MOODY'S INVESTORS SERVICE

CREDIT OPINION
26 November 2019

Update

Rate this Research

RATINGS

Coty Inc.

Domicile	United States
Long Term Rating	B2
Type	LT Corporate Family Ratings
Outlook	Negative

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Chedly Louis +1.212.553.4410
VP-Sr Credit Officer
chedly.louis@moodys.com

Peter H. Abdill, CFA +1.212.553.4024
MD-Corporate Finance
peter.abdill@moodys.com

» Contacts continued on last page

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

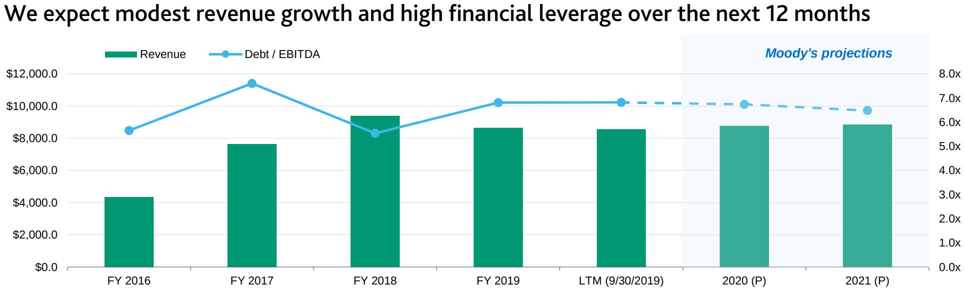
Coty Inc.

Update following outlook change to negative

Summary

Coty's credit profile reflects the company's high pro-forma enterprise financial leverage with debt to EBITDA, estimated at about 7.3x. High financial leverage, in part, reflects Coty's recently announced $600 million debt financed acquisition of a 51% majority interest in Kylie Cosmetics. It also reflects earnings weakness due to the lackluster demand for the company's US consumer beauty products. We expect that Coty will generate weak free cash flow over the next several quarters due to its ongoing restructuring costs and dividends. We recognize Coty's concentration in fragrance and color cosmetics. This concentration creates exposure to discretionary consumer spending. It also requires continuous product and brand investment to minimize revenue volatility as these categories tend to be more fashion driven than other beauty products. Coty will remain more concentrated than its primary competitors in mature developed markets. This creates growth challenges and investment needs to more fully build its global distribution capabilities and brand presence. Tempering these risks are the company's large scale, its portfolio of well-recognized brands, and good product and geographic diversification. We expect that Coty will generate modest revenue and organic earnings growth over the next year.

Exhibit 1
We expect modest revenue growth and high financial leverage over the next 12 months



All figures and ratios are calculated using Moody's estimates and standard adjustments. Moody's Forecasts (f) or Projections (P) are Moody's opinion and do not represent the views of the issuer. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
Source: Moody's estimates, Moody's Financial Metrics™

Credit strengths

» Large scale and well-recognized brands in several beauty categories

» Continued good growth from the luxury and professional segments

» Strong public commitment to reducing net leverage to below 3.0x debt to EBITDA

This document has been prepared for the use of Constantin Thun-Hohenstein and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.

Credit challenges

» High financial leverage and weak cash flow

» Continued weak demand in the company's consumer beauty products

» Concentration in volatile fragrance and color cosmetics categories

» Slow organic growth and need for constant innovation driven by portfolio composition

» Global diversification skewed towards slower growth mature developed markets

Rating outlook

The negative outlook reflects our view that Coty's financial leverage will increase following its announced debt financed acquisition of a 51% majority interest in Kylie Cosmetics. These actions contrast with our expectation that the company would refrain from making acquisitions, but would instead focus on deleveraging through debt reduction and some EBITDA growth. The outlook also reflects our belief that Coty faces high execution risk. This is due to the company's multi-step turnaround plan that includes the divestiture of its Professional and Hypermarcus businesses, proceeds of which management has stated will be used to repay debt, as well as the turnaround of its Consumer Beauty business.

Factors that could lead to an upgrade

» Meaningful improvement to operating performance

» Debt/EBITDA (inclusive of the JAB term loan) sustained below 5.5x

» Positive free cash flow

Factors that could lead to a downgrade

» Inability to generate positive free cash flow over the next 12-18 months

» Debt/EBITDA (inclusive of the JAB term loan) sustained above 6.5x

» Deterioration in liquidity

» Aggressive debt funded acquisitions or shareholder returns

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

This document has been prepared for the use of Constantin Thun-Hohenstein and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.

