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Strabag SE

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Strabag SE

Major Rating Factors

Corporate Credit Rating
BBB-/Stable/--

Strengths:

- Leading market positions in road construction in Central Europe and essential parts of Eastern Europe
- Vertically integrated operations, which provide barriers to entry and strategic access to raw materials
- Track record of stable profitability, which indicates overall good project execution and cost management
- Solid capital structure

Weaknesses:

- Cyclical and competitive industry, inherently exposed to project risk
- High exposure to the risky market in Russia, declining non-residential sector in Western Europe and some parts of Eastern Europe, and weakly profitable German construction sector
- Lack of free operating cash flow generation
- Limited transparency in corporate governance practices and financial policies

Rationale

Standard & Poor's Ratings Services' rating on Austria-based engineering and construction group Strabag SE (BBB-/Stable/--) reflects its satisfactory business risk profile as a leader in road construction and civil engineering in Central and Eastern Europe (CEE). In addition, Strabag benefits from vertically integrated operations, which provide barriers to entry and strategic access to raw materials. It has good geographic diversification with a presence in still-promising markets in both Eastern Europe and infrastructure construction, a favorable operational track record, and a strong contract backlog. Furthermore, Strabag has a solid capital structure, which provides a cushion against adverse market conditions.

The rating is constrained by the group's high operating risk in the construction industry, which is cyclical, competitive, and low margin. In addition, Strabag is exposed to project-related execution risks, whereby cost overruns in large projects could impair its earnings. Furthermore, Strabag's credit profile continues to be constrained by concerns over its financial policies and corporate governance practices following last year's shift in its ownership structure. Strabag also has material exposure to the risky Russia market, and negative free operating cash flows, largely due to heavy discretionary spending.

The group has accelerated its expansion in Russia through its involvement with Rasperia Trading Ltd., which holds a stake of 25%, minus one share in Strabag. Rasperia is a subsidiary of Basic Element Holding, a conglomerate owned by Russian businessman Oleg Deripaska. Strabag's €2.0 billion order backlog in Russia as of June 30, 2008, was the group's second-largest after that in Germany. Although diversification is a positive factor, we believe the group's exposure to the opaque Russian market increased its operating risks.

Over recent years, Strabag has demonstrated consistent revenue and earnings growth, which, however, is likely to suffer in the foreseeable future as a consequence of the overall industry decline. In the 12 months to June 30, 2008, the group recorded about €11.6 billion in output and €624 million in EBITDA, representing compound annual growth rates of more than 20% from 2004. At the same time, good profitability measures, including EBITDA margins and return on capital of about 5.5% and 14.0% on average since 2005, have not been diluted by either rapid business growth, integration of lower margin acquisitions, or the underperforming German operations.

Strabag's construction order backlog of about €14 billion at Sept. 30, 2008, should underpin the group's 2009 performance if there are no delays in major projects. Nevertheless, industry demand prospects have weakened, with nonresidential sectors in Western Europe and some parts of Eastern Europe, in particular, starting to feel the impact of overall economic slowdown. This has increased Strabag's reliance on the Eastern European infrastructure sector, which is likely to continue being supported by large EU-sponsored investment programs to expand and upgrade infrastructure networks in the region. Consequently, Strabag's ability to maintain its positive operating trend in the region will be an important factor in helping to moderate the general industry decline and continue fuelling the group's business performance. Nonetheless, the group's operating margins might suffer as a result of the current overall market weakness.

Strabag has pursued its expansion plans, as expected, through several acquisitions and heavy growth capital spending over the past months. As a result, the group's half-year results revealed a significant decrease in its net cash position, which was also heightened by a peak in the working capital cycle. As of June 30, 2008, reported net cash was €167 million (excluding nonrecourse debt and cash in Alföld Koncessizios Autopalya AKA concession in Hungary of €817 million and €70 million, respectively) from a net cash position of €1.28 billion at Dec. 31, 2007. Consequently, credit measures weakened, but remained well in line with the rating, with funds from operations (FFO) to adjusted debt of 85% and adjusted debt to EBITDA 1x (excluding nonrecourse debt) in the 12 months to June 30, 2008. Nevertheless, there is now less headroom under the liquidity cushion and target ratios for further discretionary spending.

