# Petroleos Mexicanos (Pemex)

## Full Rating Report

### Ratings

**Foreign Currency**

| | |
|---|---|
| Long-Term IDR | BBB+ |
| Senior Unsecured | BBB+ |
| **Local Currency** | |
| Long-Term IDR | BBB+ |
| **National Rating** | |
| Long-Term Rating | AAA(mex) |
| Short-Term Rating | F1+(mex) |

IDR – Issuer Default Rating. FC – Foreign currency. LC – Local currency.

### Rating Outlooks

| | |
|---|---|
| Long-Term FC IDR | Negative |
| Long-Term LC IDR | Negative |

### Financial Data

**Petroleos Mexicanos (Pemex)**

| (USD Mil.) | 12/31/16 | 12/31/15 |
|---|---|---|
| Revenue | 57,800 | 73,489 |
| EBITDA | 19,236 | 18,617 |
| EBITDA Margin (%) | 33.3 | 25.3 |
| FFO | (2,369) | (3,194) |
| FCF | (15,116) | (13,836) |
| Cash and Marketable Securities | 7,888 | 6,356 |
| Total Adjusted Debt | 95,660 | 86,792 |
| Total Adjusted Debt/ EBITDAR (x) | 5.0 | 4.7 |
| FFO-Adjusted Leverage (x) | 53.3 | (431.1) |
| EBITDA/Gross Interest Expense (x) | 4.0 | 4.7 |

### Related Research

Oil and Gas — 2017 Sector Briefing (February 2017)

Oil & Gas: Global Picture (Fitch Ratings' Annual Business Breakfast Presentation in Moscow) (February 2017)

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## Key Rating Drivers

**Strong Government Linkage:** Petroleos Mexicanos (Pemex) is Mexico's largest company and one of the central government's major sources of funds, contributing 25%–30% of government revenue through various royalties and taxes. During the past five years, transfers to the government averaged 45% of sales, or 83% of adjusted EBITDA. As a result, the company's balance sheet weakened, with a significant increase in debt and negative equity since year-end 2009. Current debt lacks an explicit guarantee from the Mexican government.

**Strategic Importance for Energy Security:** Linkage to the sovereign arises from the company's strategic importance in the supply of liquid fuels to Mexico. A financial crisis at the oil company would potentially disrupt Mexico's liquid fuel supply, which could have material social and economic consequences for the county. Liquid fuel supply is a fundamental input into the production of almost all goods as well as the mobility of goods and labor in Mexico.

**Symbolic Government Support:** Mexico's support to Pemex is evidenced by the Ministry of Finance's public statements of support, announced modest capital injections and marginal tax reductions. This support so far is more symbolic than material, and Fitch Ratings expects the government to execute more meaningful supportive actions when needed. In 2016, the government injected MXN73.5 billion into Pemex, of which MXN47 billion was used to fund pensions. The company also received MXN15.0 billion of credit lines from development banks.

**Weak Credit Quality:** Pemex's stand-alone credit quality would be in line with a Long-Term Issuer Default Rating of 'B–' if it were not owned by the state and if the government did not provide financial support. This stand-alone view assumes the government will continue to extract large amounts of funds from Pemex in the form of taxes, duties and royalties, resulting in weak FFO. The company's stand-alone credit profile weakened in recent years by the significant increase in debt issued primarily to cover the large transfers to the government.

**Capex Cuts Reduce Production:** Fitch expects production to continue declining over the next few years. This is the result of significant exploration and development capex cuts in order to counter the decline in oil prices and high transfers to the government. The diversification of the oil production asset base, with the Cantarell field representing close to 10% of oil production, reduces the risk of large production declines. Still, Fitch estimates production could decline 5% per year going forward. Pemex expects 2017 crude production to average 1.9 mmbbl/d.

## Rating Sensitivities

**Negative Rating Action:** A negative rating action could be triggered by a downgrade of the sovereign's rating, the perception of a lower degree of linkage between the company and the sovereign, and/or a substantial deterioration in credit metrics.

**Positive Rating Action:** Although not expected in the short term, an upgrade of ratings could result from an upgrade of the sovereign coupled with strong operating and financial performance and/or a material reduction in Pemex's tax burden.

