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CREDIT OPINION
2 May 2019

Update

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RATINGS

Enexis Holding N.V.

Domicile	's-Hertogenbosch, Netherlands
Long Term Rating	Aa3
Type	LT Issuer Rating - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Camille Zwisler, CFA +33.1.5330.3347
Analyst
camille.zwisler@moodys.com

Philip Cope +44.20.7772.5229
AVP-Analyst
philip.cope@moodys.com

Neil Griffiths-Lambeth +44.20.7772.5543
Associate Managing Director
neil.griffiths-lambeth@moodys.com

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Enexis Holding N.V.

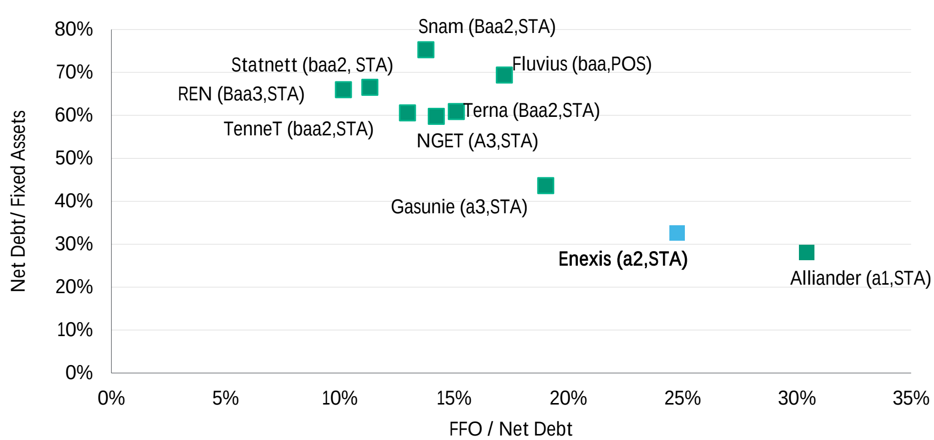
Update to credit analysis

Summary

The credit quality of Enexis Holding N.V. (Enexis, Aa3 stable) is underpinned by (1) the low-risk business profile of its domestic electricity and gas distribution network operations, which generate more than 90% of earnings and cash flow; (2) a well-defined and transparent regulatory framework; and (3) the company's balanced financial profile, with relatively modest leverage for the sector and solid liquidity position.

The company has historically maintained a strong financial profile, but we expect a modest decline in the medium term because of further falls in regulatory allowed returns and growing capital spending, primarily related to facilitating delivery of country's ambitious energy transition objectives. Nevertheless, the company's financial metrics will remain strong compared with those of other European networks.

Exhibit 1
Modest leverage, compared with that of its European peers, supports strong standalone credit quality



Ratings are the standalone credit quality, expressed as assigned final rating or Baseline Credit Assessment where applicable.
NGET - National Grid Electricity Transmission.
Source: Moody's Investors Service

The Aa3 rating incorporates a two-notch uplift from Enexis' standalone credit quality, reflecting the likelihood of extraordinary financial support being provided by its owners — the largest of which is the Province of Noord-Brabant, holding around 31% of Enexis' shares — if ever required.

Credit strengths

» Low business risk of monopoly distribution network activities, with limited contribution from unregulated businesses

» Stable and transparent regulatory regime

» Modest leverage, compared with that of the wider peer group

» Expectation of strong support from local government shareholders, given the essentiality of assets

Credit challenges

» Reductions in allowed returns have reduced financial flexibility

» Increasing capital spending requirements support the country's energy transition

» Gas networks face stranded asset risk in the context of energy transition, although the regulator is considering options to alleviate its impact

» Continued low interest rate environment could lead to a further reduction in allowed return in the next regulatory period (2022-26), depressing cash flow based metrics

Rating outlook

The stable outlook reflects our expectation that Enexis will continue to derive most of its revenue and cash flow from low-risk regulated activities and maintain a financial profile in line with our minimum guidance for the current rating.

Factors that could lead to an upgrade

An upgrade of the final rating is considered unlikely at this time, taking into account the expected modest weakening in Enexis' financial profile as a result of decreasing allowed returns during the current regulatory period and the increase in capital spending requirements intended to facilitate delivery of country's ambitious energy transition objectives.

Factors that could lead to a downgrade

A rating downgrade could be triggered if Enexis fails to maintain the following minimum credit metrics: funds from operations (FFO)/ net debt in the mid-to-high teens and net debt/fixed assets no higher than the low 50s, both in percentage terms.

The Aa3 rating could also be subject to downward pressure if our view of the credit profile of the municipalities and provinces owning Enexis or our assessment of extraordinary support changes.

Key indicators

Exhibit 2

Enexis Holding N.V.

