



EMEA Corporate View 2Q18

How Fitch Forecasts Have Evolved During the Last 12 Months

2018 Leverage Forecasts Revised Upwards

Fitch Ratings' leverage expectations for EMEA have been revised upwards, driven by the industrial, consumer and healthcare, and TMT sectors. The subsector with the biggest year-on-year increase in median leverage forecast is pharmaceuticals, reflecting the completion of Bayer/Monsanto merger, and a recent surge in debt-funded investments to support evolving business models (eg Sanofi and GSK) whilst maintaining traditionally high shareholder returns. Within EMEA, the Middle East and Africa region shows the largest decrease in leverage compared to 2Q17, with the median leverage figure benefiting from the improved leverage metrics of utilities- and transport-rated issuers within the region.

Free cash flow margin forecasts are lower across most of EMEA compared to 2Q17, with CIS countries seeing a slight improvement which is partially driven by improved conditions for Russian corporates.

Decrease in Negative Outlooks

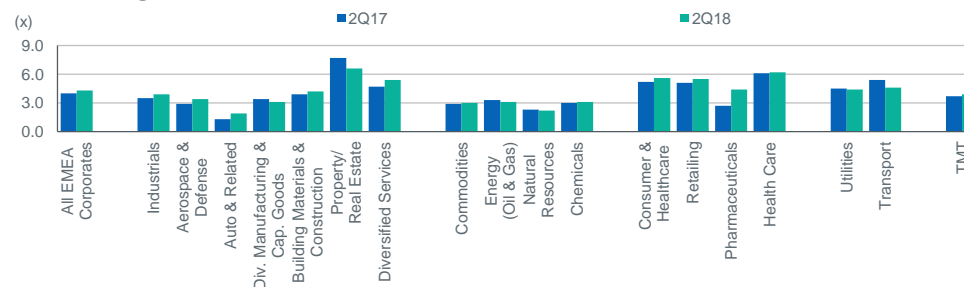
Negative Outlooks have come down across most sectors. Companies within the TMT sector are showing the biggest improvement with the count of Negative Outlooks decreasing to nine in 2Q18 from 13 in 2Q17. The declining trend in Negative Outlooks within TMT does not necessarily indicate improved conditions as it has been accompanied by negative rating actions. BT Group and VodafoneZiggo have been downgraded in the last three months as an increase in leverage led to credit profiles no longer being commensurate with their respective rating category.

Free cash-flow margin forecasts in the telecom sector have also weakened over the last year. This partly reflects lower forecasts for Russian companies, where we expect tightening regulation within the sector to put pressure on free cash flows, mainly via increased investments, with shareholder remuneration policies becoming more important in the shaping of leverage profiles.

Commodities Sector Forecasts Improved

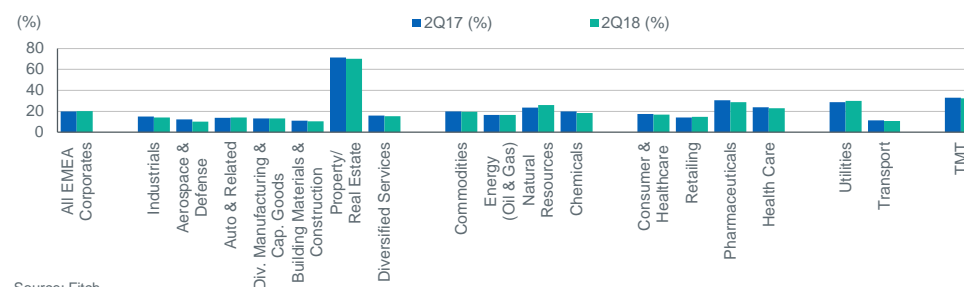
Oil and gas and natural resources are the only subsectors where our forecasts have improved year-on-year for all four key metrics of free cash flow margin, operating EBITDA margin, FFO fixed charge cover and FFO adjusted leverage. The improvement in expectations, while modest, reflects the increase in commodity prices over the last year while companies have continued to focus on managing cash outgoings for capex and dividends. However, the outlook for the mining sector has become more clouded in recent months due to trade tensions between the US and China.