## Recent Events

### Upcoming Farmouts and Migration

In June and July 2017, Pemex expects to put out for bid the Ayin-Batsil shallow water blocks and the Ogarrio and Cardenas-Mora onshore blocks, respectively. These farmouts may have a relatively short lead time before first oil is produced due to the types of formation and existing infrastructure and/or production in place. More importantly, Pemex is aiming to migrate the Ek-Balam block into a new contract, which will reduce royalties and taxes for this particular asset without decreasing ownership. More migrations of this type in the future will be essential for the company to increase its ability to retain internal cash flow generation by reducing government take.

### Trion Farmout

In March 2017, Pemex and BHP Billiton Plc signed an agreement to develop the deepwater Trion block. The Trion block has 485 million barrels of crude oil equivalent proven, probable and possible reserves. This contract is very positive in the long term as incremental production is estimated to come online by 2023 with lower government take and minimal cash outflows. The success of this farmout could be positive for the company as it could facilitate the execution of additional farmout.

### Deepwater Partnership

In February 2017, Pemex signed a contract with Chevron Corporation and INPEX Corporation for the development of Block 3's deepwater exploration and production license won in the last bidding round in December 2016. This was the first association contract signed since the energy reform. Each company has approximately one-third participation in the partnership. This will be positive in the long-term as the field is undeveloped and first oil could occur between five to eight years from now. The license does however have a significantly lower government take. This will help Pemex retain incremental cash from operations in the future while developing this field with partners helps the company diversify and share the exploration risk.

### High Transfers to the Government

During 2016, transfers to the federal government in the form of royalties, taxes and duties continued to be elevated at approximately 88% of EBITDA. In 2016, transfers to the government amounted to approximately MXN364.6 billion in the form royalties, duties and some above the line extraction taxes. Fitch estimates EBITDA for 2016 was MXN359.3 billion.

### Gasoline Price Liberalization

In January 2017, Mexico took the first steps in deregulating fuel prices by increasing gasoline and diesel prices by 15%–20%. The price liberalization aims at establishing a competitive fuel market without government price controls by eliminating subsidies and/or targets them to specific low-income groups. Fuel price liberalization would recognize Pemex's wholesale international reference price adjusted for quality, transportation and handling costs. Price liberalization is key to attracting private participation in the downstream and fuel commercialization industry.

**Related Criteria**

Criteria for Rating Non-Financial Corporates (March 2017)

## Financial Overview

### Fitch Financial Adjustments — Summary Financials

| (MXN Mil., As of Dec. 31, 2016) | Reported Values | Sum of Fitch Adjustments | Adjusted Values |
|---|---|---|---|
| **Income Statement Summary** | | | |
| Revenue | 1,079,507 | 0 | 1,079,507 |
| Impairment Reversal | — | (246,256) | (246,256) |
| Pension Costs | — | 109,832 | 109,832 |
| Cost of Goods Sold | 588,581 | 0 | 725,005 |
| Selling, General and Administrative Expenses | 127,414 | 0 | 127,414 |
| Operating EBIT | 359,267 | 0 | 227,088 |
| Depreciation and Amortization | 132,178 | 0 | 132,178 |
| Operating EBITDA | 491,445 | 0 | 359,266 |

Source: Fitch.

## Liquidity and Debt Structure

Liquidity is supported by cash on hand of approximately USD7.9 billion as of Dec. 31, 2016. The company issued bonds in the amounts of USD5.5 billion in December 2016 and EUR4.25 billion in February 2017. The proceeds of the issuances will be used to finance capital investments, pay upcoming maturities and for general corporate purposes. The debt amortization schedule is well balanced, with somewhat manageable short-term debt maturities. During 2016, Pemex successfully implemented several liability management operations in order to extend its amortization profile.

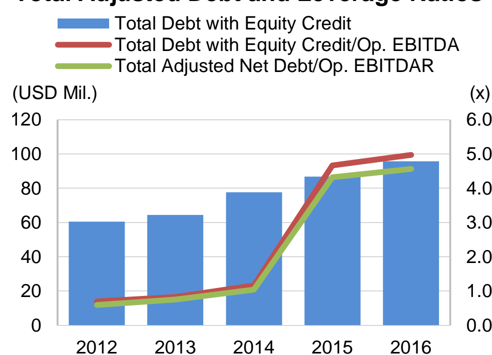
Liquidity is further bolstered by pretax cash flow generation supported by a competitive operational cost structure. The company's available undrawn committed revolving credit lines amounted to USD2.6 billion as of February 2017. Fitch estimates operating cash costs to be less than USD20 per barrels of oil equivalent (boe), including interest costs and full allocation of administrative expenses to the upstream business.

