB/Negative/--

Table 108

**Nobina AB--Issuer Credit Rating History
(cont.)**

17-Jan-2000 BB/Stable/--

LifeCare Holdings Inc.

David P Peknay, New York (1) 212-438-7852; Tahira Y Wright, CPA, New York (1) 212-438-1977

- US\$150 million 9.25% senior subordinated notes due Aug. 15, 2013
- US\$257.5 million senior secured PIK term loan due Feb. 1, 2016
- US\$30 million senior secured revolver due Feb. 1, 2015
- US\$47.2 million senior secured PIK term loan due Feb. 1, 2016

On Aug. 21, 2012, Standard & Poor's lowered its corporate credit rating on U.S.-based developer, acquirer, and operator of long-term acute care hospitals LifeCare Holdings Inc. to 'D' from 'CCC-'. At the same time, Standard & Poor's lowered its rating on the company's senior subordinated notes to 'D' from 'C'. The rating actions followed the company's disclosure that it did not make the interest payment due on its US\$119.3 million senior subordinated notes on Aug. 15, 2012. Standard & Poor's considers a missed interest payment tantamount to a default under its criteria when the nonpayment results from the borrower being under financial stress.

On Sept. 19, 2012, LifeCare obtained loan waivers from its senior secured lenders and a majority of its senior subordinated noteholders in order to pursue a long-term solution for its debt structure. The waivers were scheduled to expire on Nov. 1, 2012, and they provided LifeCare with additional time to stay in dialogue with its creditors, potential buyers, and others.

On Dec. 19, 2012, Standard & Poor's withdrew its 'D' corporate credit rating on LifeCare at the company's request.

Table 109

LifeCare Holdings Inc.--Issuer Credit Rating History

Date	To
19-Dec-2012	NR/--/--
21-Aug-2012	D/--/--
22-Nov-2011	CCC-/Negative/--
24-May-2011	CCC-/Stable/--
18-Nov-2010	CCC-/Negative/--
19-Nov-2007	CCC+/Negative/--
17-Nov-2006	B-/Negative/--
25-May-2006	B/Negative/--
23-Jan-2006	B/Watch Neg/--
20-Jul-2005	B/Stable/--

ATP Oil & Gas Corp.

Christine Besset, Dallas (1) 214-765-5865; Ben Tsocanos, New York (1) 212-438-5014

- US\$1.5 billion 11.875% senior secured second-lien notes due May 1, 2015
- US\$35 million 8.00% senior unsecured notes due Dec. 20, 2013

- US\$362.16 million senior secured term loan due Jan. 15, 2015
- US\$350 million senior secured multitranches term loan due Sept. 24, 2017

On Aug. 21, 2012, Standard & Poor's lowered its corporate credit rating on U.S.-based oil and natural gas exploration and production company ATP Oil & Gas Corp. to 'D' from 'CCC'. At the same time, Standard & Poor's lowered its rating on the company's senior secured notes to 'D' from 'CCC'. The rating actions followed ATP's announcement that it had voluntarily filed for Chapter 11 bankruptcy as a part of its restructuring plan. The bankruptcy filing came as the company faced an interest payment scheduled for November.

On Sept. 14, 2012, Standard & Poor's withdrew its 'D' corporate credit rating on ATP as a result of the company's bankruptcy filing and the lack of sufficient and timely information necessary to maintain surveillance on the rating.

Table 110

ATP Oil & Gas Corp.--Issuer Credit Rating History

Date	To
14-Sep-2012	NR/--/--
21-Aug-2012	D/--/--
01-Aug-2012	CCC/Negative/--
13-May-2011	CCC+/Developing/--
08-Jun-2010	CCC+/Negative/--
13-Apr-2010	B/Stable/--

Marsico Holdings LLC

Charles D Rauch, New York (1) 212-438-7401; Sebnem Caglayan, New York (1) 212-438-4054

- US\$604 million 10.625% subordinated notes due Jan. 25, 2020
- US\$976.9 million term facility bank loan due Dec. 14, 2014
- US\$25 million revolver credit facility bank loan due Dec. 14, 2013

On Sept. 11, 2012, Standard & Poor's lowered its ratings on U.S.-based Marsico Holdings LLC to 'D' from 'CCC+'. The rating actions followed the company's announced distressed debt exchange. Standard & Poor's subsequently raised its issuer credit rating on Marsico to 'CCC+' from 'D' based on its evaluation of the company's improved debt structure after the restructuring. Standard & Poor's then withdrew the ratings at the company's request.

Marsico replaced a US\$977 million senior secured term loan due 2014 with a US\$500 million senior secured term loan that is mostly due in 2022. At the same time, the company replaced \$604 million subordinated notes due 2020 with US\$200 million subordinated notes due 2022. As a result, the total outstanding debt dropped to \$700 million from US\$1.58 billion before the restructuring. Based on its criteria, Standard & Poor's considers the extended maturities and the concessions that the borrowers provide as distressed debt exchanges. The nearest maturity following the restructuring is in 2022, when US\$650 million is due.

