

# Global Credit Portal<sup>®</sup>

## Credit Health Panel

### New Features Bulletin Q3 2011

#### What's in a comparison group?

- ▶ Companies in Your Portfolio
- ▶ Counterparties
- ▶ Creditors
- ▶ Customers
- ▶ Peers
- ▶ Strategic Partners
- ▶ Suppliers

The Global Credit Portal<sup>®</sup> (GCP) is a dynamic, Web-based, workflow solution that brings together financial intelligence across multiple facets of fixed income markets, assisting in alpha discovery and helping financial professionals to perform efficient credit risk-driven analysis.

#### Credit Health Panel: Analyzing the Credit Quality of Companies

Available on the GCP, the **Credit Health Panel (CHP)** provides a quick and transparent way to analyze the credit quality of peers, suppliers, customers, or other groups of companies. CHP delivers fundamental credit analysis components, including:

- ▶ A relative assessment of operational, solvency, and liquidity financials and ratios for one company versus peers
- ▶ Five year financial history trend chart comparing a company to a peer group average
- ▶ The ability to create custom peer groups or utilize pre-configured industry peer groups to refine and contextualize your analysis
- ▶ A fundamentals-driven, quantitative, long-term credit score based on models specific to regions and industries, and a market-driven, daily probability of default to give early warning signals between company reporting dates

#### Analytic Versatility with Benefits and Features for Diverse Functions

##### Asset Managers

##### Commercial Lenders

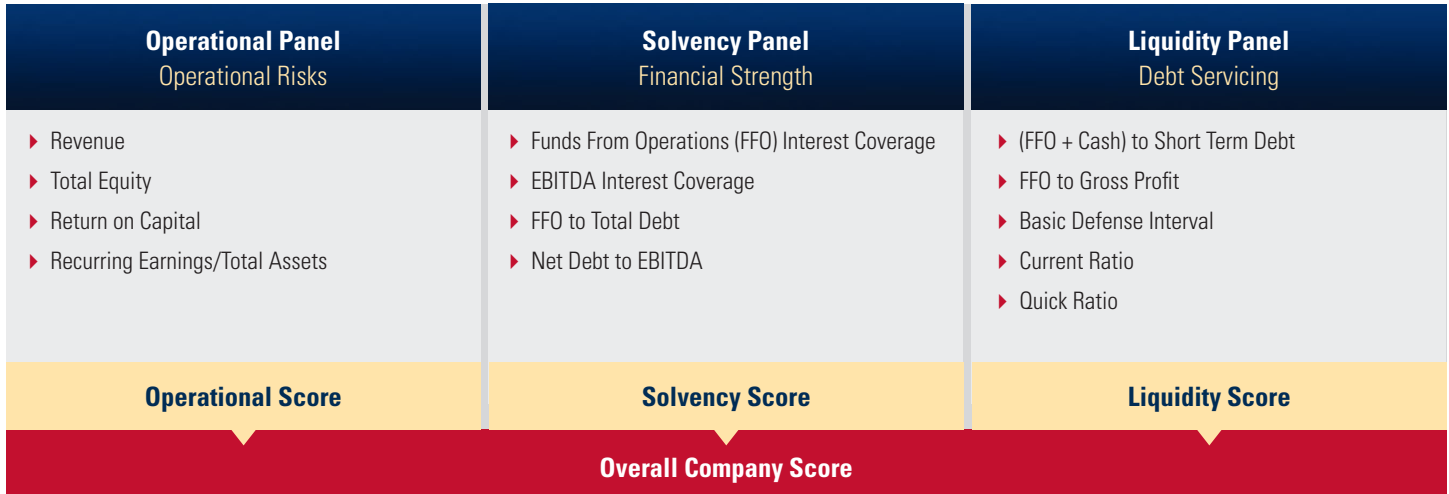
##### Corporate Treasury

- ▶ Monitor and manage risk with heatmap dashboards, charts and dynamic comparison features in an intuitive workflow oriented solution
- ▶ Quickly assess a company's relative risk and performance to a relevant peer group
- ▶ Enhance analysis with fundamental financial data and quantitatively-derived estimates of probability of default and creditworthiness
- ▶ Leverage powerful screening capability for prospecting and identification of investment idea opportunities
- ▶ Access standardized key financial measures for thousands of unrated companies for direct comparison

# Credit Health Panel on the Global Credit Portal

## Credit Health Panel: Analyzing the Credit Quality of Companies

Scores from Operational, Solvency, and Liquidity Panels lead to an overall company score.



