

**Rating Action: Moody's recalibrates South Africa's national rating scale and repositions national scale ratings of non-financial corporates**

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Global Credit Research - 11 May 2016

Johannesburg, May 11, 2016 -- Moody's Investors Service has repositioned the national scale ratings of 17 South African non-financial corporates in conjunction with the recalibration of the South African national rating scale. In addition, Moody's has publically assigned global scale ratings (GSRs) to 11 issuers for the first time.

NSRs, which provide a measure of relative creditworthiness within a single country, are derived from GSRs using country-specific maps. The adoption of a revised correspondence between Moody's GSRs and the South African national scale, and the publication of previously unpublished GSRs, follows the publication of Moody's updated methodology "Mapping National Scale Ratings from Global Scale Ratings"

[https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC\\_189032](https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC_189032) . To enhance transparency of the meaning of NSRs and to minimize the chances they will be misinterpreted, the updated methodology calls for the publication of an issuer's corresponding GSR whenever Moody's publishes an issuer's NSR. This has long been Moody's common practice. However, Moody's is now publically assigning GSRs to certain issuers that previously only had public NSRs. For more information, please see "Moody's publishes updated methodology for national scale ratings"

[https://www.moody's.com/research/--PR\\_348579](https://www.moody's.com/research/--PR_348579)

As the number of fundamental issuers in South Africa rated by Moody's has fallen below 60, the new map has been designed using the standard approach, whereby the map design is selected from a set of standard maps based upon the anchor point, or the lowest GSR that can map to a Aaa.za. Structured finance ratings are not taken into consideration in the determination of the map design. Per the standard approach, South Africa's anchor point is being lowered to Baa2, which is equal to the sovereign bond rating, from the previous level of A1. In addition, in order to clarify the meaning of NSRs, overlap -- where two GSRs can correspond to the same NSR -- has been eliminated from the South African national scale map, so every NSR now maps back to just one GSR. However, all GSRs from Baa2 to B3 will map to two ratings on the national scale, ensuring adequate opportunities for credit differentiation even at the GSRs of Baa2 and Baa3, where ratings concentrations are highest. As a result of these changes, GSRs of Ba2 and above will correspond to higher NSRs on the South African scale than they did previously, in some cases considerably so, while GSRs of B2 to Caa1 will correspond to lower NSRs.

Consequently, approximately 90% of South African fundamental issuer's primary long-term NSRs are being repositioned an average of 2.7 notches higher. However, some ratings will rise by as much as 5 notches. Certain short-term and other NSRs may be affected for these and other issuers as well. A very small number of fundamental and structured NSRs are being repositioned one to three notches lower. The repositioned NSRs of individual issuers do not signify a change in credit risk, since the GSRs for these issuers remain unchanged.

As a result of the recalibration, the level of risk associated with a particular South African NSR level (e.g. Aa2.za) has changed in many cases. NSRs have no inherent absolute meaning in terms of default risk or expected loss; they are ordinal rankings of creditworthiness relative to other domestic issuers within a given country. A historical probability of default and/or expected loss consistent with a given NSR can be inferred from the GSR to which it maps back at that particular point in time. However, both the probability of default and the expected loss of an NSR may change if and when a country's national scale is remapped.

**ISSUERS AND RATINGS AFFECTED:**

Repositioned:

..Issuer: Toyota Financial Services (South Africa) Ltd.

...NSR Backed Senior Unsecured Medium-Term Note Program, Repositioned to (P)Aaa.za from (P)Aa1.za

..Issuer: Kagiso Tiso Holdings Proprietary Limited

....NSR Issuer Rating (Local Currency), Repositioned to Baa1.za from Baa2.za

..Issuer: Consolidated Infrastructure Group Limited

....NSR Issuer Rating (Local Currency), Repositioned to A3.za from Baa2.za

..Issuer: Telkom SA SOC Limited

....NSR Issuer Rating (Local Currency), Repositioned to Aa2.za from A2.za

..Issuer: Hyprop Investments Limited

....NSR Issuer Rating (Local Currency), Repositioned to Aa3.za from A3.za

....NSR Issuer Rating (Local Currency), Repositioned to P-1.za from P-2.za

..Issuer: Fortress Income Fund Limited

....NSR Issuer Rating (Local Currency), Repositioned to Aa3.za from A3.za

....NSR Issuer Rating (Local Currency), Repositioned to P-1.za from P-2.za

..Issuer: Redefine Properties Limited

....NSR Issuer Rating (Local Currency), Repositioned to Aa2.za from A3.za

....NSR Issuer Rating (Local Currency), Repositioned to P-1.za from P-2.za

....NSR Senior Unsecured Medium-Term Note Program, Repositioned to (P)Aa2.za from (P)A3.za

