

FITCH DOWNGRADES AMEREN GENCO'S IDR TO 'B-' FOLLOWING PARENT ANNOUNCEMENT

Fitch Ratings-New York-21 December 2012: Fitch Ratings has downgraded the Issuer Default Rating (IDR) of Ameren Energy Generating Company (Genco) to 'B-' from 'BB-' and the senior unsecured debt ratings to 'B+/RR2' from 'BB-'. The Rating Outlook is Negative. Fitch's rating action follows the announcement by Ameren Corp. (AEE), Genco's parent holding company, that it intends to exit the merchant generation business, based on an evaluation of Genco's current and projected financial condition.

The revised ratings also reflect AEE's plan to reduce and ultimately eliminate Genco's reliance on AEE's financial support and shared services support. AEE expects to record in the fourth quarter of 2012 (4Q'12) a pre-tax non-cash impairment consolidated charge in the range of \$1.5 billion to \$2 billion, while Genco's expected charge is in the range of \$50 million to \$300 million. AEE and utility subsidiaries' credit ratings are unaffected by today's announcement. Approximately \$825 million of debt is affected by today's rating actions.

RATING DRIVERS:

Genco's ratings no longer benefit from AEE's ownership and financial support. Sustained weakness in wholesale power markets and demand have eroded Genco's profit margins and suppressed cash flow profitability over recent years. Going forward, Fitch expects AEE's business strategy to focus on its core regulated utility subsidiaries that management believes offer the most attractive returns.

Fitch expects Genco's cash flow and credit metrics will continue to weaken over the forecast period. Fitch expects funds from operations (FFO)/interest to approximate 2.0x and FFO/debt, 8% over 2013-2015. The downtrend is driven by lower priced hedges and low forward power prices in the Midwest region where Genco operates its largely coal-fired merchant generating fleet.

Genco has adequate near-term liquidity with access to AEE's non-regulated money pool and the ability to exercise, if needed, a put option agreement entered into with an affiliate that allows Genco to sell certain assets for the greater of \$100 million or asset fair value. The put option is guaranteed by AEE, and management has indicated it is likely that Genco will exercise the option.. As of Sept. 30, 2012, Genco had \$25 million of cash on hand.

Favorably, Genco has no near-term maturities. The next maturity is in 2018 with \$300 million due; \$250 million is due in 2020, and \$275 million in 2032. AEE has indicated it will not provide support to Genco to meet its debt obligations.

Genco has modest capital requirements over the next three years. Capital expenditures are expected to approximate \$180 million over 2013-2015 and Fitch expects capex to be largely financed with internally generated funds.

The Negative Outlook reflects Fitch's expectations that the sustained low power price environment will continue to depress Genco's profit margins as existing above-market hedge contracts expire.

RECOVERY ANALYSIS:

The unsecured debt ratings are notched above or below the IDR, as a result of the relative recovery prospects in a hypothetical default scenario. Fitch values the power generation assets that support the entity level debt using a net present value analysis. The generation asset net present values vary significantly based on future gas price assumptions and other variables, such as the discount rate and heat rate forecasts.

For the net present valuation of generation assets used in Fitch's recovery valuation case, Fitch uses the plant valuation provided by its third-party power market consultant, Wood Mackenzie, as an input as well as Fitch's own gas price deck and other assumptions. Condition 5

The 'RR2' senior unsecured debt recovery rating indicates superior recovery prospects given default. 'RR2' rated securities have characteristics consistent with securities historically recovering 71%-90% of current principal and related interest.

WHAT COULD TRIGGER A RATING ACTION:

--Positive rating action is not contemplated at this time.

--Sustained Deterioration In Power Prices: A significant worsening of the commodity environment could drive further downgrades.

--Liquidity Strain: An unexpected rise in capital spending to meet environmental requirements could further pressure Genco's credit metrics and affect the ratings.

Fitch has downgraded the following rating with a Negative Outlook:

Ameren Energy Generating Company

--IDR to 'B-' from 'BB-';

--Senior unsecured debt to 'B+/RR2' from 'BB-'.

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Additional information is available at 'www.fitchratings.com'. The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

Applicable Criteria and Related Research:

--'Corporate Rating Methodology' (Aug. 8, 2012);

--'Recovery Ratings and Notching Criteria for Utilities' (Nov. 12, 2012);

--'Rating North American Utilities, Power, Gas, and Water Companies' (May 16, 2012).

Applicable Criteria and Related Research:

Corporate Rating Methodology

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=684460

Condition 5

Recovery Ratings and Notching Criteria for Utilities

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=693750

Rating North American Utilities, Power, Gas, and Water Companies

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=625129

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