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## RESEARCH

Recovery Report:  
Tribune Co.'s Secured Financing

EXHIBIT

NPP\_0483

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On June 29, 2007, Standard & Poor's Ratings Services revised its issue and recovery ratings on Chicago, Ill.-based Tribune Co.'s \$10.1 billion senior secured credit facilities (see table 1). The issue rating was raised to 'BB+' (two notches higher than the 'BB-' corporate credit rating on the company) from 'BB-', and the recovery rating was revised to '1', indicating the expectation for very high (90%-100%) recovery in the event of a payment default, from '2'.

With the closing of the credit facilities, Tribune's senior unsecured notes and debentures (collectively "the notes"; see table 1) became secured. As a result, Standard & Poor's lowered its issue rating on these notes to 'B' (two notches below the corporate credit rating) from 'BB-' (explained further below), and assigned them a recovery rating of '6', indicating the expectation for negligible (0%-10%) recovery in the event of a payment default. All the issue ratings, as well as the company's corporate credit rating, remain on CreditWatch with negative implications as Tribune completes its LBO transaction. The rating changes reflect Standard & Poor's revisions to its recovery rating scale and issue level rating framework that were announced on May 30, 2007.

The likelihood of default for the issues is reflected in the issuer corporate credit rating of BB-/Watch Neg/--, which has not changed. However, with the introduction of our new issue rating framework, which now incorporates recoveries in all secured issue level ratings, the issue rating on the credit facilities has been raised by two notches to reflect their very high recovery prospects, while the issue rating on the senior notes has been lowered by two notches to reflect their negligible recovery prospects (as further described below, they are structurally junior).

Table 1

## Tribune Co. -- Credit Profile

Corporate credit rating	BB-/Watch Neg/--				
Facility	Issue rating	Recovery rating	Expected recovery	Maturity	Repayment
\$750 million revolving credit facility	BB+/Watch Neg	1	90%-100%	May 2013	Bullet
\$1.5 billion term loan X	BB+/Watch Neg	1	90%-100%	May 2009	Amortizing
\$5.515 billion term loan B	BB+/Watch Neg	1	90%-100%	May 2014	Amortizing
\$263 million delayed-draw term loan B	BB+/Watch Neg	1	90%-100%	May 2014	Amortizing
\$2.105 billion incremental term loan	BB+/Watch Neg	1	90%-100%	May 2014	Amortizing
\$25 million 6.35% series E medium-term notes	B/Watch Neg	6	0%-10%	February 2008	Bullet
\$167.915 million 5.5% series E medium-term notes	B/Watch Neg	6	0%-10%	October 2008	Bullet
\$69.55 million 5.67% series E medium-term notes	B/Watch Neg	6	0%-10%	December 2008	Bullet
\$450 million 4.875% notes	B/Watch Neg	6	0%-10%	August 2010	Bullet
\$150 million 7.25% debentures*	B/Watch Neg	6	0%-10%	March 2013	Bullet
\$330 million 5.25% debentures	B/Watch Neg	6	0%-10%	August 2015	Bullet

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