....NSR Other Short Term, Repositioned to P-1.za from P-2.za

..Issuer: Growthpoint Properties Limited

....NSR Issuer Rating (Local Currency), Repositioned to Aaa.za from A1.za

....NSR Senior Unsecured Medium-Term Note Program, Repositioned to (P)Aaa.za from (P)A1.za

Assignments:

..Issuer: Kagiso Tiso Holdings Proprietary Limited

.... Issuer Rating (Local Currency), Assigned Ba2

.... Issuer Rating (Local Currency), Assigned P-3

..Issuer: Consolidated Infrastructure Group Limited

.... Issuer Rating (Local Currency), Assigned Ba2

.... Issuer Rating (Local Currency), Assigned P-3

..Issuer: Hyprop Investments Limited

.... Issuer Rating (Local Currency), Assigned P-3

.... Issuer Rating (Local Currency), Assigned Baa3

..Issuer: Fortress Income Fund Limited

.... Issuer Rating (Local Currency), Assigned P-3

.... Issuer Rating (Local Currency), Assigned Baa3

..Issuer: Redefine Properties Limited

...Senior Unsecured Medium-Term Note Program, Assigned (P)P-3

...Senior Unsecured Medium-Term Note Program, Assigned (P)Baa3

..Issuer: Growthpoint Properties Limited

...Senior Unsecured Medium-Term Note Program, Assigned (P)P-2

...Senior Unsecured Medium-Term Note Program, Assigned (P)Baa2

Affirmations:

..Issuer: Kagiso Tiso Holdings Proprietary Limited

...NSR Issuer Rating (Local Currency), Affirmed P-2.za

..Issuer: Consolidated Infrastructure Group Limited

...NSR Issuer Rating (Local Currency), Affirmed P-2.za

Confirmations:

..Issuer: Growthpoint Properties Limited

...NSR Issuer Rating (Local Currency), Confirmed at P-1.za

...NSR Senior Unsecured Medium-Term Note Program, Confirmed at (P)P-1.za

Dion Bate, Vice President-Senior Analyst is the lead analyst for Toyota Financial Services (South Africa) Ltd. credit rating and David Staples, Managing Director- Corporate Finance is the person approving this credit rating.

## RATINGS RATIONALE

NSRs are assigned by applying the published correspondence from GSRs. Where a single GSR maps to multiple NSRs, rating committees assigned higher or lower NSRs to individual issuers and debts depending on their relative credit position within the same GSR category, using the same methodologies as were used to determine the GSRs themselves.

Rationale to the assignment of the global scale ratings

Consolidated Infrastructure Group Limited (CIG)

The Ba2/P-3 local currency global scale issuer ratings reflect (1) CIG's position as a leading niche market player in Sub-Saharan Africa, with over 29 years of operating experience in its core business, Conco; (2) its strong market position in most of the sub-sectors in which it operates; (3) a growing order book of ZAR5 billion (US\$333 million), creating good visibility for the next 12 to 18 months; and (4) strong energy infrastructure spend fundamentals throughout Africa. In addition, the ratings are also supported by strong financial metrics with historically low leverage (as measured by adjusted net debt/EBITDA), 1.6x for the last twelve months to 28 February 2016.

These considerations are partially offset by (1) the small size of the Group when compared to its larger global peers; (2) the weaker institutional strength (risk of doing business) of the rest of Africa (27% of Group revenue) relative to South Africa; (3) reliance on key customers within its Conco operations (the top ten customers represent 51% of the pipeline as at 28 February 2016); (4) cyclical operating environment experienced by its building divisions (11% of Group revenues); and (5) exposure to contingent liabilities totalling ZAR1.4billion (US\$95 million) (FYE 2015) in the form of outstanding performance guarantees, although Moody's acknowledges that over the last 29 years no performance guarantees have been exercised by a customer.