Liquidity

At June 30, 2008, Strabag had €1.08 billion in cash and cash equivalents and adequate availability under short-term revolving credit facilities. Its liquidity is likely to weaken over the next quarters, due to outstanding payments for acquisitions and growth-related capital spending, but should remain sufficient. The short-term tenor of revolving working capital credit facilities, which have to be renewed each year, poses a liquidity risk. This risk is partly offset by credit lines granted by various banks with which Strabag has longstanding relationships. We expect the company to refinance or roll over its existing revolving lines well ahead of their maturities, and to actively seek to secure a longer-term working capital financing over the near term. Bank and guarantee facilities include financial covenants and material adverse effect clauses. Headroom under the covenants is expected to remain sufficient.

Strabag has pursued extensive growth plans over the recent past, which burdened operating cash flows. In 2007, the ratio of capital expenditures and acquisitions to sales was 8.2%, of which 5.5% related to industrial capital expenditure (capex; compared with depreciation to sales of 2.9%). This trend continued strongly in 2008, with capital expenditures and acquisitions to sales expected to rise to 14%, of which 7% relates to industrial capex. We expect expansion investments to continue in 2009, albeit at a slower pace, and largely absorb operating cash flows, delaying an improvement in free operating cash flow (FOCF). Nevertheless, Strabag has some capital spending flexibility, which provides a cushion to operating cash flows if markets decline more sharply than expected.

Strabag's liquidity is supported by its manageable debt-maturity profile. On June 30, 2008, the group reported debt was €1.66 billion, of which about €373 million was short term, with about half related to drawings under the short-term working-capital credit lines. In addition, debt structure included €817 million non-recourse funding related to an "availability-type" AKA concession, where a fixed fee in exchange for service is paid to Strabag by the local government, of which €40 million was short term; €350 million in unsecured bonds, of which €50 million was short term; €107 million in liabilities from finance leases, of which about €22 million was short term; and debt related to project financing, which is secured by cash flows generated by respective projects.

Recovery analysis

The €50 million in senior unsecured notes due 2009 issued by the holding company are rated 'BBB-', the same as the long-term corporate credit rating on Strabag. An upstream guarantee from the operating companies prevents structural subordination. The €150 million in senior unsecured notes (also issued by the holding company), of which €75 million is due 2012 and €75 million is due 2013, are rated 'BB+', one notch below the corporate credit rating, which reflects the absence of a guarantee from the operating companies.

Outlook

The stable outlook reflects our expectation that Strabag's leading market positions will help it to maintain its good operating track record in the context of overall industry decline and high exposure to the opaque Russian market. We expect Strabag to continue its attention to risk control management, with a prudent bidding strategy, which is even more essential in times of softening demand and, subsequently, more aggressive competition. Furthermore, we expect Strabag's future corporate governance practices and financial policies--in particular its growth strategy and dividend policy--to be executed in a way that sustains Strabag's financial risk profile and credit measures in line with the ratings. We expect Strabag to maintain sufficient liquidity, which would require more balanced expansionary spending because of declining markets, and to ensure that adjusted FFO to debt remains at more than 30% and adjusted debt to EBITDA at less than 2.5x.

Downside risks to the rating would primarily be weaker-than-expected conditions in the group's major markets, in particular Eastern European road sector; excessive debt levels from more aggressive-than-expected growth spending or higher-than-expected shareholder returns; and/or deteriorating liquidity. Upside rating potential is currently limited, given the increased uncertainty surrounding the company's business prospects.

Business Description

With annual output of about €11.6 billion in the 12 months to June 30, 2008, Strabag is one of the largest European construction groups and is involved in all segments of the construction industry. The group is structured around three divisions:

- Building Construction & Civil Engineering: Commercial and industrial building, public building, general and residential building, and various civil-engineering projects;
- Transportation Infrastructures: Asphalt and concrete road construction, railway construction, and production of building materials for internal and external supply; and
- Special Divisions & Concessions: Tunneling works, project development, concessions, and support services.

Following Rasperia's August 2007 equity investment and the October 2007 IPO, the new shareholder structure is as follows:

- Haselsteiner family: 25.15%;
- Raiffeisen-Gruppe and the UNIQA-Gruppe, combined: 25% minus one share;
- Rasperia: 25% minus one share; and
- Free float: 24.85%.