On Nov. 15, 2010, Standard & Poor's assigned its 'CCC+' issuer credit rating to Marsico. The rating reflected the company's high degree of financial and business risks as a result of its undiversified business model. In addition, there was key-man risk (the potential overreliance on one or a few individuals within the management team) because the founder and CEO, Tom Marsico, was also the chief investment officer and co-portfolio manager for the two flagship

mutual funds.

Table 111

Marsico Holdings LLC--Issuer Credit Rating History

Date	To
11-Sep-2012	NR/--/--
11-Sep-2012	CCC+/Stable/--
11-Sep-2012	D/--/--
15-Nov-2010	CCC+/Stable/--

Banco Cruzeiro do Sul

Cynthia Cohen Freue, Buenos Aires (54) 114-891-2161; Ricardo Brito, Sao Paulo (55) 11-3039-9733

- US\$400 million 8.25% medium-term notes due Jan. 20, 2016
- US\$250 million 8.50% senior unsecured notes due Feb. 20, 2015
- US\$200 million 7.00% senior unsecured notes due July 8, 2013
- US\$175 million 8.00% senior unsecured notes due Sept. 17, 2012
- US\$200 million notes due Dec. 31, 2014

On Sept. 14, 2012, Standard & Poor's lowered its global scale ratings on Banco Cruzeiro do Sul to 'D' from 'CC/C'. The rating action took place after the central bank liquidated the bank. Earlier, on Aug. 14, 2012, the Fundo Garantidor de Creditos (FGC) announced its intention to buy Brazil-based financial institution Banco Cruzeiro do Sul's debt at a discount of 49%, since it was searching for buyers for the bank. But for the transaction to be successful, 90% of the bank's creditors must have agreed on the terms and the central bank must have accepted an eligible buyer by Sept. 13, 2012. Since these conditions were not met, the central bank ruled the bank's liquidation.

On Aug. 23, 2012, Standard & Poor's revised the CreditWatch implications on the long-term 'CC' global scale rating on Banco Cruzeiro do Sul to negative from developing. The CreditWatch revision reflected Standard & Poor's view of the high possibility of the bank completing a distressed exchange or being liquidated. The rating action followed FGC's announcement to buy the bank's debt at a discount of about 49% (on average) as it sought buyers for the bank.

On Sept. 20, 2012, Standard & Poor's withdrew its 'D' global scale ratings and 'brD' Brazilian national scale rating on Banco Cruzeiro do Sul at the company's request.

Table 112

Banco Cruzeiro do Sul S.A.--Issuer Credit Rating History

Date	To
20-Sep-2012	NR/--/--
14-Sep-2012	D/--/--
23-Aug-2012	CC/Watch Neg/--
04-Jun-2012	CC/Watch Dev/--
06-Dec-2011	B+/Stable/--
13-Oct-2010	BB-/Stable/--

GMX Resources Inc.

Paul B Harvey, New York (1) 212-438-7696; Susan H Ding, New York (1) 212-438-1332

- US\$283.475 million 11.00% notes due Dec. 1, 2017
- US\$125 million 5.00% senior unsecured notes due Feb. 1, 2013
- US\$86.25 million 4.50% senior unsecured notes due May 1, 2015
- US\$51.458 million second-lien notes due March 2, 2018
- US\$200 million 11.38% senior unsecured notes due Feb. 15, 2019

On Sept. 21, 2012, Standard & Poor's lowered its corporate credit rating on U.S.-based oil and natural gas exploration and production company GMX Resources Inc. to 'SD' from 'CC'. The downgrade followed the company's completion of a debt exchange offer, which Standard & Poor's considers as equivalent to a default under its criteria.

GMX completed an exchange offer for its 5.0% convertible notes due 2013 and 4.5% convertible notes due 2015. The exchange offer included US\$38 million principle of 4.5% convertible notes due 2015 that accepted an exchange of US\$1,000 principle for US\$700 principle of new senior secured second-priority notes due 2018. The exchange was made at a discount to par, and, as a result, Standard & Poor's viewed it as a distressed exchange, based on its criteria.

On Nov. 21, 2012, Standard & Poor's raised its corporate credit rating on U.S.-based oil and natural gas exploration and production company GMX Resources Inc. to 'CCC' from 'SD'. The outlook is developing. The rating action follows GMX Resources Inc. plans to issue US\$30 million of first-lien notes to repay its outstanding US\$27.1 million convertible notes due February 2013. However, we view the development of the company's Bakken and Biobrava assets as having a high level of execution risk for GMX given its limited experience, its ongoing tight liquidity, high capital spending, and limited production levels.

