



Tagging Info

Fitch Downgrades 2 Spanish Public Sector Entities & Guaranteed Issues on Sovereign Action Ratings

10 Oct 2011 7:07 AM (EDT)

Fitch Ratings-London/Barcelona-10 October 2011: Fitch Ratings has downgraded two Spanish public sector entities (PSE) following the downgrade of the Kingdom of Spain's Issuer Default Rating (IDR) to 'AA-' from 'AA+' (see 'Fitch Downgrades Spain to 'AA-', Outlook Negative' dated 7 October 2011 which is available at www.fitchratings.com). A full list of rating actions is below.

Sociedad Estatal de Participaciones Industriales' (SEPI) Long-term foreign currency and local currency ratings and Pequeños y Medianos Astilleros' (Pymar) IDR have been downgraded because they are credit linked to the sovereign. SEPI's ratings are equalised with those of the sovereign because of its legal status and close control by the state. Pymar's ratings are notched down by one rating category (three notches) from the sovereign.

In addition, the EUR 7.75bn bonds issued by Fondo de Reestructuración Ordenada Bancaria (FROB) have also been downgraded to 'AA-' from 'AA+' as they are guaranteed by the Kingdom of Spain.

The rating actions are as follows:

Sociedad Estatal de Participaciones Industriales
Long-term foreign and local currency ratings downgraded to 'AA-' from 'AA+'; Outlook Negative
Short-term rating affirmed at 'F1+'

Pequeños y Medianos Astilleros (Pymar)
Long-term IDR downgraded to 'A-' from 'A'; Outlook Negative
Short-term IDR downgraded to 'F2' from 'F1'

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Additional information is available at www.fitchratings.com.

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

Applicable criteria, 'Tax Supported Rating Criteria', dated 15 August 2011, and 'Rating of Non-US Public Sector Entities', dated 21 April 2011, are available at www.fitchratings.com.

Applicable Criteria and Related Research:

Tax-Supported Rating Criteria

Ratings of Public Sector Rating Entities - Outside the United States

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