Business Risk Profile: Broad Supply Network Underpinning Leading Market Positions In Risky And Cyclical Markets

Strabag's satisfactory business profile results from its leading positions in still-promising markets in both Eastern Europe and infrastructure construction. Further support comes from the group's track record of profitable operations, which indicates overall good project execution and cost management capabilities. Strabag's key weaknesses are its high operating risk in the construction industry, which is cyclical, competitive, and low margin, and its high exposure to the opaque Russian market.

Industry characteristics: Good internal cost controls and broad diversity as industry risk mitigants

Industry risk for the engineering and construction sector is generally considered to be higher-than-average, with a median rating of 'BB' for the sector as a whole. Low barriers to entry, low margins, litigation and cost-overrun risks, cyclicality, and seasonality characterize the sector. The combination of fixed-cost contract pricing, low margins, and the risk of misjudging project expenses or timing can lead to cost overruns, which are usually the liability of the contractor. In civil engineering, competitive tenders and large-size projects heighten operating risks.

The impact of industry risks on Strabag is mitigated by its:

- Focus on profitability and selective order taking, with cross-checking of proposals for large projects by independent teams to avoid risk of miscalculation and to identify potential risks at early stage of project, as well as profit based as opposed to volume-based remuneration for employees group-wide.
- Broad diversity of order backlog by contract-size, client, geographic location, and ultimate end-market (commercial, industrial, civil engineering; public sector and private sector; renovation and maintenance).
- Ability and track record in receiving progress payments from customers.
- Large size, which translates into strong trading power and favorable payment terms with subcontractors, generating working -capital resources.
- Internal risk-monitoring procedures, with profit-centers built around each single project and monthly control of ongoing projects through a detailed management reporting system by respective Board members.

Operating strategy: Vertical integration yield a competitive edge

Strabag is one of Europe's largest vertically integrated road construction companies. It operates an extensive network of asphalt- and concrete-mixing plants (self sufficiency of 75% in asphalt and 28% in concrete) and gravel quarries and pits (self sufficiency of 20%), which provides direct access to strategic raw-material supplies. This creates effective barriers to entry, given that customers frequently require constructors to offer in-house-produced raw materials and that environmental regulation is strict for the establishment of new quarry sites. The road business provides the group with high recurring revenues from maintenance, which are much less volatile than revenues from new road construction. The industry is influenced, however, by political issues and public finances. In addition, Strabag has its own machine park and relies only to a limited extent on leasing machinery. This can be an advantage in times of high capacity utilization or when there is a shortage of equipment available for rent, but is a burden when the utilization rate is low. Strabag continues its investments in raw materials for its own use, with the most recent acquisitions of CEMEX Austria AG and CEMEX Hungaria Epitöanyagok Kft, leading concrete producers in Austria and Hungary, as well as the construction of the first own cement plant in Hungary to be operational in the third quarter 2010.

Strabag is exposed to the risk of cost overruns as most contracts are priced either on a unit-price or lump-sum basis. In unit-price contracts, the company bears the risk of cost overruns only for the relevant units. The customer bears any extra costs arising from the need for more workers or material than anticipated.

The lump-sum contracts--mainly used in building construction and only occasionally in civil engineering, road construction, and tunneling--are the riskiest because Strabag must bear all cost overruns, unless the extra costs result from changes in building specifications or other customer requests. Most contracts are won through public tender, where competition is strong and margins tend to be narrow. In Russia, Strabag's order backlog consists so far exclusively of less-risky cost-plus contracts, whereby the customer pays a fixed margin on a project's cost.

Market position: Leading strategic positions in still-promising infrastructure markets in Eastern Europe

Strabag is one of the largest players in Europe. The group's technical, financial, and human-resource capabilities enable it to bid for the most complex infrastructure projects. This generally translates into higher margins, as the market for large projects is more concentrated, and also riskier. Furthermore, Strabag's solid capital structure--which is a prerequisite in winning bids for large projects, as customers favor financially robust counterparties--gives it a competitive edge. Moreover, it enables Strabag to take an equity position in projects that is often required to secure contracts, which is a common practice of the PPP contractual setting.