Fortress Income Fund Limited (Fortress)

Fortress' Baa3/P-3 local currency global scale ratings are underpinned by its niche sector exposure to regional retail centres along key transportation nodes and recently acquired high quality logistics properties across South Africa through its acquisition of Capital Property Fund Limited (CPF), which produce stable recurring

income underpinned by positive rental increases and moderate to low vacancy rates. The ratings are also supported by (1) its moderate scale relative to peers across EMEA (Europe, Middle East and Africa) with gross assets totaling ZAR53.8 billion (USD3.5 billion); (2) strong credit metrics for its rating level which include low leverage, as measured by adjusted total debt / gross assets of 24.1% and high pro forma fixed charge coverage, as measured by adjusted EBITDA / (interest expense plus capitalised interest) of above 3.0x; (3) a broadly diversified portfolio by property sector, tenants and location with offshore listed investments providing Rand hedged foreign currency cash flows; and (4) financial flexibility to pursue debt funded investments or accommodate a moderate downturn on the portfolio.

At the same time, the ratings assigned also factor (1) exposure to a slowing South African economy, notably through its income exposure to regional shopping centres (36% of total monthly rental income) where the tenants are exposed to lower LSM (living standards measure) shoppers which are more sensitive to the state of the South African economy; (2) its equity stakes in listed local and offshore property investments, which exposes the Fund to market volatility, given it represents 46% of total tangible assets; (3) a high level of secured debt at 71% of total gross debt in its capital structure and a moderate percentage of gross assets that are encumbered of 50%, and (4) a high proportion of debt maturing in the next three years (55% of total outstanding debt).

#### Growthpoint Properties Limited (Growthpoint)

The (P)Baa2/(P)P-2 local currency global scale ratings assigned to Growthpoint's Domestic Medium Term Note (MTN) Programme refers to the issuance of senior notes under the MTN programme, which constitute direct, unconditional, unsubordinated and unsecured obligations of Growthpoint (Baa2/P-2) and rank pari passu, without any preference among themselves and, except for certain debts required to be preferred by law, equally with all other unsecured and unsubordinated obligations of the issuer from time to time outstanding.

#### Hyprop Investments Limited (Hyprop)

Hyprop's Baa3/P-3 local currency global scale issuer ratings are supported by the high quality retail portfolio, which benefits from active management producing solid, recurring retail income, supported by low vacancies (1.5% as of 31 December 2015) and well-positioned retail assets. The ratings also incorporate relatively strong credit metrics (according to our standard definitions and adjustments) as measured by total debt-to-gross assets of 29.4% and high fixed-charge cover of 3.7x and factor in Hyprop's conservative approach to development risk.

At the same time, the ratings assigned also factor (1) the moderate size of the portfolio and smaller scale of operations relative to local peers, as measured by total assets; (2) the high exposure to the retail sector, as well as high geographic concentration in the Gauteng province (56% of the South African property assets); (3) the small but growing exposure to retail properties across the rest of Africa and Central and Eastern Europe (currently Ghana (B3 negative), Zambia (B3 negative), Nigeria (B1 stable), Serbia (B1 positive) and Montenegro (Ba3 negative)) which improves diversification but increases Hyprop's operational risk and (4) high percentage of secured debt (84% of total debt) in its capital structure and the high percentage of gross assets that are encumbered (70.7% as a percentage of gross assets).

#### Kagiso Tiso Holdings Proprietary Limited (KTH)

KTH's Ba2/P-3 local currency global scale issuer ratings are supported by (1) the scale of its investment portfolio with a combined gross total portfolio value of around ZAR13.4 billion, as at 30 June 2015; (2) its moderate level of market value leverage (gross debt less cash / estimated market value of portfolio of assets) of approximately 30.7% for FYE 2015; (3) its increased influence and control of key investments; (4) the track record that KTH has developed in pursuing a conservative approach to its investment strategy and financial policies; and (5) black ownership credentials driving future value accretive transactions.

