

Research Update:

S&P Methodology For Rating International LRGs Prompts Positive Rating Actions On 20 Issuers In Europe

Primary Credit Analysts:

Myriam Fernandez de Heredia, Madrid (34) 91-389-6942;myriam_fernandez@standardandpoors.com
Valerie Montmaur, Paris (33) 1-4420-7375;valerie_montmaur@standardandpoors.com

Secondary Contacts:

Alois Strasser, Frankfurt (49) 69-33-999-240;alois_strasser@standardandpoors.com
Liesl Saldanha, London (44) 20-7176-3571;liesl_saldanha@standardandpoors.com
Carl Nyreerod, Stockholm (46) 8-440-5919;carl_nyreerod@standardandpoors.com

Criteria Officer, International Public Finance:

James Wiemken, London +44-20-7176-7073;james_wiemken@standardandpoors.com

Media Contact:

John Piecuch, London (44) 20-7176-3536;john_piecuch@standardandpoors.com

Table Of Contents

Overview

Rating Action

Teleconference Information

Related Criteria And Research

Ratings List

Research Update:

S&P Methodology For Rating International LRGs Prompts Positive Rating Actions On 20 Issuers In Europe

Overview

- Standard & Poor's published its enhanced methodology for rating non-U.S. local and regional governments earlier today.
- In Europe, we are consequently upgrading one canton and one city and revising our outlooks to positive from stable on one city and one department.
- We are also placing the ratings on 16 issuers on CreditWatch positive, including 11 LRGs, two transport operators, and three banks.

Rating Action

On Sept. 20, 2010, Standard & Poor's Ratings Services took various positive rating actions on 20 issuers in Europe, following the revision of its methodology for rating LRGs outside of the U.S. Please see "Ratings List" below for details of the rating actions.

We have raised the long-term issuer credit rating on one canton and the long- and short-term issuer credit ratings on one city, and revised the outlooks on one city and one department to positive from stable. We have also placed 15 long-term ratings and one short-term rating on issuers on CreditWatch with positive implications. The entities on CreditWatch comprise 11 LRGs, two transport operators, and three banks. The geographic spread and type of issuer affected follows below:

- Germany: four states, one transport operator, and one Landesbank;
- Switzerland: five cantons and two cantonal banks;
- France: one department;
- Sweden: one region;
- Italy: one city; and
- U.K.: one transport operator.

At the same, we affirmed the short-term ratings on all issuers affected, except for the rating we placed on CreditWatch and the rating on the city we upgraded.

Standard & Poor's updated criteria are detailed in the article titled "Methodology For Rating International Local And Regional Governments," published Sept. 20, 2010. The changes to our criteria are designed to enhance the comparability and transparency of our LRG ratings outside the U.S.

Standard & Poor's will hold a teleconference on Tuesday, Sept. 21, 2010, to

discuss the criteria. The call will begin at 3:00 p.m. British Summer Time, 4:00 p.m. Central European Time, and 10:00 a.m. U.S. Eastern Time. Please see "TELECONFERENCE INFORMATION" below for access details.

We aim to resolve the CreditWatch placements over the next three months after further discussion with the relevant management and government officials.

An updated summary analysis on each of the affected entities, which will detail the reasons behind the rating action, will be published shortly.

We intend to complete our review of all issuers affected by this updated criteria within the next six months.

Teleconference Information

Standard & Poor's will hold a teleconference on Tuesday, Sept. 21, 2010, to discuss the criteria announced above. The call will begin at:

- 3:00 p.m. British Summer Time;
- 4:00 p.m. Central European Time; and
- 10:00 a.m. U.S. Eastern Time.

The call will feature a presentation by James Wiemken, Standard & Poor's global criteria officer for international public finance. Credit analysts Myriam Fernandez De Heredia, Valerie Montmaur, and Alois Strasser, senior members of the international public finance team, will also attend. Participants will have the opportunity to put questions to any of the speakers following the presentation.