### Debt Maturities and Liquidity

| (USD Mil., As of Dec. 31, 2016) | |
|---|---|
| Current Maturities | 8,498 |
| Two Years | 6,143 |
| Three Years | 7,824 |
| Four Years | 9,625 |
| Five Years | 17,668 |
| Beyond Five Years | 45,902 |
| Cash Flow from Operations | (5,708) |
| Cash | 7,888 |
| Undrawn Committed Facilities | 4,800 |

Source: Company reports.

### Total Adjusted Debt and Leverage Ratios




Source: Company reports.

## Pension Liabilities Analysis

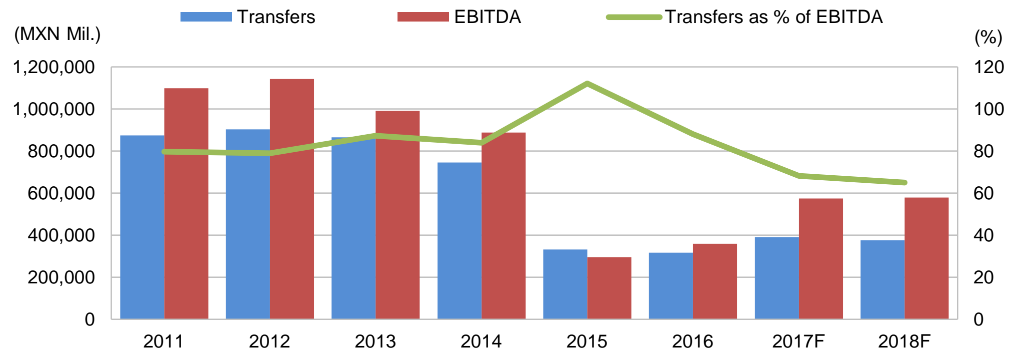
Although Pemex significantly benefited from pension reform, matching contributions from the Mexican government and Mexican peso depreciation, the company's unfunded pension obligations and post-employment benefits (POPEB) continue to be sizable at approximately USD59.0 billion as of December 2016. POPEBs decreased significantly from approximately USD98.6 billion as of March 2015 before the company concluded pension reform. Fitch expects POPEB liabilities to continue growing over the medium term from a post-restructuring amount as employees who were not covered by the reform and do not opt to migrate to the new pension plan approach retirement age.

Fitch estimates POPEB adjusted leverage as of year-end 2016 was approximately 7.5x, down from approximately 10.0x prior to the pension reform. Annual contributions to fund the POPEB plan are somewhat manageable and during 2016, 2015 and 2014 totaled MXN60.4 billion, MXN49.2 billion and MXN38.0 billion, respectively. These contributions to the POPEB plan were marginally higher than the payments by the pension fund of approximately MXN50.0 billion per year, marginally increasing pension plan assets. The funds available under the plan compare unfavorably with POPEB liabilities of MXN1.22 trillion, or USD59 billion, as of 2016.

## Cash Flow Analysis

Sizable transfers to the central government significantly affect cash flow generation from operations. This forces the company to raise external financing in the form of incremental debt to cover investments. During 2016, Pemex transferred around 88% of EBITDA to the government in the form of taxes and royalties, and reported negative FFO as a result. The company covered 2016 negative FCF of USD15.1 billion mostly with debt issuance, and the debt trajectory indicates debt could surpass USD100 billion by 2017. Leverage, as measured by total debt/EBITDA in U.S. dollar-denominated terms, was 5.0x as of December 2016. Total debt/proved reserves grew to more than USD10.0/boe from USD6.3/boe as of year-end 2014. Leverage could reach USD14.0/boe over the next two to three years absent further changes to reduce the tax burden.

**Transfers to Government Versus EBITDA**

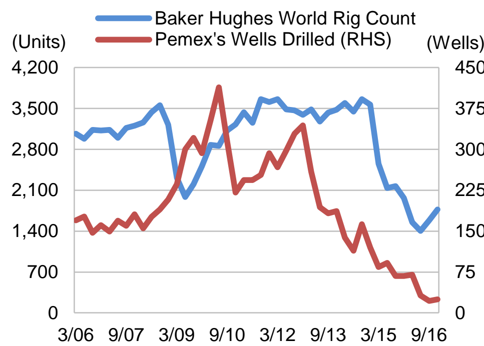



F – Forecast
Source: Petroleos Mexicanos (Pemex), Fitch.