2018 Leverage Forecasts 2Q17 vs. 2Q18



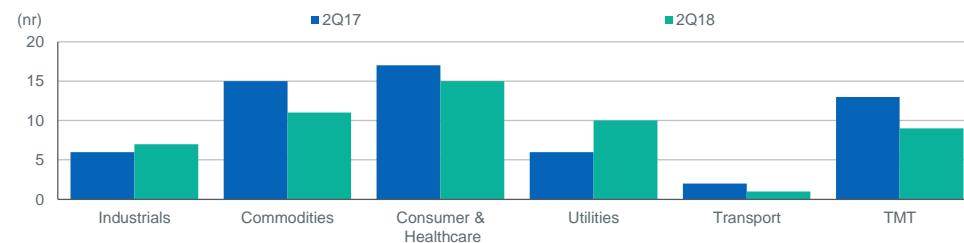
Source: Fitch

2018 EBITDA Margin Forecasts 2Q17 vs. 2Q18



Source: Fitch

Negative Outlooks per Sector Group



Source: Fitch

EMEA Corporate: Changes in 2018 Forecasts by Region, 2Q17 Over 2Q18 (Credit Opinions are Included)

Market Sectors (International Ratings)	FCF Margin (%)		Operating EBITDA Margin (%)		FFO Fixed Charge Coverage (x)			FFO Adjusted Leverage (x)			Negative Outlooks			Positive Outlooks			Average IDR
	2Q17	2Q18	2Q17	2Q18	2Q17	2Q18	2Q17	2Q18	2Q17	2Q18	2Q17	2Q18	(%)	2Q17	2Q18	(%)	
All EMEA Corporates	1.5	1.2 ↓	19.8	20.3 ↑	4.0	4.0 →	4.0	4.3 ↑	59	53	8	↓	47	62	10	↑	BB
Industrials	2.1	1.6 ↓	15.0	14.1 ↓	4.6	4.2 ↓	3.5	3.9 ↑	6	7	5	↑	11	17	11	↑	B+
Aerospace & Defence	0.9	1.5 ↑	12.2	10.2 ↓	4.6	4.2 ↓	2.9	3.4 ↑	0	0	0	→	1	2	29	↑	BBB-
Auto & Related	1.6	1.1 ↓	13.8	14.0 ↑	9.2	10.9 ↑	1.3	1.9 ↑	0	1	5	↑	4	3	16	↓	BB+
Div. Manufacturing & Cap. Goods	3.0	1.8 ↓	13.3	13.2 ↓	4.1	4.5 ↑	3.4	3.1 ↓	1	2	6	↑	2	4	11	↑	B+
Building Materials & Construction	2.0	1.6 ↓	11.0	10.4 ↓	4.0	3.9 ↓	3.9	4.2 ↑	3	1	5	↓	2	0	0	↓	BB+
Property/Real Estate	-21.8	-53.7 ↓	71.4	70.1 ↓	4.8	4.7 ↓	7.7	6.6 ↓	0	0	0	→	1	0	0	↓	BBB-
Diversified Services	6.2	4.1 ↓	16.0	15.3 ↓	2.9	2.8 ↓	4.7	5.4 ↑	2	3	8	↑	1	8	21	↑	B
Commodities	1.0	0.9 ↓	19.9	19.6 ↓	5.8	6.0 ↑	2.9	3.0 ↑	15	11	11	↓	10	16	16	↑	BB
Oil & Gas	-0.1	0.7 ↑	16.5	16.6 ↑	5.3	5.5 ↑	3.3	3.1 ↓	7	3	7	↓	1	6	14	↑	BBB-
Natural Resources	2.9	3.0 ↑	23.5	26.1 ↑	6.7	8.1 ↑	2.3	2.2 ↓	2	2	8	→	4	7	25	↑	BB
Chemicals	1.8	0.5 ↓	19.8	18.2 ↓	6.1	6.1 →	3.0	3.1 ↑	6	6	19	→	5	3	10	↓	B+
Consumer & Healthcare	3.3	2.7 ↓	17.3	16.8 ↓	2.8	2.7 ↓	5.2	5.6 ↑	17	15	10	↓	14	14	9	→	B
Retailing	2.0	1.7 ↓	14.0	14.6 ↑	2.6	2.5 ↓	5.1	5.5 ↑	13	6	6	↓	8	11	10	↑	B
Pharmaceuticals	6.6	7.2 ↑	30.4	28.6 ↓	11.3	7.0 ↓	2.7	4.4 ↑	2	4	45	↑	0	0	0	→	A-
Healthcare	6.3	6.5 ↑	23.8	23.0 ↓	2.8	2.9 ↑	6.1	6.2 ↑	2	4	13	↑	6	3	10	↓	B
Utilities	-3.5	-5.2 ↓	28.7	29.9 ↑	4.8	4.9 ↑	4.5	4.4 ↓	6	10	9	↑	1	3	3	↑	BBB
Transportation	-0.3	-0.3 →	11.4	10.6 ↓	2.5	2.5 →	5.4	4.6 ↓	2	1	3	↓	3	1	3	↓	BB-
Telecom, Media and Technology	3.1	1.9 ↓	33.0	32.3 ↓	3.5	3.6 ↑	3.7	3.9 ↑	13	9	10	↓	8	11	16	↑	B+
Media & Entertainment	5.0	5.5 ↑	19.6	18.7 ↓	3.4	3.3 ↓	4.2	4.2 →	2	2	11	→	5	2	17	↓	B
Technology	5.8	6.0 ↑	24.9	18.4 ↓	4.2	3.7 ↓	3.7	4.4 ↑	1	1	5	→	1	4	25	↑	B
Telecommunications	1.7	1.2 ↓	34.7	35.5 ↑	3.5	3.8 ↑	3.5	3.7 ↑	10	6	12	↓	2	5	12	↑	BB-