Table 113

GMX Resources Inc.--Issuer Credit Rating History

Date	To
21-Nov-2012	CCC/Developing/--
21-Sep-2012	SD/NM/--
14-Aug-2012	CC/Negative/--
27-Mar-2012	CCC+/Developing/--
16-Dec-2011	SD/NM/--
30-Nov-2011	CC/Developing/--
07-Nov-2011	CCC+/Watch Neg/--
09-Aug-2011	CCC+/Developing/--
21-Apr-2011	B-/Stable/--

AMF Bowling Worldwide Inc.

Michael T Halchak, New York (1) 212-438-7459; Ariel Silverberg, New York (1) 212-438-1807

- US\$20 million revolving bank loan due Nov. 30, 2012
- US\$245 million term loan B bank loan due June 8, 2013
- US\$80 million second-lien term bank loan due Dec. 9, 2013

On Oct. 25, 2012, Standard & Poor's lowered its corporate rating on U.S. bowling center operator AMF Bowling

Worldwide Inc. to 'D' from 'CCC'. At the same time, the issue-level rating on the company's first-lien senior secured credit facilities was lowered to 'D' from 'CCC+' and its second-lien senior secured credit facilities to 'D' from 'CC'.

These rating actions stem from AMF's confirmation that it did not make its most recent interest payment on its senior secured credit facilities. AMF has received a waiver from its lender group granting a grace period until Nov. 6, 2012, to make the payments. However, Standard & Poor's considers a default to have occurred when a payment related to an obligation is not made, even if a grace period exists, when the nonpayment is a function of the borrower being under financial stress, unless they are confident that the payment will be made in full during the grace period. Given AMF's upcoming November revolver maturity and our previous 'CCC' corporate credit rating, we were not confident in AMF's ability to make the interest payment.

On Nov. 14, 2012, Standard & Poor's withdrew its ratings, including its 'D' corporate credit rating, on AMF Bowling Worldwide Inc. following its voluntary petitions for reorganization under Chapter 11 in the U.S. Bankruptcy Court. The ratings were withdrawn because Standard & Poor's believed that there would be a lack of adequate information to maintain surveillance during the bankruptcy process.

On Dec. 1, 2012, AMF announced that it reached an agreement with a majority of its secured first-lien lenders and the landlord of a majority of its bowling centers to restructure through a lender-led debt-for-equity conversion, subject to higher and better offers through a marketing process.

Table 114

AMF Bowling Worldwide Inc.--Issuer Credit Rating History

Date	To
14-Nov-2012	NR/--/--
25-Oct-2012	D/--/--
07-May-2012	CCC/Negative/--
28-Jun-2011	CCC+/Negative/--
26-Jun-2009	B-/Stable/--
12-May-2009	CC/Watch Neg/--
12-Jan-2009	B-/Stable/--
08-Mar-2005	B/Negative/--
05-Feb-2004	B/Stable/--
03-Dec-2003	B/Watch Neg/--
14-Feb-2002	B/Stable/--
18-Sep-2000	D/--/--
15-Aug-2000	CCC-/Watch Neg/--
04-Aug-2000	CCC+/Negative/--
24-Nov-1998	B/Negative/--
12-Aug-1998	BB-/Watch Neg/--
28-Apr-1998	BB-/Stable/--
19-Dec-1997	B+/Positive/--
29-Feb-1996	B+/Stable/--

LBI Media Inc.

Minesh Patel, New York (1) 212-438-6410; Naveen Sarma, New York (1) 212-438-7833

- US\$225 million 8.50% subordinated notes due Aug. 1, 2017
- US\$220 million 9.25% senior notes due April 15, 2019
- US\$50 million senior secured revolver due March 18, 2016

On Oct. 29, 2012, Standard & Poor's lowered its corporate credit rating on U.S. radio and TV broadcaster LBI Media Inc. (LBI) to 'D' from 'CC'. The rating actions stem from LBI Media Holdings' disclosure that it did not make the interest payment (about \$3.8 million) on its 11% senior discount notes due Oct. 15, 2012, after LBI announced its eighth extension of its subpar debt exchange offer for the 8.5% senior subordinated notes due 2017 and 11% senior discount notes due 2013.

On Dec. 11, 2012, Standard & Poor's raised its corporate credit rating on LBI to 'CC' from 'D'. The outlook is negative. The rating action follows LBI Media Holdings' disclosure that it made the interest payment (about \$3.8 million) on its 11% senior discount notes and had cured the default. On Dec. 10, 2012, LBI announced an extension of deadline for its subpar debt exchange offer for the 8.5% senior subordinated notes due 2017 and 11% senior discount notes due 2013.

On Jan. 3, 2013, Standard & Poor's lowered its corporate credit rating on LBI to 'SD' from 'CC'. The rating actions follow the company's announcement that it completed the exchange transaction--about \$174.6 million in senior subordinated notes due 2017 for new 11.5%/13.5% PIK second-priority secured subordinated toggle notes due 2020 and warrants, as well as \$30.9 million of Holdings' senior discount notes due 2013, with new 11.5%/13.5% PIK second-priority secured subordinated toggle notes due 2020 and new Holdings' 11% senior notes due 2017 on Dec. 31, 2012. We consider debt exchanges of highly leveraged issuers as tantamount to a default.