In order to mitigate the downturn of global hydrocarbon prices as well as continued steep transfers to the central government, Pemex implemented a budgetary cut of MXN100 billion in 2016, most of which affected capital investments. The reductions, while helping stem somewhat the significant negative FCF, will still negatively affect operating metrics as production will continue to decrease in the short term and reserve replacement will continue to be very low. The reduction in investment translated into a 52% reduction in exploratory and developmental drilling during 2016, which Fitch estimates could result in average production declines of approximately 5% per year.

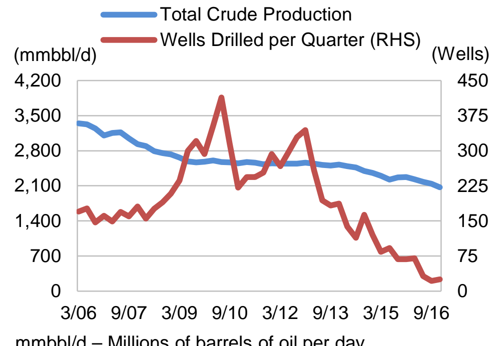
During 2016, Pemex drilling was at the lowest level in the past 10 years with 149 exploration and development wells, down from 312 wells drilled in 2015 and from a peak of 1,302 wells drilled per year in 2010. Drilling activity significantly declined since year-end 2012, before the decline in oil prices, and fell more severely than the rest of the world. Pemex's crude oil production target for 2017 is approximately 1.944 mmbbl/d, a decrease of approximately 8.7% from the 2.154 mmbbl/d in 2016.

### Earlier Drilling Decline



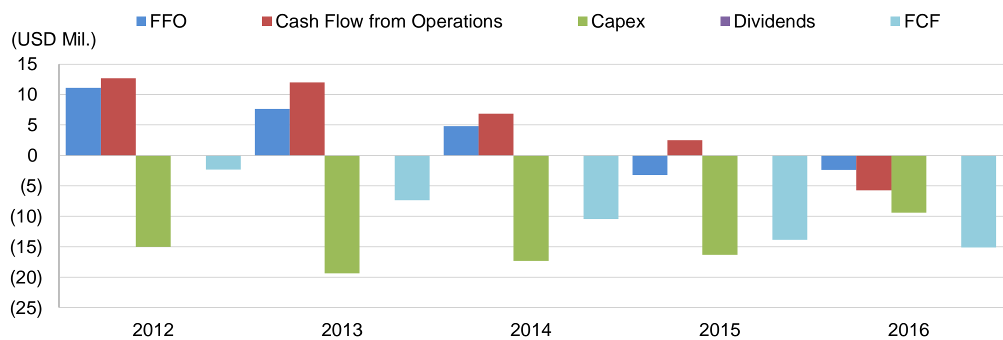

Source: Fitch.

### Pemex Production and Drilling




mmbbl/d – Millions of barrels of oil per day.
Source: Fitch.

### Cash Flow Performance



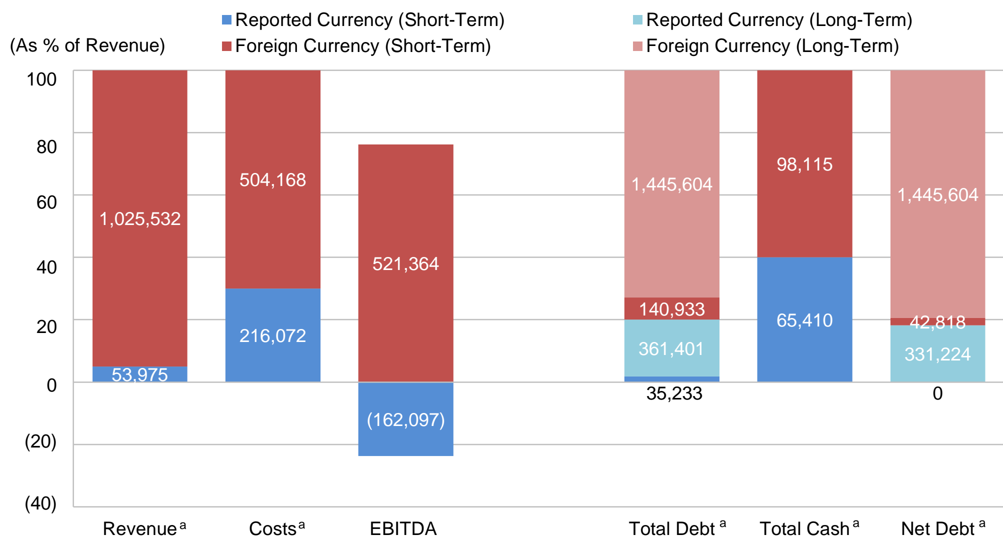

Source: Company reports.