Direction and colour of arrow indicate movement in trend. Credit Opinions are included in the above data
Source: Fitch

EMEA Corporates: Changes in 2018 Forecasts by Region, 2Q17 Over 2Q18 (Credit Opinions Are Included) (Cont.)

Regions (International Ratings)	FCF Margin (%)		Operating EBITDA Margin (%)		FFO Fixed Charge Coverage (x)		FFO Adjusted Leverage (x)		Negative Outlooks			Positive Outlooks			Average IDR
	2Q17	2Q18	2Q17	2Q18	2Q17	2Q18	2Q17	2Q18	2Q17	2Q18	(%)	2Q17	2Q18	(%)	
Developed	2.1	1.6 ↓	18.6	17.8 ↓	3.8	3.6 ↓	4.6	4.9 ↑	38	40	8 ↑	37	47	10 ↑	B+
Emerging	-0.6	-0.8 ↓	24.6	25.5 ↑	4.6	5.0 ↑	3.0	2.8 ↓	21	13	8 ↓	10	16	10 ↑	BB+
MEA	-2.0	-3.3 ↓	27.3	25.7 ↓	3.1	3.8 ↑	3.8	3.2 ↓	8	6	19 ↓	2	1	6 ↓	BBB-
Western Europe	2.1	1.6 ↓	18.5	18.0 ↓	3.8	3.6 ↓	4.6	4.9 ↑	38	40	8 ↑	37	48	10 ↑	B+
Developing Europe	-0.2	-2.3 ↓	18.7	17.5 ↓	6.9	7.7 ↑	3.5	3.4 ↓	5	3	11 ↓	0	0	0 →	BBB-
CIS	-0.6	-0.2 ↑	25.5	26.4 ↑	4.2	4.6 ↑	2.4	2.6 ↑	8	4	5 ↓	8	13	15 ↑	BB

