

CREDIT RATINGS DISCLOSURE STATEMENT

UDC's creditworthiness is rated by a ratings agency approved by the Reserve Bank under section 157J of the Reserve Bank of New Zealand Act 1989. The approved ratings agency is Standard & Poor's Ratings Services.

UDC's current long-term Standard & Poor's Ratings Services credit rating is AA- with outlook stable. Standard & Poor's Ratings Services defines its AA- rating to mean the obligor *'has a very strong capacity to meet its financial commitments. It differs from the highest rated obligors only to a small degree.'* According to Standard & Poor's Ratings Services, an outlook of 'stable' indicates that UDC's credit rating is not likely to change.

UDC has held this credit rating since 1 December 2011. On 1 December 2011, the credit rating was downgraded by one notch from AA, along with the major trading banks in New Zealand. The reasons for the downgrade were described broadly by Standard & Poor's Ratings Services as a result of the application of their new criteria. Prior to this downgrade UDC held an AA credit rating since February 2007.

This is a local currency (New Zealand dollar) long-term issuer rating. This type of rating expresses an opinion about an issuer's overall capacity to meet its senior, unsecured financial obligations over a horizon which is not short-term.

Standard & Poor's Ratings Services base this rating on an independent review and analysis of UDC which includes a review of UDC's ownership, management and governance structures, loanbook, credit quality, level of diversification, competencies and lending procedures.

Standard & Poor's Rating Services ratings range from AAA (extremely strong) to D (in default). This scale is set out in the table together with the details of where UDC sits on that scale.

Credit ratings are statements of opinion issued by Standard & Poor's Ratings Services. A credit rating is not a statement of fact, an endorsement of the rated entity, or a recommendation to buy, hold, or sell securities. Standard & Poor's Financial Services LLC, provides independent financial information, analytical services, and credit ratings to the world's financial markets.

For more information on Standard & Poor's, visit <https://www.standardandpoors.com>.

STANDARD & POOR'S RATINGS SCALE

Investment Grade Ratings	AAA	Extremely Strong
	AA+	Very Strong
	AA	
	AA-	
	A+	Strong
	A	
A-		
Speculative Grade Ratings	BBB+	Adequate
	BBB	
	BBB-	
	BB+	Less Vulnerable
	BB	
	BB-	
	B+	More Vulnerable
	B	
	B-	
	CCC+	Currently Vulnerable
CCC		
CCC-		
CC	Currently Highly Vulnerable	
D	In Default	

UDC FINANCE