Strabag is one of the three largest construction companies in Germany, together with Hochtief AG and Bilfinger Berger AG, in a highly fragmented market where the top 10 players account for only 10% of the total market. Strabag's operations span most construction fields including commercial building, road and underground works, and civil engineering. Strabag is the market leader in the German road segment, followed by Eurovia GmbH, a German subsidiary of France-based VINCI S.A. (BBB+/Stable/A-2).

The Austrian construction market is relatively concentrated, with the top three companies accounting for about 40% of the market. Strabag is the market leader, followed by Porr AG and Alpine Bau GmbH, a subsidiary of third-largest Spanish builder Fomento de Construcciones y Contratas S.A.

As well as being the market leader in road construction in Austria and Germany, Strabag is among the top three in Hungary, the Czech Republic, Slovakia, and Poland. It is also the market leader in asphalt production and has several gravel sites in these six countries. The group is expanding its operations in the promising markets of Bulgaria, Romania, Serbia, and Croatia, where it has taken steps to set up asphalt-mixing plants and acquire gravel yards.

Strabag expanded strongly in Russia, capitalizing on its already established local presence, as reflected in a €2.0 billion backlog of building construction projects (the second largest for the group after Germany) as of June 30, 2008. The entry into the sector for infrastructure projects, particularly in those areas in which Strabag has strengths, is occurring jointly with Rasperia through PPP procurement methods. Most recently, a Strabag-led consortium including Rasperia has been named a preferred bidder in a €6 billion PPP project for the construction of the Western High-Speed Diameter, a ring motorway around St. Petersburg. Notwithstanding the climate of uncertainty, following the recent equity and capital market turbulences and weakened lending conditions in Russia, underlying demand for construction assets remains strong. It comes mainly from key economic hubs, such as Moscow, St.

Petersburg, and Yekaterinburg, given the lack of adequate infrastructure networks, an enormous amount of catch-up investment is necessary to support the country's economic growth. Nevertheless, we believe that the Russian market is very risky due to high economic and political sensitivity, an evolving legislative and regulatory framework, a lack of transparency and efficiency in administrative processes.

Profitability: Solid track record, yet some margin erosion possible due to weakening markets
Strabag has a track record of stable profitability with EBITDA margins of about 5.5% and a return on capital of about 14% on average over the past three years--well in line with industry averages--despite meaningful business expansion and integration of lower-margin companies. Despite overall consistency in profitability measures, Strabag's margins are thin, which is typical for the industry, and could deteriorate if there are cost overruns or delays on major projects. In the near- to medium-term, the group's profitability could come under pressure, due to the weakening markets, and, subsequently, more intense competition.

Financial Risk Profile: Intermediate, With Limited Transparency In Corporate Governance And Financial Policies

Strabag's solid capital structure provides a good cushion against industry-related risks and adverse market conditions. Nevertheless, we view as negative rating factors Strabag's limited transparency in corporate governance and future financial policies.

Accounting

Strabag reports under International Financial Reporting Standards. It recognizes its revenues from construction projects according to the percentage-of-completion method. Although this is less conservative than recognition upon delivery, expected losses are immediately reported as expenses, and we expect Strabag to continue to have the expertise and resources needed to measure costs and track potential overruns accurately. We remain concerned, however, about the absence of disclosure on progress on individual contracts (even for the largest ones), which is typical for the industry.

In calculating Strabag's financial metrics for 12 months to June 30, 2008, Standard & Poor's made the following adjustments to reported figures (as shown in table 1):

- We capitalized operating leases as of Dec. 31, 2007 using the net-present-value method. This increased the group's debt by €126 million and its interest by about €10 million.
- We made an adjustment for unfunded postretirement benefit obligations as of Dec. 31, 2007, adding about €355 million to Strabag's reported debt and €16 million to interest expense.
- We reduced total cash of €1.082 million by €300 million, which we consider necessary on average for the group to bridge seasonal working-capital fluctuations, among other things, and therefore do not deem structurally available for other purposes, and €70 million in AKA concession. Therefore, we adjusted gross debt for surplus cash of about €712 million.
- We reduced total debt of €1.662 million by €817 million of nonrecourse debt in AKA concession (see "Capital Structure/Asset Protection" for more explanation).