↓ Negative Decline. → Unchanged. ↑ Positive Increase. ↗ Negative Increase. ↘ Positive Decline. IDR – Issuer Default Rating. NM – Not meaningful. Credit Opinions are included in the above data
 Source: Fitch

EMEA Portfolio Credit Trends

Key Trends To Watch in Emerging EMEA

Emerging-market issuers are likely to face more challenging economic and financial conditions as the US moves ahead with quantitative tightening, and interest rates continue to rise. The expected end of ECB quantitative easing in 2H18 and start of its monetary policy tightening in 2019 will add to these pressures. Within emerging EMEA, Ukraine and Turkey are most vulnerable to rising global interest rates and quantitative tightening. Vulnerabilities are primarily driven by unhedged foreign-currency debt exposures among companies whose revenues are primarily or entirely domestic. However, FX risks are encapsulated in corporate ratings in both countries.

EMEA Corporates Remain on Deleveraging Path

Despite higher 2018 leverage forecasts than a year ago, our post 2018 forecasts for EMEA corporates indicate a steady yet subtle decrease in FFO adjusted leverage, along with a moderation in capex/CFO following a peak for emerging EMEA in 2019. We expect both western European and developing European corporates to show improved FFO generation after 2018, with the latter operating from a higher base number. Aerospace and defence issuers might see some positive rating actions and improved leverage metrics in 2H18 and 2019 as companies begin to reap the benefits of prior restructuring measures contributing to overall stronger cash flows.

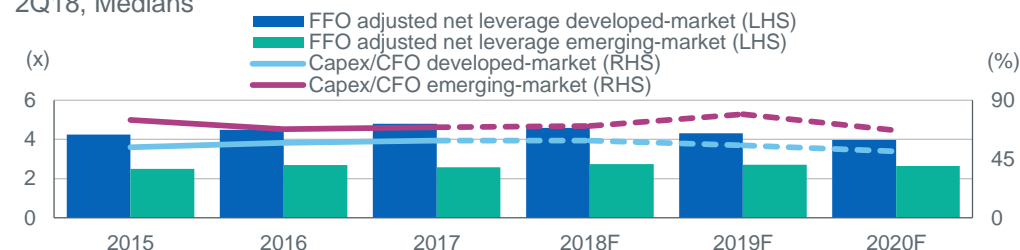
Consumer and Healthcare Leads on Downgrades

The consumer and healthcare sector has experienced the most downgrades over the last year. Several of these have been among non-food retailers, where highly leveraged companies are especially vulnerable as the trend for growing online sales is increasing their cost base, whilst operating in a weak market with limited ability to make the necessary investments to overcome the current challenges. Pharmaceutical company downgrades have also contributed to the trend, and four out of six major European pharma companies remain on Negative Outlook. Issuers within the sector are exposed to pricing pressures, increased leverage due to M&A, and consistently high shareholder returns.

Commodities Sector Ratings Improve

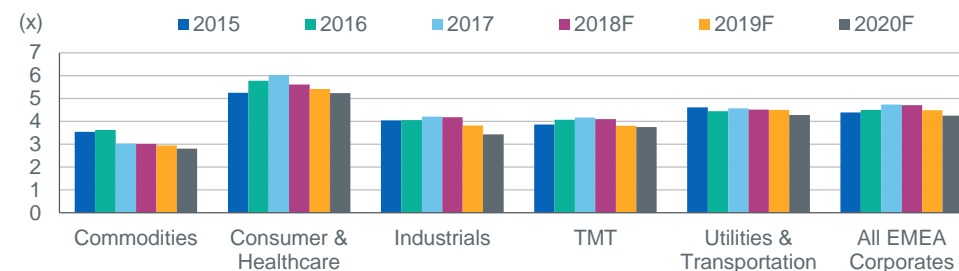
Upgrades outpaced downgrades by a factor of six-to-one in the commodities sector over the last year, reflecting the improved business and financial profiles at many firms, helped by rising commodity prices and conservative cash management. Positive Outlooks in the sector also continue to outnumber Negative ones, suggesting the upward trend in ratings could continue. However, this situation could change if trade tensions escalate further.