	FY14	FY15	FY16	FY17	FY18	2019 proj.
FFO Interest Coverage	7.8x	6.4x	8.1x	10.0x	9.7x	10.3x
Net Debt / Fixed Assets	28.7%	28.3%	33.1%	33.0%	32.6%	34.0%
FFO / Net Debt	33.8%	31.4%	25.5%	24.4%	24.8%	23.3%
RCF / Net Debt	26.8%	23.9%	20.6%	19.9%	20.4%	18.6%

All figures and ratios are calculated using Moody's estimates and standard adjustments. Moody's Forecasts (f) or Projections (proj.) are Moody's opinion and do not represent the views of the issuer.
Source: Moody's Investors Service

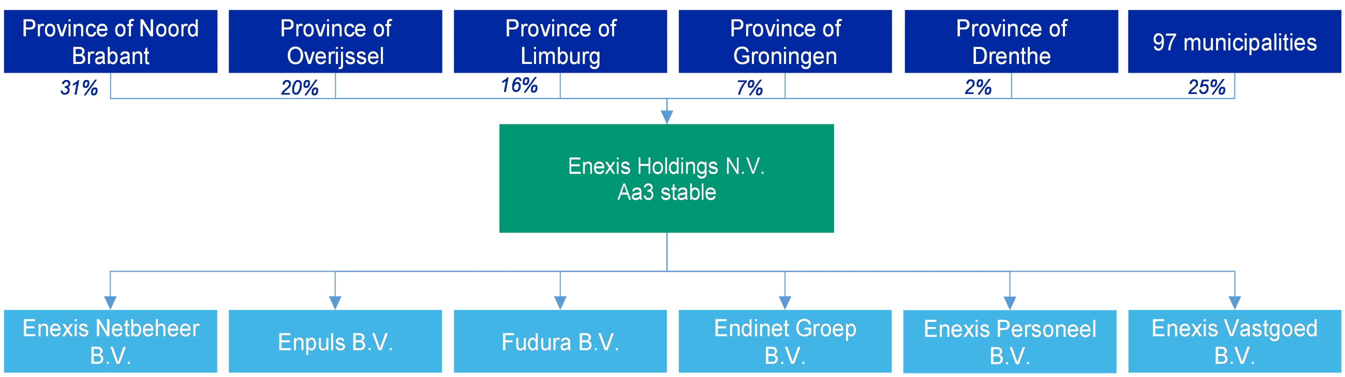
Profile

Enexis Holding N.V. (Enexis) is a holding company of Enexis Netbeheer B.V. (previously Enexis B.V.), which provides the regulated activities of owning and managing the gas and electricity distribution networks in several Dutch regions, covering around 31% of the country. The group's regulated activities generate more than 95% of revenue and represent 90% of group assets and liabilities. The Enexis group is one of the three largest electricity and gas distribution network operators in the Netherlands, responsible for the maintenance, management and development of the medium-voltage electricity and gas distribution grids. It operates around 139,900 kilometres (km) of electricity cables and 46,400 km of gas pipelines, delivering electricity to around 2.8 million customers and gas to 2.3 million customers.

Enexis is also the holding company for non-regulated entities including Enpuls B.V., which focuses on innovation in relation to the energy transition; Fudura B.V., which provides non-regulated energy management solutions; and two subsidiaries (Enexis Personeel B.V. and Enexis Vastgoed B.V.) that support the group in human resources and property management.

Enexis is owned by the five Dutch provinces (together owning 75.6%; Noord-Brabant (31%), Overijssel (20%), Limburg (16%), Groningen (7%) and Drenthe (2%)) and 88 municipalities (24.4%) of its service area.

Exhibit 3
Simplified organisational structure of the Enexis group



Following its acquisition in January 2016, Endinet Groep B.V. has been almost completely integrated into the Enexis companies as of 31 December 2018.
Sources: Enexis, Moody's Investors Service

Detailed credit considerations

Low business risk, underpinned by regulated cash flow

Enexis' core business activities relate to low-risk monopoly network operation. These activities generate predictable cash flow over the medium- to long-term and provide good visibility into future funding requirements.

Less than 10% of Enexis' revenue is derived from other utility services. These non-regulated businesses are complementary to the core activities and include the Fudura energy services brand.

Established regulatory framework, but returns continue to decline

The Dutch regulatory framework, applied since 2000 and 2001 for electricity and gas networks, respectively, allows the country's distribution network companies to earn a return on their regulated asset base and provides allowances for costs adjusted for consumer price index inflation and an efficiency incentive factor. The regulation incorporates incentives determined using a "yardstick" mechanism, which defines the cost efficiency and quality factors based on industry averages and encourages network companies to improve profitability by outperforming the sector. This approach is typical among regulatory regimes in Europe, and we consider that the application by the Dutch regulator, the Authority for Consumers and Markets (ACM), has been transparent and consistent to date.