Table 115

LBI Media Inc.--Issuer Credit Rating History

Date	To
03-Jan-2013	SD/NM/--
11-Dec-2012	CC/Negative/--
29-Oct-2012	D/--/--
19-Jul-2012	CC/Negative/--
23-Apr-2012	CCC/Negative/--
05-Dec-2011	B-/Negative/--
26-Jul-2010	B-/Stable/--
10-Jun-2009	B-/Negative/--
05-Sep-2008	B/Negative/--
11-Apr-2008	B/Stable/--
25-Jun-2007	B/Positive/--
06-Jul-2005	B/Stable/--
16-Dec-2004	B+/Negative/--
25-Jun-2002	B+/Stable/--

James River Coal Co.

Megan L Johnston, New York (1) 212-438-7257; Gayle M Bowerman, New York (1) 212-438-1706

- US\$275 million 7.875% senior notes due April 1, 2019
- US\$230 million 3.125% senior notes convertible due March 15, 2018
- US\$172.5 million 4.50% convertible due Dec. 1, 2015
- US\$100 million senior secured revolver due June 30, 2015

On Nov. 7, 2012, Standard & Poor's lowered its corporate credit rating on U.S.-based coal producer James River Coal Co. to 'SD' from 'CCC+'. The rating action was taken after the announcement made by James River Coal Co. that it had repurchased US\$61 million of its senior and convertible notes in October 2012. The repurchases constituted a distressed exchange as the entity had repurchased the notes at a steep discount of roughly 60% of its face value and the amount repurchased constitutes 9% of the previously outstanding aggregate balance.

On Nov. 15, 2012, Standard & Poor's raised its corporate credit rating on James River Coal Co. to 'CCC' from 'SD'. The outlook is negative. The upgrade followed the halt taken by the entity in repurchasing its debt at deep discounts. However, the negative outlook reflects the possibility of a downgrade if the entity's liquidity conditions fall to a level that it is insufficient to cover its short-term financial obligations. This could occur if coal prices remain weak in 2013.

Table 116

James River Coal Co.--Issuer Credit Rating History

Date	To
15-Nov-2012	CCC/Negative/--
07-Nov-2012	SD/NM/--
25-Jun-2012	CCC+/Negative/--
22-Mar-2012	B-/Watch Neg/--
29-Feb-2012	B-/Watch Neg/--
22-Mar-2011	B/Stable/--
08-Mar-2011	B-/Watch Pos/--
27-Jul-2010	B-/Stable/--
13-Nov-2009	B-/Positive/--
18-Dec-2008	B-/Stable/--
22-May-2008	CCC/Developing/--
11-May-2007	CCC/Negative/--
10-Aug-2006	CCC+/Negative/--
10-Mar-2006	B-/Developing/--
08-Dec-2005	B/Negative/--
25-May-2005	B/Stable/--
09-May-2005	B-/Watch Neg/--

The New Reclamation Group (Pty) Ltd.

Elad Jelasko, CPA, London (44) 20-7176-7013; Andrey Nikolaev, CFA, Paris (33) 1-4420-7329; Edouard Minart, Paris (33) 1-4420-7362

- €152.9 million 8.125% callable (current amount EUR €116 million) notes due Feb. 1, 2013

On Nov. 7, 2012, Standard & Poor's lowered its long-term corporate credit rating on South-Africa-based recycler New Reclamation Group Pty Ltd. (Reclam) to 'SD' from 'CCC-'. The rating action followed the announcement made by the entity that it had acquired 24% of its outstanding secured notes in the open market at a significant discount of about 25% between April and October 2012.

On Nov. 26, 2012, Standard & Poor's raised its long-term corporate credit rating on Reclam to 'CCC-' from 'SD'. The upgrade reflected the new capital structure following the buybacks and our view of the risks associated with Reclam's need to refinance its outstanding senior secured notes. We expect a default within the next two months if Reclam is unable to repay or refinance the senior secured notes in full on time or force its noteholders to extend the maturity dates.

Table 117

New Reclamation Group (Pty) Ltd. (The)--Issuer Credit Rating History

Date	To
26-Nov-2012	CCC-/Negative/--
07-Nov-2012	SD/NM/--
29-Jun-2012	CCC-/Negative/--
20-Mar-2012	CCC+/Watch Neg/--
27-Nov-2009	CCC+/Negative/--
10-Nov-2008	B-/Negative/--
10-Jan-2006	B+/Stable/--

NewEnergy Inc.