Key indicators

Key Indicators

Coty Inc.

US Millions	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	PF LTM (9/30/2019)*	6/30/2020P	6/30/2021P
Revenue	$4,395.2	$4,349.1	$7,650.3	$9,398.0	$8,648.5	$8,742.0	$8,769.6	$8,857.3
EBIT Margin %	11.8%	12.6%	5.3%	7.2%	7.3%	7.4%	8.5%	8.7%
Debt / EBITDA	3.8x	5.7x	7.6x	5.5x	6.8x	7.3x	6.7x	6.5x
RCF / Net Debt	19.5%	6.1%	-4.9%	4.3%	5.3%	5.8%	6.1%	10.4%
EBIT / Interest Expense	5.1x	3.8x	1.6x	1.9x	1.7x	1.7x	2.0x	2.1x

Note: All figures and ratios are calculated using Moody's estimates and standard adjustments. Moody's Forecasts (f) or Projections (P) are Moody's opinion and do not represent the views of the issuer. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
The debt to EBITDA includes the $1.77 billion JAB Holding company S.a.r.l. term loan used by JAB to increase its ownership of Coty to 60% from 40%, as well as the $600 million in debt used by Coty to acquire the 51% majority interest in Kylie Cosmetics.
*Pro Forma for the acquisition of a 51% majority interest in Kylie Cosmetics
Source: Moody's Financial Metrics™, Moody's estimates

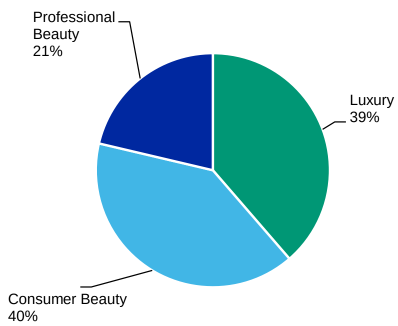
Profile

Coty Inc., a public company headquartered in New York, NY, is one of the leading manufacturers and marketers of fragrance, color cosmetics, and skin and body care products. The company's products are sold in over 150 countries. Coty generates roughly $8.6 billion in annual revenues. Coty is 60% owned by a German based investment firm, JAB Holding Company S.a.r.l. (JAB), with the rest publicly traded.

Exhibit 3

Revenue by segment

Twelve months ended September 30, 2019

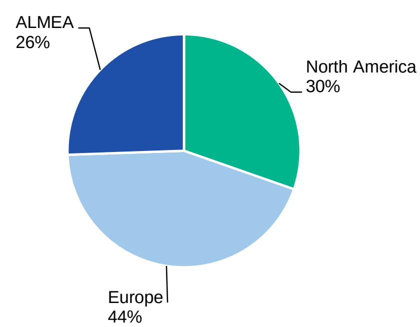


Source: Company filings

Exhibit 4

Revenue by geography

Twelve months ended September 30, 2019



Note: ALMEA represents Asia, Latin America, the Middle East, Africa and Australia
Source: Company filings

Detailed credit considerations

High financial leverage

Coty's enterprise debt to EBITDA will be high at approximately 7.3x. High financial leverage will be a reflection of Coty's recently announced $600 million debt financed acquisition of a 51% majority interest in Kylie Cosmetics. Debt also includes the $1.77 billion term loan that JAB incurred in 2019 in order to increase its ownership in Coty from 40% to 60%. While the term loan is not a direct obligation of Coty, we include it in total enterprise debt to reflect that the ultimate source of repayment are cash flows generated by Coty. The JAB debt can also be repaid through the subsequent sale of Coty's shares, and stock price appreciation of those shares will in part reflect Coty's operating performance.

This document has been prepared for the use of Constantin Thun-Hohenstein and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.

Financial leverage will also remain high due to earnings and cash flow weakness in the company's consumer beauty business. Low earnings growth will reflect lackluster demand for the company's domestic consumer beauty products, which represents about 37% of sales.