Table 1

Reconciliation Of Strabag SE Reported Amounts With Standard & Poor's Adjusted Amounts (Mil. €)*

	--Rolling 12 months ended June 30, 2008--								
Strabag SE reported amounts									
	Debt	**Shareholders' equity**	**Operating income (before D&A)**	**Operating income (before D&A)**	**Operating income (after D&A)**	**Interest expense**	**Cash flow from operations**	**Cash flow from operations**	**Capital expenditures**
Reported	1,661.5	2,886.6	590.1	590.1	272.1	67.8	395.9	395.9	700.9
Standard & Poor's adjustments									
Operating leases	126.1	--	28.7	10.0	10.0	10.0	18.8	18.8	44.4
Postretirement benefit obligations	354.7	--	--	--	--	16.0	5.0	5.0	--
Surplus cash and near cash investments	(711.7)	--	--	--	--	--	--	--	--
Nonrecourse debt	(817.0)								
Reclassification of nonoperating income (expenses)	--	--	--	--	114.0	--	--	--	--
Reclassification of working-capital cash flow changes	--	--	--	--	--	--	--	103.9	--
Minority interests	--	115.9	--	--	--	--	--	--	--
Total adjustments	(1,047.9)	115.9	28.7	10.0	124.0	26.0	23.8	127.6	44.4
Standard & Poor's adjusted amounts									
	Debt	**Equity**	**Operating income (before D&A)**	**EBITDA**	**EBIT**	**Interest expense**	**Cash flow from operations**	**Funds from operations**	**Capital expenditures**
Adjusted	613.6	3,002.4	618.8	600.1	396.1	93.7	419.7	523.6	745.3

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

Corporate governance/Risk tolerance/Financial policies

Strabag's financial target ratios include:

- Equity-to-assets ratio of more than 25%. The group has met this target since 2007 helped by capital increases. The ratio was 33% as of June 30, 2008.
- A generous dividend payout of more than 30% of net income. Dividends were aggressive in relation to net income, and notably cash flows, over the past years (payout ratio 49% in 2007, and 88% on average from 2004-2006).

Strabag's governance practices to-date have been strongly characterized by its private ownership and the tight "hands on" management of its largest shareholder and CEO, Hans Peter Haselsteiner. Although we have not seen any evidence so far to suggest that Mr. Haselsteiner's influence on the group (on the strategic and operating side) has negatively affected Strabag's performance, we have, in the past, expressed our concerns regarding transparency and timing of disclosure, as well as the limited checks and balances on Mr. Haselsteiner's powers, for example demonstrated by aggressive dividend payments. Since the April-2007 IPO, the overall transparency, with a streamlined corporate structure, and timing of disclosure have improved.

The corporate governance issues are evolving with the last year's entrance of Rasperia, owned by the Russian businessmen Oleg Deripaska, and there is limited insight into Mr. Deripaska's involvement and influence on the group. The limited transparency concerning the group's future corporate governance practices and financial policies following the change in the ownership structure means that we will continue to monitor these issues closely.

Strabag's prudent contract selection, internal cost control, and risk monitoring are crucial risk-mitigating factors. For this reason, its tender teams are fully liable for project execution, not just for winning tenders. The group's decision-making process for order acquisition aims to ensure profitability. Risk management processes involve monthly cost screening of all projects and a profit-driven compensation system that has been implemented throughout the entire group. Strabag has a good track record of integrating acquisitions, with new entities becoming part of the group's reporting systems and following the same risk management standards within just a few months.

Cash flow adequacy: High capital-spending burdens operating cash flows

Credit measures were in line with the rating, with FFO to adjusted debt and EBITDA interest coverage at 85% and about 6.5x (excluding nonrecourse debt), respectively, in the 12 months to June 30, 2008. Nevertheless, FOCF remains negative on the back of heavy capital intensity related to vertical integration, and expansionary capex. In 2008, the management expects industrial capex and financial investments, including acquisitions, to be at record high levels, with 14%-15% of sales. We expect expansion investments to continue, albeit at slower pace, and to largely absorb operating cash flows, delaying an improvement in FOCF in the foreseeable future. Nevertheless, Strabag has some flexibility to cut capital spending budget in potentially difficult times.

Capital structure/Asset protection: Measures in line with the rating

As of June 30, 2008, Strabag's capital structure was solid, with adjusted debt to EBITDA and adjusted debt to capital at 1x and 17% (excluding nonrecourse debt), respectively, although it weakened from previous levels as expected. Reported net cash was €237 million (excluding nonrecourse debt) from a net cash of €1.28 billion at Dec. 31, 2007 due to several acquisitions and heavy growth capital spending over the past months. Strabag's reported debt amounted to €845 million (excluding nonrecourse debt); thereof €373 million was short term, including €187 million drawings under short-term revolving lines.