Raymond M Leung, New York (1) 212-438-7671; Arthur F Simonson, New York (1) 212-438-2094

On Nov. 9, 2012, NewEnergy Inc. filed for Chapter 11 bankruptcy protection. The bankruptcy filing done by the entity has been treated as default under our criteria.

Table 118

NewEnergy Inc.--Issuer Credit Rating History

Date	To
16-May-2003	NR/--/--
12-Apr-2001	B-/Watch Pos/--
12-Apr-2001	B-/Watch Dev/--
30-Jun-1999	B-/Watch Pos/--
12-Nov-1998	B-/Stable/--

Overseas Shipholding Group Inc.

Funmi Afonja, New York (1) 212-438-4711; Philip A Baggaley, CFA, New York (1) 212-438-7683

- US\$100 million 8.75% debenture due Dec. 1, 2013
- US\$150 million 7.50% senior notes due Dec. 15, 2024
- US\$300 million 8.125% senior unsecured notes due March 30, 2018
- US\$1.5 billion unsecured revolver due Feb. 8, 2013
- US\$389 million delay-draw senior secured term loan due Aug. 10, 2023

- US\$900 million delay-draw unsecured term loan due Dec. 31, 2016

On Nov. 14, 2012, Standard & Poor's lowered its long-term corporate credit rating on U.S.-based global energy transporter Overseas Shipholding Group Inc. (OSG) to 'D' from 'CCC-'. The rating action reflected the announcement made by OSG that it has filed voluntary Chapter 11 petitions for itself and certain operating subsidiaries.

On Jan. 11, 2013, Standard & Poor's withdrew its ratings on OSG, including the 'D' corporate credit and issue-level ratings. The ratings were withdrawn on grounds of lack of sufficient and timely financial information from the company.

Table 119

Overseas Shipholding Group Inc.--Issuer Credit Rating History

Date	To
11-Jan-2013	NR/--/--
14-Nov-2012	D/--/--
22-Oct-2012	CCC-/Watch Neg/--
11-Jul-2012	CCC+/Negative/--
17-Jan-2012	B-/Negative/--
09-Nov-2011	B/Watch Neg/--
11-Jan-2011	B/Stable/--
13-Dec-2010	BB-/Watch Neg/--
29-Jan-2010	BB-/Stable/--
20-Jan-2009	BB/Negative/--
17-Jan-2008	BB/Stable/--
31-Oct-2007	BB+/Watch Neg/--
11-Feb-2005	BB+/Stable/--
14-Dec-2004	BB+/Watch Neg/--
05-Oct-2000	BB+/Stable/--
16-Jun-1999	BB+/Negative/--
25-Feb-1999	BBB-/Watch Neg/--
10-Apr-1997	BBB-/Negative/--
01-Oct-1993	BBB-/Stable/--

Edison Mission Energy

Terry A Pratt, New York (1) 212-438-2080; Aneesh Prabhu, CFA, FRM, New York (1) 212-438-1285

- US\$1.2 billion 7.00% senior notes due May 15, 2017
- US\$800 million 7.20% senior notes due May 15, 2019
- US\$700 million 7.625% senior notes due May 15, 2027
- US\$500 million 7.50% senior notes due June 15, 2013
- US\$500 million 7.75% senior notes due June 15, 2016

On Nov. 16, 2012, Standard & Poor's lowered its corporate credit rating on U.S.-based independent power producer Edison Mission Energy (EME) to 'D' from 'CCC'. The rating action reflected EME's plan to forego its interest payment despite its huge cash reserves, implying that it will likely restructure like its parent, Edison International.

On Dec. 17, 2012, Standard & Poor's lowered debt ratings on EME's unsecured notes due 2013 and 2016 to 'D' from 'CCC-'. The rating action followed EME's filing of Chapter 11 bankruptcy protection.

Table 120

Edison Mission Energy--Issuer Credit Rating History

Date	To
16-Nov-2012	D/--/--
29-Jun-2012	CCC/Negative/--
29-Feb-2012	CCC+/Negative/--
12-Apr-2010	B-/Negative/--
13-Jul-2009	B/Negative/--
23-Dec-2008	BB-/Negative/--
14-Dec-2006	BB-/Stable/--
29-Sep-2006	BB-/Positive/--
11-May-2006	B+/Positive/--
17-Mar-2005	B+/Stable/--
02-Aug-2004	B/Watch Pos/--
12-Dec-2003	B/Negative/--
28-Oct-2003	B/Watch Neg/--
16-Oct-2003	BB-/Watch Neg/--
25-Nov-2002	BB-/Negative/--
10-Oct-2002	BBB-/Watch Neg/--
25-Jul-2002	BBB-/Negative/--
07-Aug-2001	BBB-/Stable/--

Allen Systems Group Inc.