EMEA Corporate Leverage and Capex Evolution 2Q18, Medians



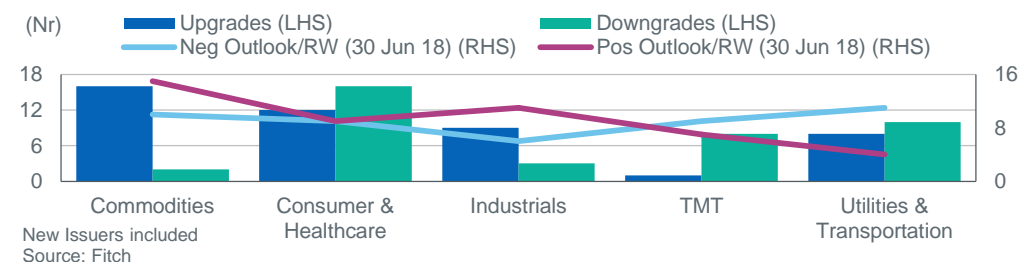
Source: Fitch

EMEA Corporate FFO Leverage Evolution



Source: Fitch

Upgrades & Downgrades by Sector 2Q17 to 2Q18

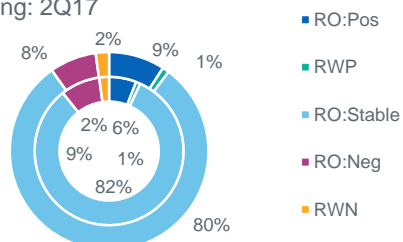


New Issuers included
Source: Fitch

EMEA Rating and Outlook Charts (Publicly Rated Issuers Only)

