

Several Dubai Government-Related Entities Downgraded And On Watch Negative Following Debt Restructuring Announcement

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DUBAI (Standard & Poor's) Nov. 25, 2009--Standard & Poor's Ratings Services today said it had taken rating actions on a number of Dubai-based government related entities (GRES) and transactions (for full details see "Ratings List" below). Standard & Poor's has downgraded DIFC Investments LLC, DP World Ltd., Jebel Ali Free Zone (FZE), Dubai Holding Commercial Operations Group LLC (DHCOG), and Emaar Properties PJSC. All of these entities have been placed on CreditWatch with negative implications. The ratings on Dubai Multi Commodities Centre Authority (DMCC) were affirmed, although they were placed on CreditWatch negative. A CreditWatch negative placement also applies to the notes issued by Thor Asset Purchase (Cayman) Ltd. (Thor), which are securitized by cash flows from a revolving pool of existing and future receivables originated by Dubai Electricity and Water Authority (DEWA; not rated).

The rating actions are the result of the announcement on Nov. 25 of the restructuring of the debt obligations of Dubai World and its subsidiary, Nakheel. In our view, such a restructuring may be considered a default under our default criteria, and represents the failure of the Dubai government (not rated) to provide timely financial support to a core government-related entity.

This has led to a downward reassessment of our view of the propensity of

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the government of Dubai to support its GREs, resulting in multiple-notch downgrades on several rated GREs, in accordance with our enhanced criteria for rating GREs (see "Related Research" below).

The risk of a restructuring and/or default at Nakheel had previously led us to reassess the likelihood of government support, leading to downgrades in June 2009. In October 2009, we reiterated our view that government support would need to be revisited in the event of a default at Nakheel (see "Related Research" below).

We will resolve the CreditWatch placement on the rated GREs and Thor upon a review of the full impact on rated GREs of the Dubai World and Nakheel restructuring announcement. We expect this to be complete within the next three months.

RELATED RESEARCH

Enhanced Methodology And Assumptions For Rating Government-Related Entities, June 29, 2009

What Factors May Affect S&P's View Of The Likelihood Of Extraordinary Government Support For Dubai-Based GREs? Oct 15, 2009

RATINGS LIST

Downgraded/Ratings affirmed/CreditWatch Action

To From

Issuer credit ratings

DIFC Investments LLC

BBB-/Watch Neg/A-3 A/Negative/A-1

DP World Ltd.

Jebel Ali Free Zone (FZE)

BBB-/Watch Neg/A-3 BBB+/Negative/A-2

Dubai Holding Commercial Operations Group LLC (DHCOG)

BBB+/Watch Neg/-- A/Watch Neg/--

Emaar Properties PJSC

BBB-/Watch Neg/-- BBB+/Watch Dev/--

Dubai Multi Commodities Centre Authority (DMCC)

BB/Watch Neg/B BB/Stable/B

Thor Asset Purchase (Cayman) Ltd. (Thor)

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Senior secured*

A/Watch Neg A

*Support by Emirate of Dubai and Dubai Electricity and Water Authority

N.B.—This list does not include all ratings affected.

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