## FX Screener

The *Fitch FX Screener* chart below shows Fitch's estimates of the foreign currency (FC) and the local currency split between Pemex's debt, sales and operating costs. The chart illustrates the relative proportions rather than specific figures, thereby acknowledging the limitations of calculating the currency splits for a given financial year.

### Fitch FX Screener

(Petroleos Mexicanos (Pemex) — BBB+/Outlook Negative, MXN Mil., As of Dec. 16, 2016)




[a]Note: Post hedge, absolute figures displayed are Fitch's analytical estimates, based on publicly available information.
Source: Fitch.

Fitch considers Pemex's foreign exchange exposure to be low. The bulk of revenue and cash flow generation are based in U.S. dollars, or are U.S. dollar linked, and a significant portion of debt is U.S. dollar denominated. Pemex marginally benefited from the recent Mexican peso depreciation, as a portion of costs are denominated in local currency. This depreciation, coupled with declining oil services costs globally, allowed the company to decrease costs before extraction taxes to approximately USD6.0/boe in 2016 from USD8.2/boe in 2014.

Financial debt is 17% Mexican pesos denominated, and the balance is U.S. dollar denominated and other currencies. The company's balance sheet benefited somewhat from the Mexican peso depreciation, as pension liabilities are entirely denominated in the local currency. Pemex reduced POPEB liabilities by approximately USD14.0 billion to USD59.0 billion as of December 2016 from approximately USD73.0 billion as of year-end 2015 and USD99.9 billion in 2014.

## Peer and Sector Analysis

### Peer Group Analysis

| (USD Mil.) | Ecopetrol S.A. | Petroleo Brasileiro S.A. (Petrobras) | Petroleos Mexicanos (Pemex) | Petroleos de Venezuela S.A. (PDVSA) |
|---|---|---|---|---|
| LTM as of | 12/31/16 | 9/30/16 | 12/31/16 | 12/31/15 |
| Long-Term IDR | BBB | BB | BBB+ | CC |
| Rating Outlook | Stable | Negative | Negative | N.A. |
| **Financial Statistics** | | | | |
| Revenue | 15,645 | 82,149 | 57,800 | 55,339 |
| Revenue Growth (%) | (8.4) | (24.3) | (7.4) | (47.4) |
| Operating EBITDA | 5,297 | 21,035 | 19,236 | 13 |
| Operating EBITDA Margin (%) | 33.9 | 25.6 | 33.3 | 0.0 |
| FCF | 1,643 | 4,073 | (15,116) | (2,491) |
| Total Debt with Equity Credit | 17,403 | 122,656 | 95,660 | 43,716 |
| Readily Available Cash and Equivalents | 4,591 | 22,365 | 7,888 | 5,821 |
| FFO | 4,783 | 20,165 | (2,369) | 20,814 |
| Capex | (1,913) | (15,005) | (9,408) | (18,106) |
| **Credit Metrics (x)** | | | | |
| Operating EBITDA/Interest Paid | 6.6 | 4.0 | 4.0 | 0.2 |
| Total Debt with Equity Credit/Operating EBITDA | 3.2 | 5.7 | 5.5 | 98.2 |
| FFO Interest Coverage | 6.7 | 4.6 | 0.3 | 8.8 |

IDR – Issuer Default Rating. N.A. – Not applicable.
Source: Fitch.

## Company Profile

Pemex, Mexico's state oil and gas company, is the nation's largest company and ranks among the world's largest vertically integrated petroleum enterprises. The company held the exclusive right to exploit hydrocarbon resources of Mexico with limited private sector participation from 1938 to year-end 2013, when the government opened the industry to private participation. As of December 2016, Pemex reported total liquid oil production of 2.2 mmbbl/d and gas production of 5.87 billion cubic feet per day.

The company reported hydrocarbon proved (1P) reserves of 8.6 billion boe as of year-end 2016. Proved reserves life was 8.1 years as of 2016 and the reserve replacement rate (RRR) was 4%. The RRR is expected to remain significantly low during 2017 as Pemex continues implementing significant investment cuts to make up for the decrease in global oil prices.

