

Rating Action: Moody's downgrades 4 French government-related issuers to Aa1 from Aaa; negative outlook

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London, 21 November 2012 -- Moody's Investors Service has today downgraded the ratings of the following French government-related issuers (GRIs) to Aa1 from Aaa: Caisse d'Amortissement de la Dette Sociale (CADES), Union Nationale pour l'Emploi dans l'Industrie et le Commerce (UNEDIC), Caisse Nationale des Autoroutes (CNA) and Regie Autonome des Transport Parisiens (RATP). The rating outlooks remain negative.

At the same time, Moody's has affirmed at Prime-1 the short-term ratings of CADES, UNEDIC, RATP and Agence Centrale des Organismes de Securite Sociale (ACOSS).

Today's rating actions were prompted by the weakening of the French government's credit profile as captured by Moody's recent downgrade of France's government bond rating to Aa1 from Aaa, with a continued negative outlook. For more details, please refer to Moody's press release http://www.moodys.com/research/Moodys-downgrades-Frances-government-bond-rating-to-Aa1-from-Aaa--PR_260071.

A detailed list of the issuers and ratings affected by this rating action is provided at the end of this press release.

For additional information on Sovereign ratings, please refer to the webpage containing Moody's related announcements <http://www.moodys.com/eusovereign>.

RATINGS RATIONALE

RATIONALE FOR THE DOWNGRADES

GOVERNMENT-RELATED ISSUERS UNDER CREDIT SUBSTITUTION APPROACH

The weakening of the French government's credit profile, as captured by Moody's recent downgrade of France's government bond rating to Aa1 from Aaa with a continued negative outlook, has direct implications for the ratings of CADES, UNEDIC and CNA given the high level of government involvement in their operations and governance, as well as the entities' key roles in the development and implementation of key public services (social security, unemployment insurance system and highways, respectively).

Given these linkages, CADES's, UNEDIC's and CNA's ratings derive from the application of a credit substitution approach, as described in Moody's rating methodology for government-related issuers (GRIs) entitled "Government-Related Issuers: Methodology Update" published in July 2010.

OTHER GOVERNMENT-RELATED ISSUERS

The weakening of the French government's credit profile has implications for RATP and reflects Moody's view of their strong institutional, operational and macroeconomic linkages. This is evidenced by (1) RATP's sole ownership by the French government; (2) the level of government involvement within RATP's operations and governance, as underpinned by its status as an Etablissement Public à Caractère Industriel et Commercial (EPIC); and (3) as fares, which comprise approximately 50% of RATP's revenue, are exposed to the same risks facing French macroeconomic growth. However, Moody's notes that the traffic risk-sharing agreement between RATP and the Syndicat des Transports d'Ile-de-France (STIF) in the current management contract mitigates its commercial risk.

RATIONALE FOR THE NEGATIVE OUTLOOK

The negative outlook on these GRIs' ratings reflects the negative outlook on the sovereign bond ratings.

WHAT COULD MOVE THE RATING UP/DOWN

A further weakening of the French government's credit profile as reflected by a further downgrade of the sovereign rating would translate into a downgrade of these GRIs. In addition, any material change affecting the institutional framework of these issuers could negatively affect their ratings.

Similarly, a stabilisation of these issuers' rating outlooks would require a parallel change in the sovereign outlook.

LIST OF AFFECTED RATINGS

- Caisse d'Amortissement de la Dette Sociale (CADES): long-term debt rating downgraded by one notch to Aa1 from Aaa; outlook negative; short-term rating affirmed at Prime-1 (P-1).
- UNEDIC: long-term issuer and debt rating downgraded by one notch to Aa1 from Aaa; outlook negative; short-term rating affirmed at Prime-1 (P-1).
- Caisse Nationale des Autoroutes (CNA): long-term issuer and debt rating downgraded by one notch to Aa1 from Aaa; outlook negative.
- Regie Autonome des Transports Parisiens (RATP): long-term debt rating downgraded by one notch to Aa1 from Aaa; outlook negative; short-term rating affirmed at Prime-1 (P-1).
- Agence Centrale des Organismes de Securite Sociale (ACOSS): Prime-1 (P-1) short-term ratings affirmed.

The principal methodology used in these ratings was Government-Related Issuers: Methodology Update published in July 2010. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

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Please see www.moody's.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

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