MOODY'S
INVESTORS SERVICE

Rating Action: Moody's places 12 mining companies in the EMEA region on review for downgrade

Global Credit Research - 22 Jan 2016

London, 22 January 2016 -- Moody's Investors Service has placed the ratings of 12 mining companies in the EMEA region, and their rated subsidiaries, on review for downgrade. A complete set of companies and rating actions is listed below.

The actions reflect Moody's effort to recalibrate the ratings in the mining portfolio to align with the fundamental shift in the credit conditions of the global mining sector.

"Slowing growth in China, which consumes and produces at least half of base metals, and is a material player in the precious metals, iron ore and metallurgical coal markets is weakening demand for these commodities and driving prices to multi-year lows," David Staples, (Managing Director). "China's outsized influence on the commodities market, coupled with the need for significant recalibration of supply to bring the industry back into balance indicates that this is not a normal cyclical downturn, but a fundamental shift that will place an unprecedented level of stress on mining companies."

RATINGS RATIONALE

As part of an ongoing assessment of mining companies, Moody's sharply reduced its price sensitivity assumptions on December 8, 2015. Since then, credit conditions in the mining industry have weakened further, with prices continuing to decline. The likelihood has increased that prices for base metals, precious metals, iron ore and metallurgical coal will approach levels closer to Moody's stressed sensitivity scenario. In addition, the strong US dollar is a further factor contributing to weakening demand and driving prices lower since most metals are traded in dollars.

This broad ratings review will look at companies across the whole mining portfolio covering also gold, diamond and uranium producers, the outlook for which is pressurized by depressed prices for key commodities as well as slowdown in China's economic growth. The review will consider each mining company's asset base, cost structure, cash flows and liquidity, as well as management's strategy for coping with a prolonged downturn and the ability to execute on same. The review will assess each company's cash flow and credit metrics closer to our latest stressed price assumptions and the relative rating positioning.

Moody's believes that this downturn will mark an unprecedented shift for the mining industry. Whereas previous downturns have been cyclical, the effect of slowing growth in China indicates a fundamental change that will heighten credit risk for mining companies. This review reflects the belief that deteriorating industry fundamentals require a recalibration of the global mining portfolio rated by Moody's. Although all issuers in these sectors have been adversely affected by declining prices, severity varies substantially by issuer. Accordingly, the range of possible outcomes upon conclusion of the review for given issuers varies from possible confirmation of ratings to multi-notch downgrades. Moody's expects to conclude a majority of the reviews by the end of the first quarter. While this review focuses on companies rated in the range from A1 to B3, Moody's is also reevaluating higher and lower rated companies in the context of industry conditions. The higher rated companies, on average, are somewhat more resilient to low commodity prices and many of the lower rated companies have recently been downgraded.

This broad ratings review will incorporate ratings that have previously been placed on review in the sector:

Anglo American plc (Baa3 -- RUR) - EMEA

List of affected ratings:

On Review for Downgrade:

..Issuer: JSC Holding Company METALLOINVEST

.... Probability of Default Rating, Placed on Review for Downgrade, currently Ba2-PD

.... Corporate Family Rating, Placed on Review for Downgrade, currently Ba2

..Issuer: Metalloinvest Finance Limited

....BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Ba2

..Issuer: MMC Finance Limited

....BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Ba1

....Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Ba1

..Issuer: MMC Norilsk Nickel, PJSC

.... Probability of Default Rating, Placed on Review for Downgrade, currently Ba1-PD

.... Corporate Family Rating, Placed on Review for Downgrade, currently Ba1

..Issuer: Nord Gold N.V.

.... Probability of Default Rating, Placed on Review for Downgrade, currently Ba3-PD

.... Corporate Family Rating, Placed on Review for Downgrade, currently Ba3

....Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Ba3

Issuer: SUEK Finance

....Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Ba3

..Issuer: SUEK PLC

.... Probability of Default Rating, Placed on Review for Downgrade, currently Ba3-PD

.... Corporate Family Rating, Placed on Review for Downgrade, currently Ba3

..Issuer: Alrosa Finance S.A.

....BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Ba2

..Issuer: ALROSA PJSC

.... Probability of Default Rating, Placed on Review for Downgrade, currently Ba2-PD

.... Corporate Family Rating, Placed on Review for Downgrade, currently Ba2

..Issuer: Kazatomprom JSC

.... Issuer Rating (Foreign Currency), Placed on Review for Downgrade, currently Baa3

..Issuer: Uranium One Inc.

.... Probability of Default Rating, Placed on Review for Downgrade, currently Ba3-PD

.... Corporate Family Rating, Placed on Review for Downgrade, currently Ba3

..Issuer: Uranium One Investments Inc.

....BACKED Senior Secured Regular Bond/Debenture, Placed on Review for Downgrade, currently Ba3

..Issuer: Norsk Hydro ASA

.... Issuer Rating (Local Currency), Placed on Review for Downgrade, currently Baa2

..Issuer: Nyrstar NV

.... Corporate Family Rating, Placed on Review for Downgrade, currently (P)B3

..Issuer: Nyrstar Netherlands (Holdings) B.V.

....BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently (P)B3

..Issuer: AngloGold Ashanti Holdings plc

....BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Baa3

..Issuer: AngloGold Ashanti Limited

.... Issuer Rating (Foreign Currency), Placed on Review for Downgrade, currently Baa3

..Issuer: Gold Fields Limited

.... Probability of Default Rating, Placed on Review for Downgrade, currently Ba1-PD

.... Corporate Family Rating, Placed on Review for Downgrade, currently Ba1

..Issuer: Gold Fields Orogen Holding (BVI) Limited

....BACKED Senior Unsecured Regular Bond/Debenture, Placed on Review for Downgrade, currently Ba1

..Issuer: Petra Diamonds Limited

.... Probability of Default Rating, Placed on Review for Downgrade, currently B1-PD

.... Corporate Family Rating, Placed on Review for Downgrade, currently B1

..Issuer: Petra Diamonds US$ Treasury Plc

....BACKED Senior Secured Regular Bond/Debenture, Placed on Review for Downgrade, currently B2

Outlook Actions:

..Issuer: JSC Holding Company METALLOINVEST

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Metalloinvest Finance Limited

....Outlook, Changed To Rating Under Review From Stable

..Issuer: MMC Finance Limited

....Outlook, Changed To Rating Under Review From Stable

..Issuer: MMC Norilsk Nickel, PJSC

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Nord Gold N.V.

....Outlook, Changed To Rating Under Review From Stable

..Issuer: SUEK Finance

....Outlook, Changed To Rating Under Review From Negative

..Issuer: SUEK PLC

....Outlook, Changed To Rating Under Review From Negative

..Issuer: Alrosa Finance S.A.

....Outlook, Changed To Rating Under Review From Stable

..Issuer: ALROSA PJSC

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Kazatomprom JSC

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Uranium One Inc.

....Outlook, Changed To Rating Under Review From Negative

..Issuer: Uranium One Investments Inc.

....Outlook, Changed To Rating Under Review From Negative

..Issuer: Norsk Hydro ASA

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Nyrstar NV

....Outlook, Changed To Rating Under Review From Negative

..Issuer: Nyrstar Netherlands (Holdings) B.V.

....Outlook, Changed To Rating Under Review From Negative

..Issuer: AngloGold Ashanti Holdings plc

....Outlook, Changed To Rating Under Review From Negative

..Issuer: AngloGold Ashanti Limited

....Outlook, Changed To Rating Under Review From Negative

..Issuer: Gold Fields Limited

....Outlook, Changed To Rating Under Review From Negative

..Issuer: Gold Fields Orogen Holding (BVI) Limited

....Outlook, Changed To Rating Under Review From Negative

..Issuer: Petra Diamonds Limited

....Outlook, Changed To Rating Under Review From Stable

..Issuer: Petra Diamonds US$ Treasury Plc

....Outlook, Changed To Rating Under Review From Stable

The principal methodology used in rating ALROSA PJSC, Alrosa Finance S.A., Uranium One Inc., Uranium One Investments Inc. and Kazatomprom JSC was Global Mining Industry published in August 2014. Other methodologies used include the Government-Related Issuers methodology published in October 2014.

The principal methodology used in rating Nyrstar NV, Nyrstar Netherlands (Holdings) B.V., Norsk Hydro ASA, Gold Fields Limited, Gold Fields Orogen Holding (BVI) Limited, AngloGold Ashanti Limited, AngloGold Ashanti Holdings plc, Petra Diamonds Limited, Petra Diamonds US$ Treasury Plc, MMC Norilsk Nickel, PJSC, MMC Finance Limited, JSC Holding Company METALLOINVEST, Metalloinvest Finance Limited, Nord Gold N.V., SUEK PLC and SUEK Finance was Global Mining Industry published in August 2014.

Please see the Credit Policy page on www.moodys.com for a copy of these methodologies.

The local market analyst for Gold Fields Limited, Gold Fields Orogen Holding (BVI) Limited, AngloGold Ashanti Limited, AngloGold Ashanti Holdings plc, Petra Diamonds Limited and Petra Diamonds US$ Treasury Plc ratings of is Douglas Rowlings, 971-4-237-9543.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

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The person who approved Nyrstar NV, Nyrstar Netherlands (Holdings) B.V. and Norsk Hydro ASA credit ratings is Anke Richter, Associate Managing Director, Corporate Finance Group, Journalists 44 20 7772 5456, Subscribers 44 20 7772 5454.

The person who approved Gold Fields Limited, Gold Fields Orogen Holding (BVI) Limited, AngloGold Ashanti Limited, AngloGold Ashanti Holdings plc, Petra Diamonds Limited and Petra Diamonds US$ Treasury Plc credit ratings is David Staples, MD-Corporate Finance, Corporate Finance Group, Journalists 44 20 7772 5456, Subscribers 44 20 7772 5454.

The person who approved MMC Norilsk Nickel, PJSC, MMC Finance Limited, ALROSA PJSC, Alrosa Finance S.A., JSC Holding Company METALLOINVEST, Metalloinvest Finance Limited, Nord Gold N.V., SUEK PLC, SUEK Finance, Uranium One Inc., Uranium One Investments Inc. and Kazatomprom JSC credit ratings is Victoria Maisuradze, Associate Managing Director, Corporate Finance Group, Journalists 44 20 7772 5456, Subscribers 44 20 7772 5454.

The below contact information is provided for information purposes only. Please see the ratings tab of the issuer page at www.moodys.com, for each of the ratings covered, Moody's disclosures on the lead analyst and the Moody's legal entity that has issued the ratings.

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Elena Nadtotchi
VP - Senior Credit Officer
Corporate Finance Group
Moody's Investors Service Ltd.
One Canada Square
Canary Wharf
London E14 5FA
United Kingdom
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454

David G. Staples

MD - Corporate Finance
Corporate Finance Group
Telephone: 00971 4237 9536

Releasing Office:
Moody's Investors Service Ltd.
One Canada Square
Canary Wharf
London E14 5FA
United Kingdom
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454