## Peer Group

| Issuer | Country |
|---|---|
| **BBB** | |
| Ecopetrol S.A. | Colombia |
| **BB** | |
| Petroleo Brasileiro S.A. (Petrobras) | Brazil |
| **CC** | |
| Petroleos de Venezuela S.A. (PDVSA) | Venezuela |

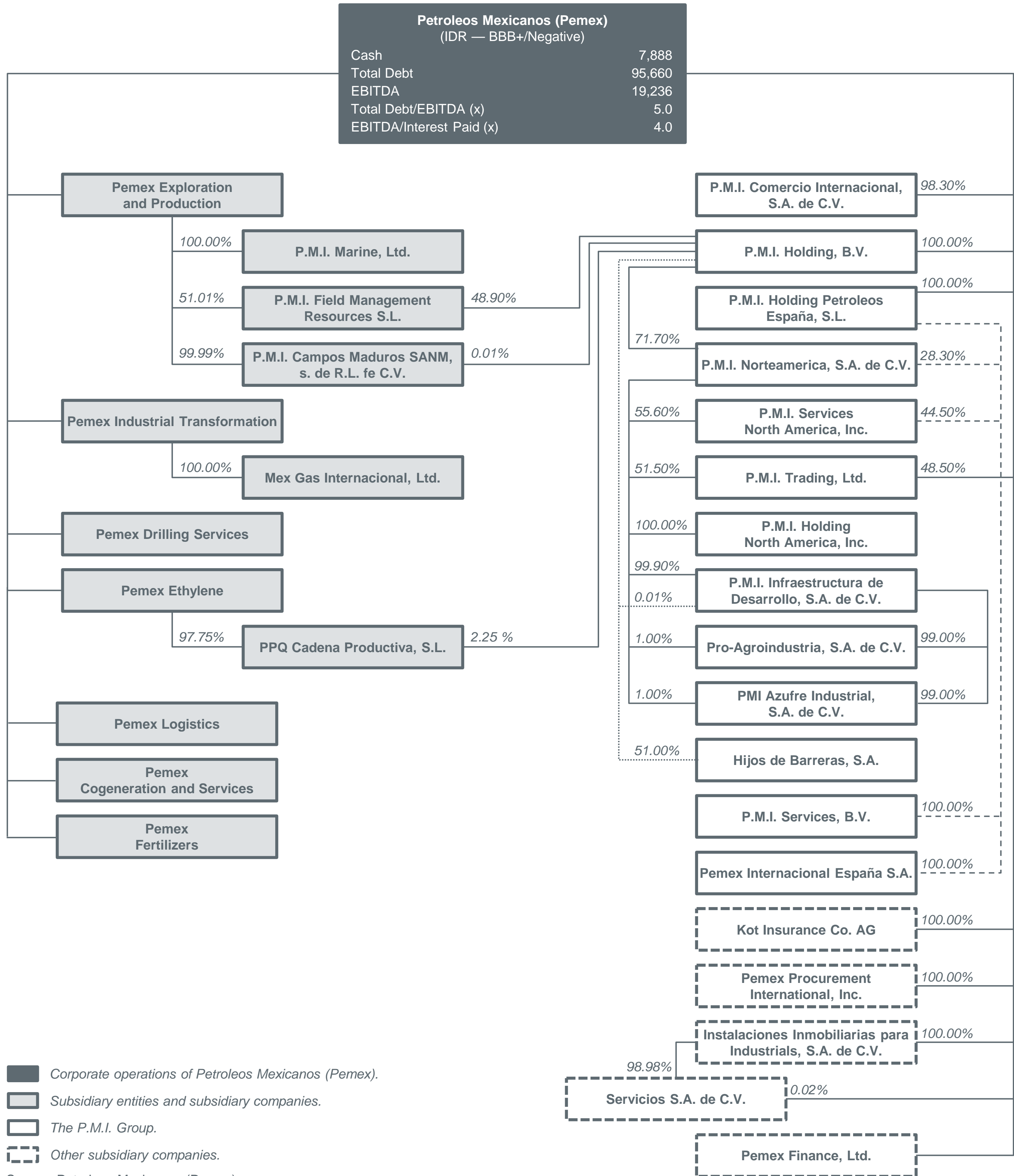
## Issuer Rating History

| Date | LT IDR (FC) | Outlook/ Watch |
|---|---|---|
| Dec. 9, 2016 | BBB+ | Negative |
| Sept. 27, 2016 | BBB+ | Stable |
| July 1, 2016 | BBB+ | Stable |
| Oct. 5, 2015 | BBB+ | Stable |
| May 7, 2015 | BBB+ | Stable |
| May 9, 2014 | BBB+ | Stable |
| May 14, 2013 | BBB+ | Stable |
| June 29, 2012 | BBB | Stable |
| July 8, 2011 | BBB | Stable |
| May 4, 2010 | BBB | Stable |
| Jan. 26, 2009 | BBB | Stable |
| Sept. 21, 2007 | BBB | RWP |
| April 2, 2007 | BBB– | Positive |
| April 24, 2006 | BBB– | Stable |
| Dec. 7, 2005 | BBB– | Stable |
| Nov. 24, 2004 | BBB– | Stable |
| Jan. 15, 2002 | BBB– | Stable |
| May 3, 2000 | BB+ | Positive |
| April 11, 2000 | BB | RWP |
| March 9, 2000 | BB | — |

LT IDR – Long-term Issuer Default Rating. FC – Foreign currency. RWP – Rating Watch Positive.
Source: Fitch.

During 2016, the Mexican government injected approximately MXN73.5 billion of capital into Pemex to help bolster liquidity and cover pension payments. In addition to these payments, the government established a USD6.5/boe average cost deduction floor for tax purposes, which represented approximately MXN38.5 billion of tax savings during 