



## Fitch Upgrades 5 Spanish PSEs on Sovereign Action

Fitch Ratings-Barcelona-25 January 2018: Fitch Ratings has upgraded five Spanish public sector entities' (PSEs) Long- and Short-Term Issuer Default Ratings (IDRs) The Outlook is now Stable. Their respective bond issues/senior unsecured ratings have also been upgraded. A full list of rating actions is below.

### KEY RATING DRIVERS

The upgrade follows a similar rating action on Spain on 19 January 2018 (see 'Fitch Upgrades Spain to 'A-'; Outlook Stable' at [www.fitchratings.com](http://www.fitchratings.com)), as the five PSEs are credit-linked to the Spanish government under our "Rating of Public Sector Entities - Outside the United States" criteria. The Stable Outlook reflects that on the Spanish sovereign's.

The ratings of Administrador de Infraestructuras Ferroviarias (ADIF) ADIF-Alta Velocidad, Corporacion de Reservas Estrategicas de Productos Petroliferos (CORES) and Sociedad Estatal de Participaciones Industriales (SEPI) are equalised with those of the Spain, while those of Pequeños y Medianos Astilleros (Pymar) are notched down once from the sovereign's.

### RATING SENSITIVITIES

A change to the sovereign's ratings will be reflected in the ratings of the PSEs. Additionally a material change to the legal status of the PSEs and their integration with, strategic importance to or control and supervision by the Spanish state will affect the ratings.

The rating actions are as follows:

#### ADIF

Long-Term Foreign- and Local-Currency IDRs: upgraded to 'A-' from 'BBB+'; Outlook Stable

Short-Term Foreign and Local-Currency IDRs: upgraded to 'F1' from 'F2'

#### ADIF-Alta Velocidad

Long-Term Foreign- and Local-Currency IDRs: upgraded to 'A-' from 'BBB+'; Outlook Stable Short-Term Foreign and Local-Currency IDRs: upgraded to 'F1' from 'F2'

EUR6 billion EMTN programme: upgraded to 'A-' from 'BBB+'

Senior unsecured debt long-term rating: upgraded to 'A-' from 'BBB+'

#### CORES

Long-Term Foreign- and Local-Currency IDRs: upgraded to 'A-' from 'BBB+'; Outlook Stable

Short-Term Foreign Currency IDR: upgraded to 'F1' from 'F2'

EUR1.5 billion EMTN programme: upgraded to 'A-' from 'BBB+'

Senior unsecured debt long-term rating: upgraded to 'A-' from 'BBB+'

#### PYMAR

Long-Term Foreign-Currency IDR: upgraded to 'BBB+' from 'BBB'; Outlook Stable

Short-Term Foreign-Currency IDR: upgraded to 'F2' from 'F3'

#### SEPI

Long-Term Foreign- and Local-Currency IDRs: upgraded to 'A-' from 'BBB+'; Outlook Stable

Short-Term Foreign-Currency IDR: upgraded to 'F1' from 'F2'

Fitch published an exposure draft "Government-Related Entities Rating Criteria" on 27 November 2017, which would apply to ADIF, ADIF-AV, SEPI, PYMAR, CORES if adopted as criteria. Further details can be obtained from the exposure draft at [www.fitchratings.com](http://www.fitchratings.com).

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Additional information is available on [www.fitchratings.com](http://www.fitchratings.com)

### Applicable Criteria

International Local and Regional Governments Rating Criteria - Outside the United States (pub. 18 Apr 2016) (<https://www.fitchratings.com/site/re/878660>)

Rating of Public-Sector Entities – Outside the United States (pub. 22 Feb 2016) (<https://www.fitchratings.com/site/re/877128>)

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