KTH's ratings also factor (1) high concentration of investments within South Africa, which are exposed to a challenging macro-economic environment; (2) our expectation that KTH's asset concentration will remain constrained as it focuses on key pillar investments, which could also begin to limit its business sector diversification; (3) a weakening interest coverage towards 1.0x from 2.3x as of 30 June 2015 (calculated as: (funds from operations at the holding company + interest expense) / interest expense) and the risk that, in a liquidity constrained environment, debt serviceability of the debt at the centre could be adversely impacted if investee companies reduce or discontinue dividend payments; and (4) KTH's complex shareholding structure of individual investments.

## Redefine Properties Limited (Redefine)

The (P)Baa3/(P)P-3 local currency global scale ratings assigned to Redefine's ZAR 10 billion Domestic Medium Term Note (MTN) Programme refers to the issuance of senior notes under the MTN programme, which constitute direct, unconditional, unsubordinated and unsecured obligations of the Redefine (Baa3/P-3) and rank pari passu, without any preference among themselves and, except for certain debts required to be preferred by law, equally with all other unsecured and unsubordinated obligations of the issuer from time to time outstanding.

## WHAT COULD CHANGE THE RATINGS -- UP AND DOWN

The NSRs would face upward or downward pressure if their corresponding GSRs are upgraded or downgraded, unless this is in conjunction with a sovereign rating action that results in another recalibration of the South African national scale with an offsetting impact on NSRs. In addition, the NSRs may be repositioned upwards (downwards) if South Africa's sovereign is downgraded (upgraded) and the map is revised accordingly, but the corresponding GSRs have not changed as a result of the sovereign action. Because of the higher granularity of national scales, NSRs may also face pressure due to changes in creditworthiness that are not sufficient to cause a change in the corresponding GSR, measured using the same methodologies used to determine the GSR.

## METHODOLOGIES USED

The principal methodology used in rating Consolidated Infrastructure Group Limited was Construction Industry published in November 2014.

The principal methodology used in rating Toyota Financial Services (South Africa) Ltd. was Global Automobile Manufacturer Industry published in June 2011.

The principal methodology used in rating Telkom SA SOC Limited was Global Telecommunications Industry published in December 2010.

The principal methodology used in rating Kagiso Tiso Holdings Proprietary Limited was Investment Holding Companies and Conglomerates published in December 2015.

The principal methodology used in rating Fortress Income Fund Limited, Growthpoint Properties Limited, Hyprop Investments Limited and Redefine Properties Limited was Global Rating Methodology for REITs and Other Commercial Property Firms published in July 2010.

Please see the Ratings Methodologies page on [www.moody.com](http://www.moody.com) for a copy of these methodologies.

Moody's National Scale Credit Ratings (NSRs) are intended as relative measures of creditworthiness among debt issues and issuers within a country, enabling market participants to better differentiate relative risks. NSRs differ from Moody's global scale credit ratings in that they are not globally comparable with the full universe of Moody's rated entities, but only with NSRs for other rated debt issues and issuers within the same country. NSRs are designated by a ".nn" country modifier signifying the relevant country, as in ".za" for South Africa. For further information on Moody's approach to national scale credit ratings, please refer to Moody's Credit rating Methodology published in May 2016 entitled "Mapping National Scale Ratings from Global Scale Ratings". While NSRs have no inherent absolute meaning in terms of default risk or expected loss, a historical probability of default consistent with a given NSR can be inferred from the GSR to which it maps back at that particular point in time. For information on the historical default rates associated with different global scale rating categories over different investment horizons, please see

[https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC\\_189530](https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_189530) .

## REGULATORY DISCLOSURES

The rating for MDY: 823102129, NSR LT Issuer Rating, ISSUER RATING, ZAR of Consolidated Infrastructure Group Limited was initially assigned on 09 Mar 2012 and the last Credit Rating Action was taken on 09 Mar 2012.

The rating for MDY: 823102129, NSR ST Issuer Rating, ISSUER RATING, ZAR of Consolidated Infrastructure Group Limited was initially assigned on 09 Mar 2012 and the last Credit Rating Action was taken on 09 Mar 2012.

The rating for MDY: 824813304, NSR LT Issuer Rating, ISSUER RATING, ZAR of Fortress Income Fund Limited was initially assigned on 30 Nov 2015 and the last Credit Rating Action was taken on 30 Nov 2015.

The rating for MDY: 824813304, NSR ST Issuer Rating, ISSUER RATING, ZAR of Fortress Income Fund Limited was initially assigned on 30 Nov 2015 and the last Credit Rating Action was taken on 30 Nov 2015.