Outlook Distribution 2Q17 vs. 2Q18

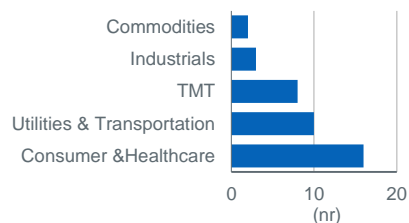
Outer ring: 2Q18
Inner ring: 2Q17



Source: Fitch; RO = Rating Outlook; RW = Rating Watch

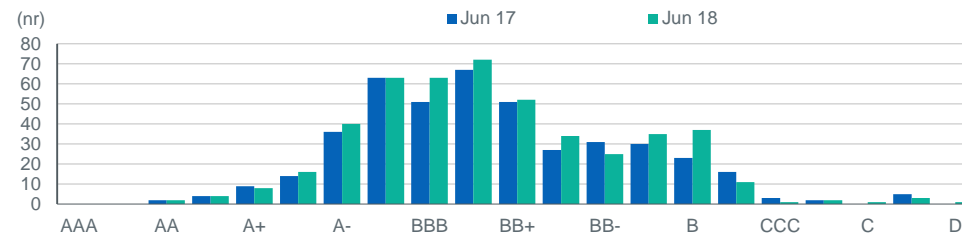
Downgrades by Sector

Jun 17 to Jun 18



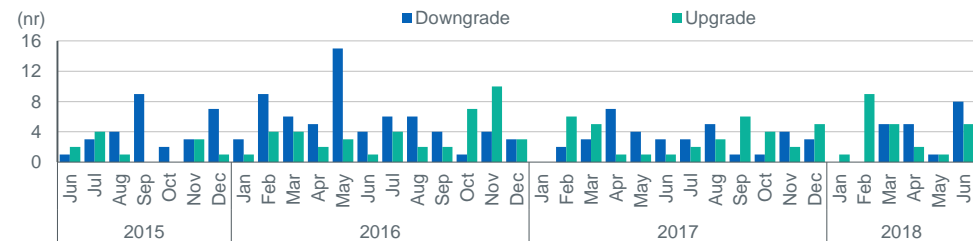
Source: Fitch

EMEA Corporate Rating Distribution



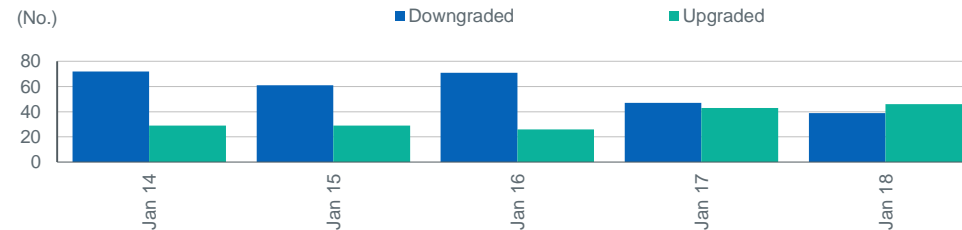
Source: Fitch

EMEA Corporate Rating Actions



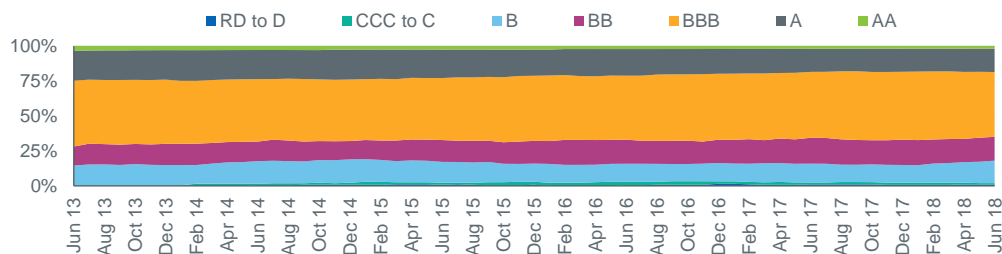
Source: Fitch

LTM Up-/Downgrades



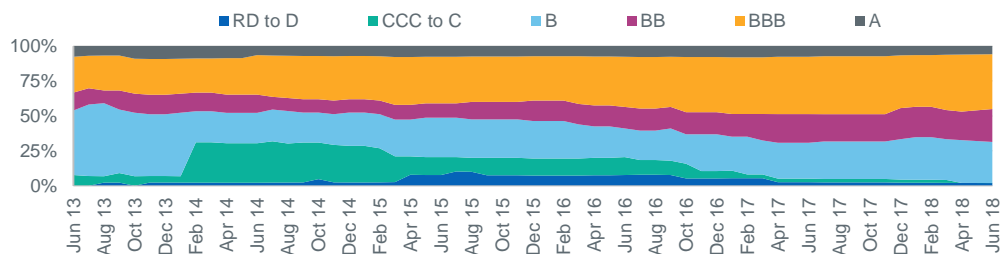
Source: Fitch

Developed European Corporate Rating Category Mix



Source: Fitch

Emerging European Corporate Rating Category Mix



Source: Fitch

Key EMEA Corporate Rating Actions in 2Q18

Action	Comment
Fitch Upgrades Evraz Group to 'BB'	The upgrade reflects Evraz's reduction of net debt to USD4 billion, leading to funds from operations (FFO) adjusted gross leverage of 2.4x and FFO adjusted net leverage of 1.8x at end-2017. Our rating case assumes some moderation in steel prices after a peak in 2018 on the back of lower raw material costs and forecasts an increase in FFO adjusted gross and net leverage in 2019 and 2020.
Fitch Downgrades BT Group plc to 'BBB'; Outlook Stable	The rating downgrades reflect our expectation of an increase in BT's leverage to levels that is more consistent with a 'BBB' rating and that the company may be free cash-flow (FCF)-negative after dividends for the next three to four years. The increase is driven by a combination of factors that includes sizeable pension contributions, reduced FFO and higher capital expenditure for both mobile spectrum investments and increased roll-out of fibre in the UK.
Fitch Assigns First-Time 'BBB-(EXP)' IDR to Petrofac; Unsecured Debt 'BBB-(EXP)'	Petrofac's IDR reflects the group's strong position within engineering and construction and its specific experience and strength in the oil and gas segment. Low oil prices and a Serious Fraud Office (SFO) investigation appeared to potentially weaken the group's future project workflows, but recent bid successes, along with improvements in the oil markets, are mitigating these concerns.
Fitch Downgrades Bayer to 'A-'; Stable Outlook	The rating actions follow Bayer's announcement regarding the expected closure of its Monsanto acquisition on 7 June 2018 and the final funding structure of the deal. The one-notch downgrade reflects our expectations that Bayer will deleverage toward funds from operations (FFO) adjusted net leverage of 3x over the next four years thanks to solid free cash flow (FCF) generation capacity post-merger.
