

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.

The current long term credit rating of UDC 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." Standard & Poor's Ratings Services provides that an outlook of "stable" indicates that UDC's credit rating is not likely to change. UDC's credit rating has not changed in the past two years, having held it 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 that 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, loan book, credit quality, level of diversification, competencies and lending procedures.

Standard & Poor's Ratings Services' ratings range from AAA (extremely strong) to D (in default). This scale is set out in the table below 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. Further information is available on the website of Standard & Poor's Ratings Services at www.standardandpoors.com.

STANDARD & POOR'S RATINGS SCALE

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

UDC FINANCE