2016. The tax savings from this reform will approach zero if the realization price is above USD57 per barrel. Pemex also received credit lines in an aggregate amount of MXN15 billion from the country's development banks: Banco Nacional de Obras y Servicios Públicos, S.N.C. (Banobras); Nacional Financiera, S.N.C. (Nafinsa); and Banco Nacional de Comercio Exterior, S.N.C. (Bancomext). Also, as a part of the energy reform, a new royalty program was announced, under which the cost cap applied to Pemex's realized price per barrel would be calculated by progressive rates depending on the year, rather than a flat cost cap. This was modified in April 2016 with a floor to the cost-cap deduction.

**Consolidated Organizational Structure — Petroleos Mexicanos (Pemex)**
(USD Mil., As of Dec. 31, 2016)




Source: Petroleos Mexicanos (Pemex).

### Key Forecast Assumptions

Fitch's expectations are based on the agency's internally produced, conservative rating case forecasts. They do not represent the forecasts of rated issuers individually or in aggregate.

Key Fitch forecast assumptions include:

- West Texas Intermediate (WTI) crude prices average USD50.0/per barrel (bbl) in 2017, increasing to USD62.5/bbl in the long term.
- Petroleos Mexicanos (Pemex) continues to face difficulties in increasing production during the next four years.
- Production declines by an average of 5% per year.
- Pemex will receive support from the sovereign.