Although Strabag's proportional share of total nonrecourse debt in PPP projects is material (€1.25 billion at June 30, 2008), the debt is spread over 18 concessions, which are unlikely to fail simultaneously. Furthermore, if a project faced operational problems leading to a major liquidity shortfall, we would not expect Strabag to provide financial support unless it was contractually obliged to do so. There is little precedent in this regard, however, and Strabag could decide to financially support its PPP projects beyond the contractual requirements to avoid tarnishing its reputation, or to protect its investment. Accordingly, we consider on- and off-balance-sheet nonrecourse debt relating to such investments in our liquidity analysis, but do not include it in any of our reported financial ratios.

As a common industry practice, Strabag must issue bank guarantees, performance bonds, customer payment bonds etc. to support its contract obligations. As of June 30, 2008, these obligations were about €3.5 billion. We do not add these contingent liabilities to debt for ratio calculation because there should be limited impact as long as Strabag maintains its work and product quality.

Table 2

Strabag SE Peer Comparison

	Strabag SE	Leighton Holdings Ltd.	SNC-Lavalin Group Inc.	Lend Lease Corp. Ltd
Corporate credit rating*	BBB-/Stable/--	BBB/Stable/A-2	BBB+/Stable/--	BBB-/Stable/A-3
Business risk	Satisfactory	Satisfactory	Satisfactory	Satisfactory
Financial risk	Intermediate	Intermediate	Modest	Intermediate
Activity	Engineering and construction	Engineering and construction	Engineering and construction	Property development and construction
Currency (Mil. €)				
	--Average of past three years--			
Sales	8,755	6,219	3,330	10,277
EBITDA	464	665	145	307
Operating income/sales (%)	5.5	12.1	4.8	3.3
Return on capital (%)	14.2	24.7	13.9	11.6
EBITDA fixed chg cover	5.1	10.6	12.1	4.4
FFO/debt (%)	61.7	91.3	59.2	34.8
FOCF/debt (%)	(10.9)	(10.3)	8.7	37.9
Debt/capital (%)	28.1	50.8	27.0	26.7
Debt/EBITDA (x)	1.4	1.3	1.6	2.8

*As of date of publication

Table 3

Strabag SE -- Financial Summary*

		'--Fiscal year ended Dec. 31--		
(Mil. €)	**LTM to June 30, 2008**	**2007**	**2006**	**2005**
Revenues	10,609.3	9,878.6	9,430.6	6,955.8
Net income from continuing operations	188.2	170.2	191.4	49.9
Funds from operations (FFO)	523.6	463.8	424.9	324.6
Capital expenditures	745.5	588.2	370.1	277.3
Debt	613.6	0.0	975.9	989.2
Equity	3,002.4	3,096.5	1,035.9	905.5
Adjusted ratios				
Oper. income (bef. D&A)/revenues (%)	5.8	5.9	5.3	5.1
EBIT interest coverage (x)	4.2	3.9	3.1	2.9
EBITDA interest coverage (x)	6.4	5.9	4.7	4.7
Return on capital (%)	12.8	14.5	16.3	11.6
FFO/debt (%)	85.3	N.M.	43.5	32.8
Free operating cash flow/debt (%)	(53.1)	N.M.	(15.3)	0.5
Debt/EBITDA (x)	1.0	0.0	2.0	2.9

*Fully adjusted (including postretirement obligations). Excess cash and investments netted against debt. N.M. - Not Meaningful. LTM - Last 12 months

Ratings Detail (As Of November 21, 2008)*	
Strabag SE	
Corporate Credit Rating	BBB-/Stable/--
Senior Unsecured (2 Issues)	BB+
Senior Unsecured (2 Issues)	BBB-
Corporate Credit Ratings History	
14-Nov-2007	BBB-/Stable/--
25-May-2007	BB+/Positive/--
30-May-2006	BB+/Stable/--
18-May-2005	BB/Positive/--
15-Feb-2005	BB/Stable/--
28-May-2004	BB/Positive/--

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

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