Ambitious global restructuring carries high execution risk

Coty's announced restructuring will carry high execution risks given the company's historical execution challenges. Execution risks reflect the company's multi-step turnaround plan that includes the divestiture of its Professional and Hypermarcus businesses, proceeds of which management says will be used to repay debt, as well as the turnaround of its Consumer Beauty business. The company will restructure its consumer beauty and fragrance businesses, which will include work force and product offering reductions. The company will also create regional commercial teams in the Americas, Asia Pacific, and Europe, Middle East and Africa (EMEA) with marketing units for luxury and consumer beauty. Coty will spend $600 million through 2023 on this turnaround plan, which is in addition to about $160 million of ongoing restructuring costs. Coty expects the restructuring program to generate about $200 million in annual cost savings, a meaningful improvement in operating margins to about 14% to 16% (as compared to about 11% today) and free cash flow of about $1.0 billion by 2023. These improvements are back ended, and given the company's track record, success remains uncertain.

Weak free cash flow

We expect Coty to generate weak, although positive, free cash flow over the next year. Free cash flow will be adversely impacted by the company's low sales and earnings growth. We estimate that the company will generate free cash flow of about $35 million after dividends over the next year. We believe free cash flow will improve over time as the company stabilizes its operations and completes its restructuring program.

Concentration in volatile fragrance and cosmetics categories

Coty will continue to face risks associated with its significant reliance on revenues from the fragrance and color cosmetics categories, which tend to be volatile and vulnerable to fashion risk. We expect more volatility in these categories than in other consumer packaged goods sectors. To generate growth, Coty will have to continually reinvest and launch successful new products given its exposure to fashion driven fragrance (especially, designer brands) and color cosmetic products. Succeeding in an industry with high fashion risk requires continual investment in product development and brand support to sustain market share.

Good geographic diversification, but skewed towards developed markets

Coty will have good presence in large key beauty markets, including the U.S., the U.K., Russia and Italy. However its geographic diversity is skewed toward developed markets. This puts the company at a disadvantage compared to peers with higher exposure to emerging markets. Around 74% of the company's revenues are generated from North America and Europe, presenting growth challenges in highly competitive markets. Only 26% of revenues are generated from developing markets including Asia, Latin America, the Middle East, Africa and Australia. That said the company has announced plans to focus on increasing sales from developing markets over time.

Large scale and well recognized brands in several categories

Coty will enjoy good scale relative to its peers in the beauty category. The company's mass consumer beauty products compete against those at Revlon (Caa1 negative; $2.5 billion in revenue). In contrast, some of Coty's luxury skin care and fragrance products compete against those at Estee Lauder (A1 stable; $15.2 billion). Scale benefits include leverage with suppliers and marketing efficiencies. Scale will also favorably affect the company's ability to obtain favorable terms with distributors, and create marketing efficiencies. The company's product portfolio enjoys good brand name recognition.

Environmental, social and governance considerations

The consumer packaged goods industry has relatively low environmental and social risk. That said the two most important Environmental, Social and Governance (ESG) factors affecting Coty are social risks and governance considerations related to its financial policies and board independence.

Social considerations impact Coty in several ways. First, Coty is a “beauty” company. It sells products that appeal to customers almost entirely due to “social” considerations. That is, such products such as makeup and cologne that help individuals fit into society and comply with social mores and customs. Hence social factors are the primary driver of Coty's sales, and hence the primary reason it exists. To the extent such social customs and mores change, it could have an impact – positive or negative – on the company's sales

This document has been prepared for the use of Constantin Thun-Hohenstein and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.

and earnings. For instance, as demand for beauty products sold at mass retail has declined in favor of beauty products sold at specialty retailers, such as Sephora and Ulta, Coty's sales and earnings have suffered. The decline in sales and earnings reflects the fact that nearly 50% of the company's sales are sold at mass. The company also engages with social media influencers, which is in line with demographic and societal trends. While negative product reviews for the company have historically been modest, we recognize that a high number of adverse product reviews could negatively impact product demand.

We view Coty's financial policies as aggressive given its appetite for debt financed acquisitions. In addition, the company's board of directors has limited independence given that four of the nine board members are related to JAB, Coty's majority shareholder.

Liquidity analysis

The SGL-4 Speculative Grade Liquidity Rating reflects our view that Coty's liquidity is weak. Coty's ongoing restructuring actions will consume large amounts of cash and we expect the company to generate modest free cash flow in 2020. The company relies on a $2.75 billion secured revolving credit facility that had $966 million drawn as of September 30, 2019. We expect the revolver to be used to fund the acquisition of Coty's 51% majority interest in Kylie Cosmetics and the company's dividend in 2020. The revolver is subject to a total net leverage financial covenant of 5.25x debt to EBITDA with step downs starting in March 2022. We project that the company will have weak headroom under the total net leverage covenant over the next 12 months.