To participate in the call, please dial one of the following numbers:

- International: +44 (0) 1452 555 566
- U.K. local call: 0844 493 3800
- U.S. free call: +1 866 966 9439
- France local call: 0176 742 428
- Germany local call: 0692 222 4918
- Italy local call: 0236 008 146
- Netherlands local call: 0207 176 886
- Spain local call: 9141 436 69

CONFERENCE ID NUMBER: 11589536

The title of the teleconference is "Methodology For Rating International Local And Regional Governments." The teleconference will begin promptly at the time indicated. Please dial in at least 15 minutes before the scheduled start to complete the pre-call registration process. If the number you dial is busy, please call one of the other numbers. There is no charge to participate other than long-distance telephone charges, if applicable. Participants will be asked to provide their name, company affiliation, and e-mail address. The entire call will last approximately one hour.

Recorded replays of the call will also be made available about one hour after the call concludes and are available up until midnight on Oct. 4, 2010. To listen to a replay, please dial:

- International: +44 (0) 1452 55 00 00
- U.K. + 44 (0) 845 245 5205
- U.S.: +1 866 247 4222

REPLAY ACCESS NUMBER: 11589536#

If you have any questions about the teleconference, please contact Lucy Huggett at +44 (0) 207-176-7237 or via e-mail: lucy_huggett@standardandpoors.com

Related Criteria And Research

- Methodology For Rating International Local And Regional Governments, Sept. 20, 2010
- Principles Of Corporate And Government Ratings, June 26, 2007

Ratings List

Upgraded

	To	From
Geneva (Republic and Canton of)	AA-/Stable/--	A+/Stable/--
Ostrava (City of)	A/Stable/A-1	A-/Stable/A-2

Outlook Action

Meuse (Department of)	A/Positive/--	A/Stable/--
Prague (City of)	A/Positive/A-1	A/Stable/A-1

CreditWatch Action; Ratings Affirmed

Long-Term Issuer Credit Rating

Baden-Wuerttemberg (State of)	AA+/Watch Pos/A-1+	AA+/Stable/A-1+
Genoa (City of)	A/Watch Pos/--	A/Stable/--
Graubuenden (Canton of)	AA/Watch Pos/A-1+	AA/Stable/A-1+
Graubuendner Kantonalbank	AA/Watch Pos/A-1+	AA/Stable/A-1+
Hamburg (City - State of)	AA-/Watch Pos/A-1+	AA-/Stable/A-1+
Landeskreditbank Baden-Wuerttemberg - Foerderbank	AA+/Watch Pos/A-1+	AA+/Stable/A-1+
Rostocker Strassenbahn AG	BBB+/Watch Pos/--	BBB+/Stable/--
Saxony (State of)	AA+/Watch Pos/A-1+	AA+/Stable/A-1+
Saxony - Anhalt (State of)	AA-/Watch Pos/A-1+	AA-/Stable/A-1+
Schwyz (Canton of)	AA+/Watch Pos/A-1+	AA+/Stable/A-1+
Schwyzner Kantonalbank	AA+/Watch Pos/A-1+	AA+/Stable/A-1+
Solothurn (Canton of)	AA/Watch Pos/A-1+	AA/Positive/A-1+

St. Gallen (Canton of)	AA+/Watch Pos/A-1+	AA+/Stable/A-1+
Transport for London	AA/Watch Pos/A-1+	AA/Stable/A-1+
Vastra Gotaland (Region of)	AA+/Watch Pos/A-1+	AA+/Stable/A-1+

Short-Term Issuer Credit Rating

Schleswig-Holstein (State of)	A-1/Watch Pos	A-1
-------------------------------	---------------	-----

NB. This list does not include all ratings affected.

Additional Contact:

International Public Finance Ratings Europe;PublicFinanceEurope@standardandpoors.com

Complete ratings information is available to RatingsDirect subscribers on the Global Credit Portal at www.globalcreditportal.com and RatingsDirect subscribers at www.ratingsdirect.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow (7) 495-783-4011.

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

No content (including ratings, credit-related analyses and data, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P. The Content shall not be used for any unlawful or unauthorized purposes. S&P, its affiliates, and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P's opinions and analyses do not address the suitability of any security. S&P does not act as a fiduciary or an investment advisor. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.