Katarzyna Nolan, New York (1) 212-438-6234

- US\$300 million 10.50% senior secured second-lien notes due Nov. 15, 2016
- US\$25 million revolving bank loan due Nov. 21, 2015
- US\$195 million term bank loan due Nov. 21, 2015

On Nov. 19, 2012, Standard & Poor's lowered its corporate credit ratings on U.S. systems management and cloud computing software provider Allen Systems Group Inc. to 'D' from 'CCC-'. The rating action was taken after the entity failed to make the interest payment on its 10.5% senior secured second-lien notes due 2016, which was due on Nov. 15, 2012. Leading up to this, Standard & Poor's Ratings Services lowered the ratings on Allen Systems Group Inc. to 'CCC-' and placed them on CreditWatch with developing implications on Aug. 21, 2012. The downgrade followed Allen systems group's violation of its bank agreement financial covenants for the reporting period ended June 30, 2012. The violation reflected the entity's deteriorated liquidity profile and profitability

On Dec. 20, 2012, Standard & Poor's raised its corporate credit rating on Allen Systems Group Inc. to 'CCC' from 'D'. The outlook is negative. The rating action was taken following Allen's repayment of the missed interest on its \$300 million secured second-lien notes due 2016, which was due on Nov. 15, 2012. Additionally, the entity repaid its existing first-lien debt by entering into a term loan and a revolving credit facility with TPG Opportunities Partners. The

negative outlook is justified by Allen's highly leveraged balance sheet and weak liquidity position.

Table 121

Allen Systems Group Inc.--Issuer Credit Rating History

Date	To
20-Dec-2012	CCC/Negative/--
19-Nov-2012	D/--/--
21-Aug-2012	CCC-/Watch Dev/--
27-Apr-2012	B/Negative/--
10-Nov-2010	B/Stable/--
20-Oct-2009	B/Negative/--
09-Jan-2009	CCC+/Watch Dev/--
03-Oct-2008	B-/Watch Dev/--
05-Jun-2008	B/Watch Neg/--
04-Jun-2007	B/Stable/--

IAP Worldwide Services Inc.

Dan Picciotto, CFA, New York (1) 212-438-7894; Robert E Schulz, CFA, New York (1) 212-438-7808

- US\$320.32 million senior secured term loan due Dec. 31, 2015
- US\$415 million first-lien term B bank loan due Dec. 31, 2012
- US\$120 million second-lien term bank loan due June 30, 2013
- US\$34.1 million revolving credit facility bank loan due Dec. 31, 2012

On Nov. 29, 2012, Standard & Poor's lowered its ratings on U.S.-based technical and logistics services provider IAP Worldwide Services Inc. (IAP), including the corporate credit rating to 'SD' from 'CCC'. The rating action followed IAP's amendment and extension of its first- and second-lien credit facilities. Although IAP offered its debtholders a rise in interest rate, the increase in pricing did not sufficiently compensate for the extension of maturities, which we considered as a distressed exchange and an event equivalent to default.

On Dec. 20, 2012, Standard & Poor's raised its corporate credit rating on IAP to 'CCC+' from 'SD'. The outlook is developing. The upgrade reflected the recent extension of the company's credit facilities by three years, which has granted buffer time to the management to execute its strategy to enter adjacent markets.

Table 122

IAP Worldwide Services Inc.--Issuer Credit Rating History

Date	To
20-Dec-2012	CCC+/Developing/--
29-Nov-2012	SD/NM/--
13-Apr-2012	CCC/Watch Dev/--
15-Feb-2012	CCC+/Watch Neg/--
21-Nov-2011	B/Negative/--
22-Nov-2010	B/Stable/--
19-May-2010	B-/Positive/--
20-Jun-2008	CCC+/Developing/--

Table 122

IAP Worldwide Services Inc.--Issuer Credit Rating History (cont.)

08-Jan-2008	CC/Watch Neg/--
10-Aug-2007	CCC/Watch Neg/--
29-Jun-2007	B-/Negative/--
11-Oct-2006	B/Negative/--
30-Aug-2006	B/Stable/--
06-Dec-2005	B+/Negative/--
19-Apr-2005	B+/Stable/--

Energy Future Holdings Corp.

Terry A Pratt, New York (1) 212-438-1000; Aneesh Prabhu, CFA, FRM, New York (1) 212-438-1000

- US\$2.5 million 11.25% senior toggle notes due Nov. 1, 2017
- US\$2 billion 10.875% senior cash pay notes due Nov. 1, 2017
- US\$500 million 10.00% notes due Jan. 15, 2020
- US\$1 billion 5.55% senior notes services P due Nov. 15, 2014
- US\$750 million 6.55% senior notes services R due Nov. 15, 2034
- US\$750 million 6.50% senior notes services Q due Nov. 15, 2024
- US\$115.446 million 9.75% notes due Oct. 15, 2019
- US\$81.595 million 7.48% secured facility lease obligation due Jan. 1, 2017

On Dec. 6, 2012, Standard & Poor's lowered its corporate credit rating on U.S.-based energy producers and traders Energy Future Holdings Corp. (EFH) to 'SD' from 'CCC'. The rating action follows on the consummation of a distressed debt exchange totaling about \$1.6 billion in unsecured preleveraged buyout debt. As per our criteria, the exchange is tantamount to a distressed debt exchange. The exchange is the result of EFH's strategy to reduce debt levels and its annual interest burden through distressed exchanges and remove maturities between 2014 and 2017--the years in which its subsidiary Texas Competitive Electric Holdings Co. LLC has around \$20 billion due. It is expected that the exchange lowers EFH's debt level by about 12%.