Assets are divisible as Coty could sell individual brands without materially affecting its remaining operations. However, alternate liquidity is limited because all material assets are pledged to Coty's bank credit facilities (revolver and term loan).

Structural considerations

The Ba3 rating on Coty's senior secured debt is two notches higher than the B2 CFR and reflects cushion provided by the company's junior debt. The junior debt includes Coty's unsecured notes as well as the JAB term loan. The JAB term loan is non-recourse to Coty. The debt was issued by Cottage Holdco B.V., which is an indirect subsidiary of JAB and the parent company of Coty. The term loan has no guarantees from JAB and is secured by 451 million shares of Coty. The debt is to be serviced through dividends paid by Coty to JAB and repaid through the sale of Coty shares securing the JAB term loan.

The Caa1 rating on the unsecured notes is two notches lower than the CFR. This reflects about $6.9 billion of secured debt that ranks ahead of the unsecured notes in the capital structure. The notes benefit from upstream guarantees from Coty's domestic subsidiaries.

Rating methodology and scorecard factors

The mapping to the rating grid in Moody's Global Packaged Goods methodology (January 2017) is shown below, including a 12-18 month forward view. The projected grid-indicated rating of Ba2 is higher than the actual rating of B2. The difference primarily relates to our concerns regarding how quickly Coty will be able to stabilize its operations.

This document has been prepared for the use of Constantin Thun-Hohenstein and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.

Rating Factors

Coty Inc.

Consumer Packaged Goods Industry Scorecard [1][2]	Current LTM 9/30/2019		Moody's 12-18 Month Forward View As of 11/22/2019 [3]	
Factor 1 : Scale and Diversification (44%)	**Measure**	**Score**	**Measure**	**Score**
a) Total Sales (USD Billion)	$8.6	Baa	$8.9	Baa
b) Geographic Diversification	A	A	A	A
c) Segmental Diversification	Ba	Ba	Ba	Ba
Factor 2 : Franchise Strength and Potential (14%)				
a) Market Share	Ba	Ba	Ba	Ba
b) Category Assessment	Ba	Ba	Ba	Ba
Factor 3 : Profitability (7%)				
a) EBIT Margin	7.5%	B	8.7%	B
Factor 4 : Financial Policy (14%)				
a) Financial Policy	Ba	Ba	Ba	Ba
Factor 5 : Leverage and Coverage (21%)				
a) Debt / EBITDA	6.8x	Caa	6.5x	Caa
b) RCF / Net Debt	5.9%	Caa	10.4%	B
c) EBIT / Interest Expense	1.7x	B	2.1x	Ba
Rating:				
a) Indicated Outcome from Scorecard		Ba2		Ba2
b) Actual Rating Assigned				B2

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 9/30/2019(L); Source: Moody's Financial Metrics™
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures
Source: Moody's estimates, Moody's Financial Metrics™

Appendix

Exhibit 6

Peer Snapshot

Coty Inc.

	Coty Inc. B2 Negative			Avon Products, Inc. B1 RUR-UNC			Church & Dwight Co., Inc. A3 Stable			Revlon Consumer Products Caa1 Negative			Clorox Company (The) Baa1 Stable		
(in US millions)	FYE Jun-18	FYE Jun-19	LTM Sep-19	FYE Dec-17	FYE Dec-18	LTM Sep-19	FYE Dec-17	FYE Dec-18	LTM Sep-19	FYE Dec-17	FYE Dec-18	LTM Jun-19	FYE Jun-18	FYE Jun-19	LTM Sep-19
Revenue	$9,398	$8,649	$8,560	$5,716	$5,403	$4,951	$3,776	$4,146	$4,288	$2,694	$2,565	$2,520	$6,124	$6,214	$6,157
EBITDA	$1,581	$1,529	$1,515	$468	$311	$381	$938	$965	$1,045	$313	$258	$316	$1,406	$1,387	$1,377
Total Debt	$8,756	$8,880	$8,812	$2,246	$1,889	$2,002	$2,477	$2,207	$2,371	$3,261	$3,452	$3,472	$2,947	$3,199	$3,272
Cash & Cash Equiv.	$332	$340	$350	$882	$533	$564	$279	$317	$115	$87	$87	$63	$131	$111	$150
EBIT Margin	7.2%	7.3%	7.5%	5.2%	2.9%	4.7%	20.9%	19.3%	20.1%	4.7%	1.9%	4.1%	19.0%	18.4%	18.4%
EBIT / Int. Exp.	1.9x	1.7x	1.7x	1.9x	1.0x	1.5x	14.4x	9.7x	10.5x	0.7x	0.2x	0.4x	11.3x	10.0x	9.9x
Debt / EBITDA	5.5x	5.8x	5.8x	4.8x	6.1x	5.3x	2.6x	2.3x	2.3x	10.4x	13.4x	11.0x	2.1x	2.3x	2.4x
RCF / Net Debt	4.3%	6.4%	7.1%	36.8%	14.5%	18.1%	23.3%	29.5%	27.2%	1.0%	0.3%	2.2%	24.4%	18.3%	17.9%
FCF / Debt	-5.4%	-1.9%	0.4%	8.7%	0.8%	-0.1%	18.0%	22.2%	22.0%	-7.5%	-6.4%	-1.6%	12.0%	11.2%	10.4%