\*sample of ratios contributing to panel score

**Relative Credit Health Score\***

Overall Score	Financial Panel	Score
Below Average	Operational	Below Average
	Solvency	Bottom
	Liquidity	Top

**Quantitative Credit Indicators**

Indicators	Last 12 Months	Score	Score Date
Probability of Default		2.7931%	25-Aug-2011
CreditModel Score		bbb	31-May-2011

**Financial Panels and Metrics\***

Weight (%)	Metrics: USD (in Mil.)	Entity**	Group Average**
2.78	Revenue	1	130,962.00 / 67,108.71
2.78	Total Equity	4	5,350.00 / 24,766.30
2.78	Return on Capital (%)	3	8.22 / 10.87
2.78	Recurring Earnings / Total Assets (%)	3	5.15 / 6.69
2.78	Net Working Capital / Revenue (x)	3	0.03 / 0.04
2.78	Asset Turnover (x)	4	0.78 / 1.06
2.78	Intangible Assets / Revenue (x)	1	0.00 / 0.06
2.78	Net Working Capital / Total Assets (x)	3	0.02 / 0.02
2.78	Payables / Receivables (x)	1	3.79 / 2.42
2.78	Management Rate Of Return (%)	3	30.79 / 37.67
2.78	Gross Profit / Revenue (%)	4	15.23 / 19.54
2.78	EBITDA / Revenue (%)	2	10.50 / 9.71
4.76	FFO Interest Coverage (x)	4	9.37 / 29.27
4.76	EBITDA Interest Coverage (x)	4	
4.76	FFO to Total Debt (x)	3	
4.76	Net Debt to EBITDA (x)	4	
4.76	Total Debt to Capital (%)	4	
4.76	Financial Debt / Total Liabilities (%)	1	
4.76	Total Debt / Revenue (x)	4	
6.67	(FFO + Cash) to Short Term Debt (x)	4	
6.67	FFO to Gross Profit (x)	2	
6.67	Basic Defense Interval (days)	1	
6.67	Current Ratio (x)	3	
6.67	Quick Ratio (x)	1	

**GICS Peer Group: Range for Selected Financial Metric**

**Financial Metric: Revenue**

Group Minimum	Entity Value	Group Mean	Group Median	Group Maximum
8,265.81	130,962.00	67,108.71	52,906.21	211,873.21

**GICS Peer Group (25 Companies)**

Company Name	Revenue	LTM Period Ending
168zabc Company	211,873.21	30-Jun-2011
28-kyz Company	202,663.22	30-Jun-2011
106hij Company	145,482.66	30-Jun-2011
	130,962.00	30-Jun-2011
	106,219.55	30-Jun-2011
	100,007.83	30-Jun-2011
	94,512.51	30-Jun-2011
	83,432.54	30-Jun-2011
	57,328.12	30-Jun-2011
	57,122.38	30-Jun-2011
	55,906.41	30-Jun-2011
	52,906.21	31-Mar-2011
	41,181.41	31-Mar-2011
	30,874.18	30-Jun-2011

**EBITDA Interest Coverage (x)**

Last 12 Months	Last 12 Months	Last 12 Months	Last 12 Months	Last 12 Months
31-May-2011	31-May-2010	31-May-2009	31-May-2008	31-May-2007

For illustrative purposes only.

NA - Score or value not available.  
 \*Fundamental company data provided by Capital IQ.  
 \*\*LTM - Latest Twelve Months period. The Credit Health Panel uses the most recent reported financial statements for comparison and scoring purposes. For more information regarding the use of LTM fundamental data, refer to the Appendix of the Credit Health Panel Methodology.

Overall company score based on 24 line-items and ratio ranks across three panels

Operational panel score (operational risks) 12 metrics

Solvency panel score (financial strength) 7 metrics

Liquidity panel score (debt servicing) 5 metrics

Color coded scores have drill-down and export capability

Financials and ratios for each category are color coded based on a relative ranking compared to other companies in the customized group

Easily edit and re-score groups on the fly

Business description for each company in group

Clicking on a financial metric creates a trend graph

## A dashboard with heat maps supports easy monitoring.

Build and manage different groups to expedite risk analysis. View three groups and multiple companies on the same screen to quickly identify and react to changes in scores and rankings.