Table 123

Energy Future Holdings Corp.--Issuer Credit Rating History

Date	To
06-Dec-2012	SD/NM/--
13-Apr-2011	CCC/Negative/--
04-Apr-2011	CCC/Watch Neg/--
21-Dec-2010	CCC+/Negative/--
18-Aug-2010	B-/Negative/--
17-Aug-2010	SD/NM/--
16-Jul-2010	CC/Negative/--
17-Nov-2009	B-/Negative/--
16-Nov-2009	SD/NM/--
05-Oct-2009	CC/Negative/--
31-Aug-2009	B-/Negative/--

Table 123

Energy Future Holdings Corp.--Issuer Credit Rating History (cont.)	
09-Oct-2007	B-/Stable/--
02-Mar-2007	BB/Watch Neg/--
26-Feb-2007	BBB-/Watch Neg/--
15-Jun-2006	BBB-/Negative/--
14-Jun-2005	BBB-/Stable/--
06-May-2005	BBB/Watch Neg/--
14-Oct-2002	BBB/Negative/--
25-Sep-2002	BBB+/Negative/--
09-Aug-2001	BBB+/Stable/--
13-Mar-2000	BBB+/Negative/--
17-Feb-1999	BBB+/Stable/--
30-Apr-1998	BBB/Stable/--
03-Mar-1998	BBB/Watch Neg/--
02-Mar-1998	BBB/Stable/--
18-Dec-1997	BBB/Positive/--
03-Oct-1997	BBB/Stable/--

Companhia de Energia Eletrica do Estado do Tocantins

Veronica Yanez, Mexico City (52) 55-5081-4485; Vinicius Ferreira, Sao Paulo (55) 11 3039-9763

On Dec. 11, 2012, Standard & Poor's lowered its corporate credit rating on Brazil-based electric distributor company Companhia de Energia Eletrica do Estado do Tocantins (Celtins) to 'SD' from 'CC'. The rating action follows Celtin's standstill agreement with some of its creditors to defer its debt service payments, as part of the request for debt restructuring with all its creditors. As per our criteria, we view the deferred obligations and restructuring as tantamount to default.

Table 124

Companhia de Energia Eletrica do Estado do Tocantins--Issuer Credit Rating History	
Date	To
11-Dec-2012	SD/NM/--
31-May-2012	CC/Negative/--
01-Mar-2012	CCC/Watch Neg/--
28-Dec-2011	B-/Stable/--
28-Dec-2010	B-/Negative/--
27-May-2009	B+/Negative/--
12-May-2008	B+/Positive/--
11-May-2007	B/Positive/--

Edison Mission Marketing & Trading Inc.

Terry A Pratt, New York (1) 212-438-2080; Aneesh Prabhu, CFA, FRM, New York (1) 212-438-1285

On Dec. 17, 2012, Standard & Poor's lowered its debt ratings on U.S.-based power producers and traders Edison

Mission Marketing & Trading Inc. (EMMT) to 'D' from 'CCC'. The downgrade of EMMT follows Chapter 11 bankruptcy protection filing of Edison Mission Energy (EME) and its subsidiaries, including EMMT. At the same time, we also lowered our rating on its parent's EME unsecured notes due 2013 and 2016 to 'D' from 'CCC-'. In addition, we lowered the corporate credit rating to 'D' in Nov. 16, 2012, following a missed interest payment.

The Chapter 11 bankruptcy filing reflects the inability to generate sufficient cash from a largely merchant portfolio of power plants to pay expenses, financial obligations, and the large capital spending.

Table 125

Edison Mission Marketing & Trading Inc.--Issuer Credit Rating History

Date	To
17-Dec-2012	D/--/--
16-Nov-2012	CCC-/Negative/--
29-Jun-2012	CCC/Negative/--
29-Feb-2012	CCC+/Negative/--
12-Apr-2010	B-/Negative/--
13-Jul-2009	B/Negative/--
23-Dec-2008	BB-/Negative/--
14-Dec-2006	BB-/Stable/--
29-Sep-2006	BB-/Positive/--
11-May-2006	B+/Positive/--
17-Mar-2005	B+/Stable/--
02-Aug-2004	B/Watch Pos/--
12-Dec-2003	B/Negative/--
28-Oct-2003	B/Watch Neg/--
16-Oct-2003	BB-/Watch Neg/--
25-Nov-2002	BB-/Negative/--
10-Oct-2002	BBB-/Watch Neg/--
25-Jul-2002	BBB-/Negative/--
18-Jan-2001	BBB-/Stable/--
05-Jan-2001	A-/Watch Neg/--