Note: All figures and ratios calculated using Moody's estimates and standard adjustments. FYE = Financial Year End. LTM = Last 12 Months.
Source: Moody's Financial Metrics™

This document has been prepared for the use of Constantin Thun-Hohenstein and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.

Exhibit 7

Moody's-Adjusted Debt Breakdown

Coty Inc.

(in US Millions)	FYE Jun-15	FYE Jun-16	FYE Jun-17	FYE Jun-18	FYE Jun-19	LTM Sep-19
As Reported Debt	**2,634.7**	**4,098.2**	**7,137.4**	**7,524.3**	**7,663.7**	**7,638.9**
Pensions	166.1	190.1	493.9	489.4	540.8	540.8
Operating Leases	318.8	404.9	653.2	643.9	593.1	554.4
Non-Standard Adjustments	0.0	71.9	78.2	98.9	82.1	77.6
Moody's-Adjusted Debt	**3,119.6**	**4,765.1**	**8,362.7**	**8,756.5**	**8,879.7**	**8,811.7**

All figures and ratios calculated using Moody's estimates and standard adjustments. FYE = Financial Year End. LTM = Last 12 Months.
Source: Moody's Financial Metrics™

Exhibit 8

Moody's-Adjusted EBITDA Breakdown

Coty Inc.

(in US Millions)	FYE Jun-15	FYE Jun-16	FYE Jun-17	FYE Jun-18	FYE Jun-19	LTM Sep-19
As Reported EBITDA	**535.6**	**483.7**	**116.7**	**871.6**	**-2,739.6**	**-2,609.0**
Pensions	9.4	7.4	20.9	6.6	-1.1	-2.5
Operating Leases	87.1	82.5	166.1	208.2	197.7	180.0
Unusual	187.1	269.5	796.0	495.0	4,071.5	3,946.9
Moody's-Adjusted EBITDA	**819.2**	**843.1**	**1,099.7**	**1,581.4**	**1,528.5**	**1,515.4**

All figures and ratios calculated using Moody's estimates and standard adjustments. FYE = Financial Year End. LTM = Last 12 Months.
Unusual items include impairment charges and one-time restructuring charges.
Source: Moody's Financial Metrics™

Ratings

Exhibit 9

Category	Moody's Rating
COTY INC.	
Outlook	Negative
Corporate Family Rating	B2
Sr Sec Bank Credit Facility	Ba3/LGD2
Senior Unsecured	Caa1/LGD5
Speculative Grade Liquidity	SGL-4
GALLERIA CO.	
Outlook	Stable
Sr Sec Bank Credit Facility	Ba2/LGD3

Source: Moody's Investors Service

This document has been prepared for the use of Constantin Thun-Hohenstein and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.

© 2019 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. AND ITS RATINGS AFFILIATES ("MIS") ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MOODY'S PUBLICATIONS MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER. ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody's publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody's Investors Service, Inc. for ratings opinions and services rendered by it fees ranging from $1,000 to approximately $2,700,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any rating, agreed to pay to MJKK or MSFJ (as applicable) for ratings opinions and services rendered by it fees ranging from JPY125,000 to approximately JPY250,000,000.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

REPORT NUMBER 1204305

This document has been prepared for the use of Constantin Thun-Hohenstein and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.

Contacts

Chedly Louis +1.212.553.4410
VP-Sr Credit Officer
chedly.louis@moodys.com

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

MOODY'S
INVESTORS SERVICE

This document has been prepared for the use of Constantin Thun-Hohenstein and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.