Fitch Downgrades IKKS to 'CC', Off Rating Watch Negative	The downgrade to 'CC' from 'CCC' (RWN) reflects two successive breaches of covenants in December 2017 and March 2018, combined with a worsening liquidity position (the EUR33 million revolving credit facility remained fully drawn at end-March 2018). IKKS met its January 2018 coupon payment, but we see increasing risk to its ability to meet its next coupon payments and a material threat of a liquidity shortage from September 2018, if no new funding is agreed upon.
Fitch Upgrades Kazanorgsintez to 'B+'; Outlook Stable	The upgrade follows clarity on the scale of KOS's planned expansion projects over the next three years. It reflects our view that KOS will maintain a conservative financial profile, with funds from operations (FFO) adjusted net leverage comfortably below our negative guideline of 3x in 2018-2021, even as the company resumes expansionary investments.
Fitch Assigns Vivo Energy plc First-Time IDR 'BB+'	Vivo Energy's IDR is constrained at 'BB+' by the group's limited geographic diversification and the concentration of its operations in Africa. Its post IPO financial structure, together with management's intention to run the business with lease-adjusted net debt/EBITDA below 1.5x, supports the rating. The rating also reflects Vivo Energy's inherent cash-generative profile and Fitch's view of generally stable fuel demand through the cycle.
Fitch Downgrades Fortum to 'BBB'; Stable Outlook	The ratings downgrade reflects the completion of the acquisition of a 47.35% stake in Uniper SE, which has changed Fortum's business profile and raised its leverage. As a result of this transaction, we estimate that about 12% of Fortum's cash flows will come from Uniper's dividends.
Fitch Revises Alrosa's Outlook to Positive; Affirms at 'BB+'	The revised Outlook reflects our reassessment of the linkage between Alrosa and the Russian Federation (BBB-/Positive) under Fitch's Government-Related Entities (GRE) Rating Criteria. Specifically, Alrosa's linkage with the state would justify a single-notch uplift to its standalone credit profile, which in our view is commensurate with a 'BB+' rating.
Fitch Upgrades ENTEGA Netz to 'BBB'; Stable Outlook	The upgrade reflects Fitch's expectations of ENTEGA Netz's sustainably improved financial leverage metrics with a projected funds from operations (FFO) adjusted net leverage of around 5.0x. It is also supported by a continuing credit consolidation of the wider group under ENTEGA AG, with improving operating and stable financial profiles in line with our forecasts.

Source: Fitch

Key EMEA Corporate Rating Actions in 2Q18 (Cont.)