Table 126

Midwest Generation LLC--Issuer Credit Rating History

Date	To
17-Dec-2012	D/--/--
16-Nov-2012	CCC-/Negative/--
29-Jun-2012	CCC/Negative/--
29-Feb-2012	CCC+/Negative/--
12-Apr-2010	B-/Negative/--
13-Jul-2009	B/Negative/--
23-Dec-2008	BB-/Negative/--
14-Dec-2006	BB-/Stable/--
29-Sep-2006	BB-/Positive/--

Table 126

Midwest Generation LLC--Issuer Credit Rating History (cont.)

11-May-2006	B+/Positive/--
17-Mar-2005	B+/Stable/--
2-Aug-2004	B/Watch Pos/--
12-Apr-2004	B/Negative/--

Geokinetics Holdings Inc.

Marc D Bromberg, CFA, New York (1) 212-438-1000; Stephen Scovotti, New York (1) 212-438-1000

- US\$275 million senior secured notes due Dec. 31, 2014
- US\$50 million senior secured revolver due Sept. 1, 2014

On Dec. 18, 2012, Standard & Poor's lowered its corporate credit rating on U.S.-based seismic services company Geokinetics Holdings Inc. to 'D' from 'CCC-'. At the same time, we also lowered our issue-level rating on its senior secured notes to 'D' from 'CCC-'. The rating action on Geokinetics Holdings follows its failure to make a \$14.6 million interest payment on its 9.75% senior secured notes due in 2014. However, the company was operating under a 30-day grace period to make its interest payment, which we consider tantamount to default if the payment is not cured within five business days after the initially scheduled due date. We believe that the company is very unlikely to make its payment because of its weak liquidity position.

The company plans to restructure its capital structure during the grace period to convert some or all of its existing notes for common equity and extinguish its existing preferred stock for cash, common equity, and warrants.

Table 127

Geokinetics Holdings Inc.--Issuer Credit Rating History

Date	To
18-Dec-2012	D/--/--
16-Dec-2011	CCC-/Negative/--
29-Sep-2011	CCC+/Developing/--
18-Jun-2010	B-/Negative/--
11-Dec-2009	B/Stable/--

Yellow Media Inc.

Madhav Hari, CFA, Toronto (1) 416-507-2522; Lori A Harris, Toronto (1) 416-507-2546

- C\$250 million senior unsecured revolver due Feb. 18, 2013
- C\$250 million senior unsecured delay-draw term loan due Feb. 18, 2013
- C\$125 million 6.85% medium-term notes due Dec. 3, 2013
- C\$130 million 6.50% medium-term notes secured 9 due July 10, 2013
- C\$200 million 6.25% convertible debt due Oct. 1, 2017
- C\$250 million 5.85% medium-term notes due Nov. 18, 2019
- C\$260 million 7.30% medium-term notes secured 7 due Feb. 2, 2015
- C\$300 million 5.71% medium-term notes secured 10 due April 21, 2014
- C\$300 million 7.75% medium-term notes secured 10 due March 2, 2020

- C\$350 million 6.25% medium-term notes secured 5 due Feb. 15, 2036
- C\$550 million 5.25% medium-term notes secured 4 due Feb. 15, 2016

On Dec. 20, 2012, Standard & Poor's lowered its long-term corporate credit rating on Canada-based media and marketing solutions provider Yellow Media Inc. (YMI) to 'D' from 'CC'. Also, we lowered the issue-level rating on the medium-term notes outstanding to 'D' from 'CC' and lowered the ratings on the company's convertible subordinated debentures to 'D' from 'C'. The rating action on YMI follows its completion of a subpar exchange of its debt outstanding for cash, new debt obligations, and recapitalization. This debt exchange is tantamount to default, as per our criteria. Consequently, the recapitalization helped in reduction of about C\$1.5 billion in YMI's principal amount of debt and also is aimed at improving the company's financial flexibility, which is necessary to advance its business.

Table 128

Yellow Media Inc.--Issuer Credit Rating History

Date	To
20-Dec-2012	D/--/--
23-Jul-2012	CC/Negative/--
10-May-2012	CCC/Watch Neg/--
15-Feb-2012	B-/Watch Neg/--
05-Dec-2011	BB-/Watch Neg/--
04-Aug-2011	BB+/Stable/--
01-Dec-2003	BBB-/Stable/--
01-Aug-2003	BB+/Stable/--

Related Research

- The U.S. Corporate Default Rate Is Forecasted To Rise To 3.4% In 2013, Jan. 31, 2013
- Recovery Study (U.S.): Recoveries Come Into Focus As The Speculative-Grade Cycle Turns Negative, Dec. 13, 2012

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