## Forecast Summary — Petroleos Mexicanos (Pemex)

| | Historical | | Fitch Forecast | | |
|---|---|---|---|---|---|
| (MXN Mil.) | 12/31/15 | 12/31/16 | 12/31/17 | 12/31/18 | 12/31/19 |
| **Summary Income Statement** | | | | | |
| Gross Revenue | 1,166,362 | 1,079,507 | 1,325,601 | 1,383,465 | 1,490,812 |
| Revenue Growth (%) | (26.5) | (7.4) | 22.8 | 4.4 | 7.8 |
| Operating EBITDA | 295,471 | 359,267 | 573,855 | 578,352 | 592,464 |
| Operating EBITDA Margin (%) | 25.3 | 33.3 | 43.3 | 41.8 | 39.7 |
| Operating EBITDAR | 295,471 | 359,267 | 573,855 | 578,352 | 592,464 |
| Operating EBITDAR Margin (%) | 25.3 | 33.3 | 43.3 | 41.8 | 39.7 |
| Operating EBIT | (154,387) | 363,512 | 417,867 | 412,521 | 417,646 |
| Operating EBIT Margin (%) | (13.2) | 33.7 | 31.5 | 29.8 | 28.0 |
| Gross Interest Expense | (67,774) | (98,866) | (111,105) | (117,883) | (129,170) |
| Pretax Income | (381,067) | 10,507 | 306,762 | 294,638 | 288,476 |
| **Summary Balance Sheet** | | | | | |
| Readily Available Cash | 109,369 | 163,525 | 106,770 | 90,407 | 115,008 |
| Total Debt with Equity Credit | 1,493,382 | 1,983,171 | 2,057,005 | 2,229,655 | 2,467,446 |
| Total Adjusted Debt with Equity Credit | 1,493,382 | 1,983,171 | 2,057,005 | 2,229,655 | 2,467,446 |
| Net Debt | 1,384,013 | 1,819,646 | 1,950,235 | 2,139,247 | 2,352,438 |
| **Summary Cash Flow Statement** | | | | | |
| Operating EBITDA | 295,471 | 359,267 | 573,855 | 578,352 | 592,464 |
| Recurring Associate Dividends Less Distributions to NCI | — | — | 0 | 0 | 0 |
| Cash Interest Paid | (62,719) | (88,776) | (111,105) | (117,883) | (129,170) |
| Implied Interest Cost (%) | 4.8 | 5.1 | 5.5 | 5.5 | 5.5 |
| Cash Interest Received | — | — | 0 | 0 | 0 |
| Cash Tax | (383,435) | (314,074) | (390,823) | (375,432) | (398,280) |
| Other Items Before FFO | 99,994 | (664) | 0 | (0) | 0 |
| Funds Flow from Operations | (50,689) | (44,247) | 71,928 | 85,037 | 65,014 |
| FFO Margin (%) | (4) | (4) | 5 | 6 | 4 |
| Change in Working Capital | 90,307 | (62,359) | (20,660) | (4,858) | (9,012) |
| Cash Flow from Operations (Fitch Defined) | 39,618 | (106,606) | 51,267 | 80,179 | 56,001 |
| Total Non-Operating/Nonrecurring Cash Flow | — | — | — | — | — |
| Capex | (259,213) | (175,716) | — | — | — |
| Capital Intensity (Capex/Revenue) (%) | 22.2 | 16.3 | — | — | — |
| Common Dividends | — | — | — | — | — |
| Net Acquisitions and Divestitures | 4,381 | 18,776 | — | — | — |
| Capex, Dividends, Acquisitions and Other Items Before FCF | (254,832) | (156,940) | (181,856) | (269,192) | (269,192) |
| FCF After Acquisitions and Divestitures | (215,214) | (263,546) | (130,589) | (189,013) | (213,190) |
| FCF Margin After Net Acquisitions (%) | (18.5) | (24.4) | (9.9) | (13.7) | (14.3) |
| Other Investing and Financing Cash Flow Items | — | 14,037 | 0 | 0 | 0 |
| Net Debt Proceeds | 187,652 | 230,165 | 73,834 | 172,650 | 237,791 |
| Net Equity Proceeds | 10,000 | 73,500 | 0 | 0 | 0 |
| Total Change in Cash | (17,562) | 54,156 | (56,755) | (16,363) | 24,600 |
| **Coverage Ratios (x)** | | | | | |
| FFO Interest Coverage | (0.0) | 0.3 | 1.6 | 1.7 | 1.5 |
| FFO Fixed-Charge Coverage | (0.0) | 0.3 | 1.6 | 1.7 | 1.5 |
| Operating EBITDAR/Gross Interest Expense and Rents[a] | 4.7 | 4.0 | 5.2 | 4.9 | 4.6 |
| Operating EBITDA/Gross Interest Expense[a] | 4.7 | 4.0 | 5.2 | 4.9 | 4.6 |
| **Leverage Ratios (x)** | | | | | |
| Total Adjusted Debt/Operating EBITDAR[a] | 5.1 | 5.5 | 3.6 | 3.9 | 4.2 |
| Total Adjusted Net Debt/Operating EBITDAR[a] | 4.7 | 5.1 | 3.4 | 3.7 | 4.0 |
| Total Debt with Equity Credit/Operating EBITDA[a] | 5.1 | 5.5 | 3.6 | 3.9 | 4.2 |
| FFO-Adjusted Leverage | (504.4) | 64.4 | 11.2 | 11.0 | 12.7 |
| FFO-Adjusted Net Leverage | (467.4) | 59.1 | 10.7 | 10.5 | 12.1 |

[a]EBITDA/R after dividends to associates and minorities. NCI – Noncontrolling interests.

**HOW TO INTERPRET THE FORECAST PRESENTED:** The forecast presented is based on the agency's internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch's rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch's forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch's own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch's own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch's own internal deliberations, where Fitch, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch may update the forecast in future reports but assumes no responsibility to do so.
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