Action	Comment
Fitch Revises Unilever Outlook to Stable from Negative; Affirms at 'A+'	The revision of the Outlook to Stable stems from the company's improving organic growth capacity, strengthening operating profitability and healthy free cash-flow (FCF) generation that we project for 2018-21, together with Fitch's expectations of no further material increases in shareholder distributions from 2019 or large M&A spending.
Fitch Downgrades Techem to 'B+', Places on RWN	The rating action on the IDR reflects Fitch's expectations of a material releveraging following the recent sale of Techem to a group of investors led by Partners Group, which is likely to lead to more than a one-notch downgrade from the previous 'BB-' IDR. The RWN for the senior secured debt reflects our expectations of a significantly increased amount of first lien debt, issued within the existing restricted group.
Fitch Rates Petroleum Geo-Services 'B-', Outlook Positive	PGS's 'B-' rating and Positive Outlook take into account (i) its high market share and its positioning at the upper end of the market; (ii) its manageable and improving liquidity profile; and (iii) deleveraging capacity and ability to generate positive free cash flow (FCF) over the next few years due to lower capex, cost-cutting initiatives and a gradual market recovery in 2018-19.
Fitch Downgrades VodafoneZiggo to 'B+'; Outlook Stable	We continue to expect an easing in market conditions. However, Fitch does not now expect the business to reduce funds from operations (FFO) net leverage to below its downgrade threshold of 5.2x in the medium term, and hence the downgrade.
Fitch Removes Akzo from Watch Negative; Assigns Negative Outlook, and Affirms at 'BBB+'	The Negative Outlook is driven by our view of a potentially more shareholder-friendly financial policy relative to the size of the continuing business under the new management team, in part reflecting the presence of activist shareholders on the company's register. This could include structurally higher dividends and the risk of higher M&A activity as part of the ongoing consolidation of the global paints and coatings sector.
Fitch Assigns Swedish Property SBB First-Time IDR 'BB'; Outlook Positive	The rating of SBB reflects its strong rental income profile and SEK23 billion (as of end-2017) property portfolio with moderate geographical diversification. The stability of SBB's rental income is supported by low-risk residential rents, which contribute roughly 25% of group net operating income (NOI) and have long average tenant tenures. These rating positives are partially offset by SBB's higher leverage than international peers'.

Source: Fitch

Key EMEA Corporate Ratings on the Cusp — Potential Fallen Angels/Rising Stars

Issuer	Rating	Outlook	Market Sector	Country
GKN Holdings PLC	BBB-	Negative Watch	Auto & Related	UNITED KINGDOM
PJSC MMC Norilsk Nickel	BBB-	Negative Watch	Natural Resources	RUSSIAN FEDERATION
Cellnex Telecom S.A.	BBB-	Negative Outlook	Telecommunications	SPAIN
Daily Mail and General Trust Plc	BBB-	Negative Outlook	Media & Entertainment	UNITED KINGDOM
OCP S.A.	BBB-	Negative Outlook	Chemicals	MOROCCO
Oman Telecommunications Company S.A.O.G.	BBB-	Negative Outlook	Telecommunications	OMAN
Oman Electricity Transmission Company SAOC	BBB-	Negative Outlook	Utilities - Non US	OMAN
Mazoon Electricity Company SAOC	BBB-	Negative Outlook	Utilities - Non US	OMAN
thyssenkrupp AG	BB+	Positive Watch	Natural Resources	GERMANY
Alcoa Nederland Holding B.V.	BB+	Positive Outlook	Natural Resources	NETHERLANDS
Peugeot S.A.	BB+	Positive Outlook	Auto & Related	FRANCE
GIE PSA Tresorerie	BB+	Positive Outlook	Auto & Related	FRANCE
Samvardhana Motherson Automotive Systems Group BV	BB+	Positive Outlook	Auto & Related	NETHERLANDS
PJSC ALROSA	BB+	Positive Outlook	Natural Resources	RUSSIAN FEDERATION
PAO SIBUR Holding	BB+	Positive Outlook	Chemicals	RUSSIAN FEDERATION

Source: Fitch

Outlooks

Fitch Credit Outlooks 2018

Fitch 2018 Outlook: Western European Corporates (December 2017)

Analysts

Simon Kennedy

+44 0203 530 1387

simon.kennedy@fitchratings.com

Vera Heesters

+44 0203 530 1293

vera.heesters@fitchratings.com

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTPS://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://fitchratings.com/understandingcreditratings) IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEB SITE AT [WWW.FITCHRATINGS.COM](http://www.fitchratings.com). PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

Copyright © 2018 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.