The rating for MDY: 823165426, NSR LT Issuer Rating, ISSUER RATING, ZAR of Hyprop Investments Limited was initially assigned on 07 Jun 2012 and the last Credit Rating Action was taken on 07 Jun 2012.

The rating for MDY: 823165426, NSR ST Issuer Rating, ISSUER RATING, ZAR of Hyprop Investments Limited was initially assigned on 07 Jun 2012 and the last Credit Rating Action was taken on 07 Jun 2012.

The rating for MDY: 823086032, NSR LT Issuer Rating, ISSUER RATING, ZAR of Kagiso Tiso Holdings Proprietary Limited was initially assigned on 17 Jan 2012 and the last Credit Rating Action was taken on 17 Jan 2012.

The rating for MDY: 823086032, NSR ST Issuer Rating, ISSUER RATING, ZAR of Kagiso Tiso Holdings Proprietary Limited was initially assigned on 17 Jan 2012 and the last Credit Rating Action was taken on 17 Jan 2012.

The rating for MDY: 807720798, NSR LT Issuer Rating, ISSUER RATING, ZAR of Telkom SA SOC Limited was initially assigned on 07 Apr 2008 and the last Credit Rating Action was taken on 16 Dec 2011.

The rating for MDY: 807720798, LT Issuer Rating, ISSUER RATING of Telkom SA SOC Limited was initially assigned on 23 Jun 2005 and the last Credit Rating Action was taken on 01 Oct 2012.

The rating for MDY: 807720798, LT Issuer Rating, ISSUER RATING, ZAR of Telkom SA SOC Limited was initially assigned on 20 Jul 2004 and the last Credit Rating Action was taken on 01 Oct 2012.

The rating for MDY: 808855662, NSR LT Senior Unsecured MTN, SOUTH AFRICAN MTN PROGRAM, ZAR of Toyota Financial Services (South Africa) Ltd. was initially assigned on 11 Mar 2014 and the last Credit Rating Action was taken on 04 Dec 2014.

The rating for MDY: 808855662, LT Senior Unsecured MTN, SOUTH AFRICAN MTN PROGRAM, ZAR of Toyota Financial Services (South Africa) Ltd. was initially assigned on 30 Nov 2005 and the last Credit Rating Action was taken on 03 Dec 2014.

The rating for MDY: 822628834, NSR LT Senior Unsecured MTN, SOUTH AFRICAN MTN PROGRAM, ZAR of Redefine Properties Limited was initially assigned on 06 Sep 2011 and the last Credit Rating Action was taken on 06 Sep 2011.

The rating for MDY: 822628834, NSR ST Senior Unsecured MTN, SOUTH AFRICAN MTN PROGRAM, ZAR of Redefine Properties Limited was initially assigned on 06 Sep 2011 and the last Credit Rating Action was taken on 06 Sep 2011.

The rating for MDY: 822581068, NSR LT Issuer Rating, ISSUER RATING, ZAR of Redefine Properties Limited was initially assigned on 30 Jun 2011 and the last Credit Rating Action was taken on 30 Jun 2011.

The rating for MDY: 822581068, NSR ST Issuer Rating, ISSUER RATING, ZAR of Redefine Properties Limited was initially assigned on 30 Jun 2011 and the last Credit Rating Action was taken on 30 Jun 2011.

The rating for MDY: 822581068, LT Issuer Rating, ISSUER RATING, ZAR of Redefine Properties Limited was initially assigned on 30 Jun 2011 and the last Credit Rating Action was taken on 30 Jun 2011.

The rating for MDY: 822581068, ST Issuer Rating, ISSUER RATING, ZAR of Redefine Properties Limited was initially assigned on 30 Jun 2011 and the last Credit Rating Action was taken on 30 Jun 2011.

The rating for MDY: 821834963, NSR LT Issuer Rating, ISSUER RATING, ZAR of Growthpoint Properties Limited was initially assigned on 20 Oct 2009 and the last Credit Rating Action was taken on 11 March 2016.

The rating for MDY: 821834963, NSR ST Issuer Rating, ISSUER RATING, ZAR of Growthpoint Properties Limited was initially assigned on 20 Oct 2009 and the last Credit Rating Action was taken on 11 March 2016.