- ▶ Color coded scores facilitate rapid identification of a company's performance
- ▶ The Overall score column ranks companies from the lowest score to the highest within each group
- ▶ Arrows indicate score changes driven by the latest reported financial data, speeding up the identification of companies requiring surveillance
- ▶ Export the dashboard to Excel

## Two absolute measures of risk help assess creditworthiness.

**Probability of Default (PD):** A daily updated measure utilizes fundamentals and equity market factors to evaluate the probability that a company will not meet its contractual obligations over the course of a year.

- ▶ Updated daily for 23,000 companies and expressed as a percentage
- ▶ Aids screening and identification of companies with rapid deterioration in market sentiment
- ▶ Early warning mechanism between company earnings reporting dates

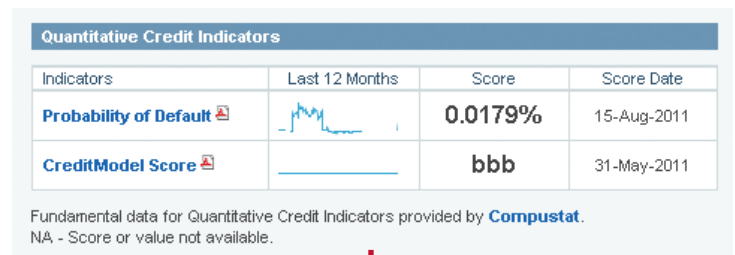
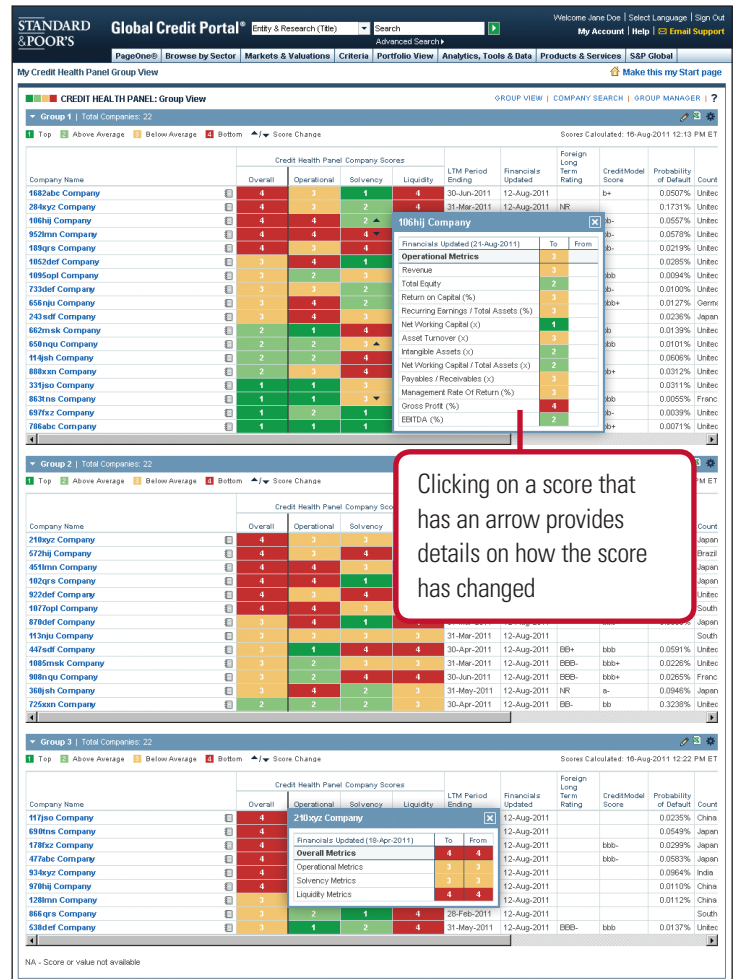
**CreditModel Score (CMS):** A fundamentals-driven credit score based on credit models specific to regions and industries.

- ▶ Updated daily for 10,500 companies and expressed in lowercase alphabets
- ▶ Allows comparison of unrated companies on a single, familiar, and industry-accepted letter grade standard scale

## Coverage

- ▶ Approximately 29,500 global listed non-financial companies
- ▶ Includes over 25,000 companies that are not rated by S&P analysts
- ▶ Uses Global Industry Classification Standard (GICS) to easily select customized peers from within sector, industry-group, industry or sub-industry
- ▶ Assesses peer groups using standardized data across accounting practices, currencies and languages

Note: Coverage counts as of August 2011.



Charts for both CMS and PD include a time series graph

For illustrative purposes only.

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