



Tagging Info

Fitch Downgrades SEPI and FROB to 'AA+' on Sovereign Downgrade Ratings

01 Jun 2010 5:02 AM (EDT)

Fitch Ratings-London/Barcelona-01 June 2010: Fitch Ratings has today downgraded Sociedad Estatal de Participaciones Industriales's (SEPI) Long-term foreign and local currency ratings to 'AA+' from 'AAA'. The Outlooks on both ratings are Stable and Fitch has affirmed SEPI's Short-term foreign currency rating at 'F1+'. Fitch has simultaneously downgraded the Long-term local currency rating assigned to the EUR3bn bond issued by Fondo de Reestructuración Ordenada Bancaria (FROB) to 'AA+' from 'AAA'.

The rating actions reflect Fitch's downgrade of Spain's Long-term foreign and local Issuer Default Ratings (IDRs) to 'AA+' from 'AAA' by the agency on 28 May 2010.

SEPI's ratings are credit linked to the sovereign as Fitch has classified SEPI as a dependent Public Sector Entity (PSE) under its rating criteria. The link reflects the entity's legal status, tight control by the sovereign and SEPI's important role in the re-structuring of Spanish companies.

FROB's EUR3bn bond, maturing in November 2014, reflects the explicit, irrevocable and unconditional guarantee provided by the Kingdom of Spain.

For further information on the sovereign rating action, please see the comment, entitled 'Fitch Downgrades Spain to 'AA+'; Outlook Stable', dated 28 May 2010, which is available on the agency's website at www.fitchratings.com.

Applicable criteria, "Rating of Non US Public Sector Entities", dated 1 September 2009 available at www.fitchratings.com.

Contacts: Fernando Mayorga, Guilhem Costes, Barcelona, Tel: + 34 93 323 8400.

Media Relations: Peter Fitzpatrick, London, Tel: + 44 (0)20 7417 4364, Email: peter.fitzpatrick@fitchratings.com.

Additional information is available at www.fitchratings.com.

Related Research:

Ratings of Non-US Public Sector Entities

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTP://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](http://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEBSITE 'WWW.FITCHRATINGS.COM'. PUBLISHED RATINGS, CRITERIA AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE 'CODE OF CONDUCT' SECTION OF THIS SITE.

Copyright © 2010 by Fitch, Inc., Fitch Ratings Ltd. and its subsidiaries.