The rating for MDY: 821835006, NSR LT Senior Unsecured MTN, SOUTH AFRICAN MTN PROGRAM, ZAR

of Growthpoint Properties Limited was initially assigned on 20 Oct 2009 and the last Credit Rating Action was taken on 11 March 2016.

The rating for MDY: 821835006, NSR ST Senior Unsecured MTN, SOUTH AFRICAN MTN PROGRAM, ZAR of Growthpoint Properties Limited was initially assigned on 20 Oct 2009 and the last Credit Rating Action was taken on 11 March 2016.

Only credit rating actions issued by Moody's Investors Service South Africa (Pty) Ltd are considered for the purpose of this disclosure.

Please see the ratings tab on the issuer page on [www.moody's.com](http://www.moody's.com) for additional rating history details. The date on which some ratings were first released goes back to a time before Moody's ratings were fully digitized and accurate data may not be available. Consequently, Moody's provides a date that it believes is the most reliable and accurate based on the information that is available to it.

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.moody's.com](http://www.moody's.com).

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

Moody's considers a rated entity or its agent(s) to be participating when it maintains an overall relationship with Moody's. On this basis, these rated entities or their agent(s) are considered to be participating entities. The rated entities or their agent(s) generally provide Moody's with information for the purposes of their ratings process.

**Affirmation:** An Affirmation is a public statement that the current Credit Rating assigned to an issuer or debt obligation, which is not currently under review, continues to be appropriately positioned.

**Baseline Credit Assessment (BCA):** Baseline credit assessments (BCAs) are opinions of issuers' standalone intrinsic strength, absent any extraordinary support from an affiliate or a government. Baseline Credit Assessments are not Credit Ratings.

**Capital Expenditures, or Capex:** This includes gross expenditures for property, plant and equipment and intangible assets.

**Confirmation:** A Confirmation is a public statement that a previously announced review of a rating has been completed without a change to the rating.

**Corporate Family Rating:** Moody's Corporate Family Ratings (CFRs) are long-term ratings that reflect the likelihood of a default on a corporate family's contractually promised payments and the expected financial loss suffered in the event of default. A CFR is assigned to a corporate family as if it had a single class of debt and a single consolidated legal entity structure.

**Credit Rating:** A Credit Rating is an opinion from Moody's Investors Service (MIS) regarding the creditworthiness of an entity, a debt or financial obligation, debt security, preferred share or other financial instrument, or of an issuer of such a debt or financial obligation, debt security, preferred share or other financial instrument, issued using an established and defined ranking system of rating categories.

**Debt:** Long term debt (including liability for capital leases) plus short term debt plus current portion of long term

debt. May also be adjusted to include other long term obligations, such as leases and pensions.

**Default Dependence:** Default dependence reflects the joint susceptibility of a Government-Related Issuer and its supporting government to adverse circumstances that simultaneously move them closer to default. Default dependence is reflected as one of four levels: low (30%), moderate (50%), high (70%) and very high (90%).

**EBIT:** Pre-tax income plus interest

**EBITA:** EBIT plus amortisation of intangible assets. EBITA and EBITDA may be used as an indication of earnings available to service debt and capital expenses.

**EBITDA:** EBIT plus depreciation plus amortisation of intangible assets. EBITA and EBITDA may be used as an indication of earnings available to service debt and capital expenses.

**Extraordinary Support:** Extraordinary support is defined as action taken by a supporting government to prevent a default by a regional or local government (RLG) or a Government-Related Issuer (GRI) and can take different forms, ranging from a formal guarantee to direct cash infusions to facilitating negotiations with lenders to enhance access to needed financing. Support is categorized into five ranges: low (0% - 30%), moderate (31% - 50%), strong (51% - 70%), high (71% - 90%) and very high (91% - 100%).

**Free Cash Flow (FCF):** Cash flow from operations, less capital expenditures and dividends.

**Funds from Operations (FFO):** Cash flow from operations before changes in working capital and changes in other short term and long term operating assets and liabilities.

**Global Scale Long Term Credit Rating:** Long-term ratings are assigned to issuers or obligations with an original maturity of one year or more and reflect both on the likelihood of a default on contractually promised payments and the expected financial loss suffered in the event of default.

**Global Scale Ratings:** Ratings assigned on Moody's global long-term and short-term rating scales are forward-looking opinions of the relative credit risks of financial obligations issued by non-financial corporates, financial institutions, structured finance vehicles, project finance vehicles, and public sector entities.

**Global Scale Short Term Credit Rating:** Short-term ratings are assigned to obligations with an original maturity of thirteen months or less and reflect the likelihood of a default on contractually promised payments.

**GRI (Government-Related Issuer):** GRI is an entity with full or partial government ownership or control, a special charter, or a public policy mandate from the national, regional or local government. Moody's generally uses 20% as the minimum government ownership level before considering an issuer to be a GRI.

**Interest Burden:** The ratio of interest payments to operating revenue.

**Issuer:** The term Issuer means any entity by which a Security has been issued, guaranteed, or by which the credit underlying a Security has been otherwise supported. The term Issuer also includes the corporate parent or majority-owned subsidiary of an Issuer.

**Issuer Rating:** Issuer Ratings are opinions of the ability of entities to honor senior unsecured financial counterparty obligations and contracts.

**Moody's Financial Adjustments, or "Adjustments" or "as-Adjusted" statistics:** Moody's adjusts financial statements to better reflect the underlying economics of transactions and events and to improve the comparability of financial statements. Moody's computes credit-relevant ratios using adjusted data and base our debt ratings, in part, on those ratios.

**National Scale Long Term Rating:** Moody's long-term National Scale Ratings (NSRs) are opinions of the relative creditworthiness of issuers and financial obligations within a particular country. NSRs are not designed to be compared among countries; rather, they address relative credit risk within a given country.

**National Scale Short Term Rating:** Moody's short-term NSRs are opinions of the ability of issuers in a given country, relative to other domestic issuers, to repay debt obligations that have an original maturity not exceeding one year. Short-term NSRs in one country should not be compared with short-term NSRs in another country, or with Moody's global ratings.

**Net Debt:** Debt, less cash and cash-like current assets on the balance sheet.



**Net Direct or Indirect Debt:** Net Direct and Indirect Debt is a broad measure of the stock of debt, capturing debt instruments issued by a sub-sovereign government and other debt for which the government may become responsible. Net direct and indirect debt is calculated by subtracting, from total direct and indirect debt, financial assets dedicated to debt retirement, such as sinking fund assets, and any debt related to guarantees and government-majority-owned enterprises deemed to be financially self-supporting.

**Operating Expenditures:** Recurrent spending needed to support core operations. For regional and local governments, this would include wages, supplies or costs of public services. For corporations, this would include the costs of goods sold and general and administrative expenses.

**Operating Margin:** The ratio of operating revenue less operating expenditures over operating revenue, which measures the issuer's ability to contain operating expenditures below operating revenues.

**Operating Revenue:** For regional and local governments, this represents recurrent income such as taxes and central government transfers, used for government's core operations. For corporations, this represents income received from the sale of goods and services.

**Outlook:** An Outlook is an opinion regarding the likely direction of an issuer's rating over the medium term.

**Rating Outlook:** A Moody's rating outlook is an opinion regarding the likely rating direction over the medium term. Rating outlooks fall into four categories: Positive (POS), Negative (NEG), Stable (STA), and Developing (DEV). Outlooks may be assigned at the issuer level or at the rating level.

**Rating Review:** A rating review indicates that a rating is under consideration for a change in the near term. A rating can be placed on review for upgrade (UPG), downgrade (DNG), or more rarely with direction uncertain (UNC). A review may end with a rating being upgraded, downgraded, or confirmed without a change to the rating. Ratings on review are said to be on Moody's "Watchlist" or "On Watch".

**Retained Cash Flow (RCF):** Funds from operations less common dividends, preferred dividends and minority dividends

**Short-term Debt:** The short-term debt includes debt instruments with a maturity of less than one year and the current portion of long-term borrowings.

**Withdrawn:** When Moody's no longer rates an obligation on which it previously maintained a rating, the symbol WR is employed.

For further information on these definitions or on Moody's ratings symbols, please consult the Rating Symbols and Definitions document on [www.moody.com](http://www.moody.com)

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see [www.moody.com](http://www.moody.com) for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on [www.moody.com](http://www.moody.com) for additional regulatory disclosures for each credit rating.

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