The current regulatory period for both electricity and gas distribution runs from January 2017 to December 2021. The Method Decisions, the ACM's final determination, were published in September 2016 and originally included a gradual reduction in the allowed return (weighted average cost of capital, WACC) from 4.3% to 3.0% (both pre-tax, real) by 2021. Following successful appeals from DSOs, new Method Decisions were published in January 2019 with the average WACC unchanged over the period but starting and finishing 20 basis points higher and lower respectively, as Exhibit 4 shows. However, allowed revenues over the regulatory period for the DSOs will be unaltered as a result of this change, due to the 'reformation in peius' principle (see highlight box below).

Exhibit 4

Allowed return for Dutch network operators shows a declining trend

WACC - Dutch DSOs	2008-2010	2011-2013	2014-2016	2017	2018	2019	2020	2021
risk free rate	4.00%	3.95%	2.50%	2.27%	2.03%	1.80%	1.56%	1.33%
risk premium	0.80%	1.50%	1.20%	0.91%	0.88%	0.86%	0.83%	0.81%
transaction costs	0.00%	0.00%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
Nominal Cost of Debt	**4.80%**	**5.45%**	**3.85%**	**3.32%**	**3.06%**	**2.81%**	**2.55%**	**2.29%**
nominal risk free rate for CoE	4.00%	3.95%	2.50%	1.28%	1.28%	1.28%	1.28%	1.28%
market risk premium	5.00%	5.00%	5.00%	5.05%	5.05%	5.05%	5.05%	5.05%
asset beta	0.41	0.42	0.35	0.43	0.42	0.41	0.40	0.39
equity beta	0.86	0.81	0.61	0.76	0.74	0.72	0.70	0.68
Nominal Cost of Equity	**8.30%**	**8.00%**	**5.55%**	**5.12%**	**5.02%**	**4.92%**	**4.82%**	**4.72%**
gearing assumption	60%	55%	50%	50%	50%	50%	50%	50%
tax rate	25.5%	25.5%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Nominal WACC pre-tax	**7.3%**	**7.8%**	**5.6%**	**5.1%**	**4.9%**	**4.7%**	**4.5%**	**4.3%**
inflation	1.75%	1.55%	2.00%	0.90%	1.03%	1.16%	1.29%	1.42%
Real WACC pre-tax	**5.5%**	**6.2%**	**3.6%**	**4.16%**	**3.82%**	**3.48%**	**3.14%**	**2.80%**

Note: (1) The calculation for the 2017-21 period reflects the amended Method Decisions published in January 2019. (2) The real WACC pre-tax for the 2017-21 regulatory period under the original Method Decisions was 4.04% 2017, 3.78% 2018, 3.52% 2019, 3.26% 2020 and 3.00% in 2021.
Source: ACM, Moody's Investors Service calculation

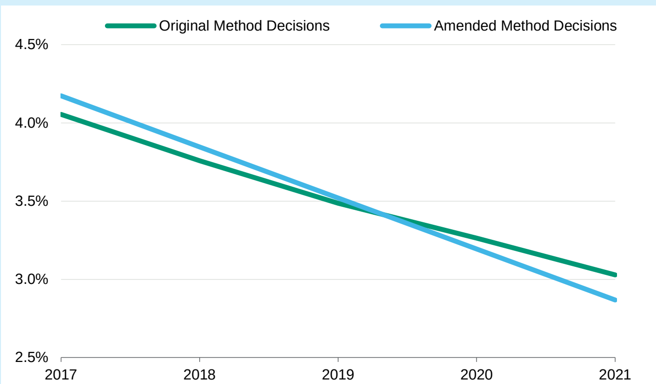
Amendment to the Method Decisions has a neutral impact over the period but is still subject to appeal

All DSOs appealed the Method Decisions published in September 2016 to the Trade and Industry Appeals Tribunal (CBb), which annulled the Method Decisions on 24 July 2018 and ruled that:

- one of the comparators used in the peer group to compute the asset beta (Fluxys) should be removed, impacting the asset beta and in turn the allowed equity return
- net debt rather than gross debt should be used when assessing gearing, primarily affecting the assumed gearing level (net debt is lower than gross debt and, since allowed equity returns are higher than the allowed cost of debt, this would increase allowed returns) but also the asset beta and, in turn, the equity beta and allowed equity return

On 24 January 2019, the ACM published amended Method Decisions for Dutch network operators for the 2017-21 regulatory period. Exhibit 5 compares the WACC between the original and the Amended Method Decisions including the CBb recommendations as well as an update of the reference period for the calculation of WACC components, which partially offset the effect of some changes required by CBb.

Exhibit 5
Average allowed return unchanged for the regulatory period as a result of the new Method Decisions



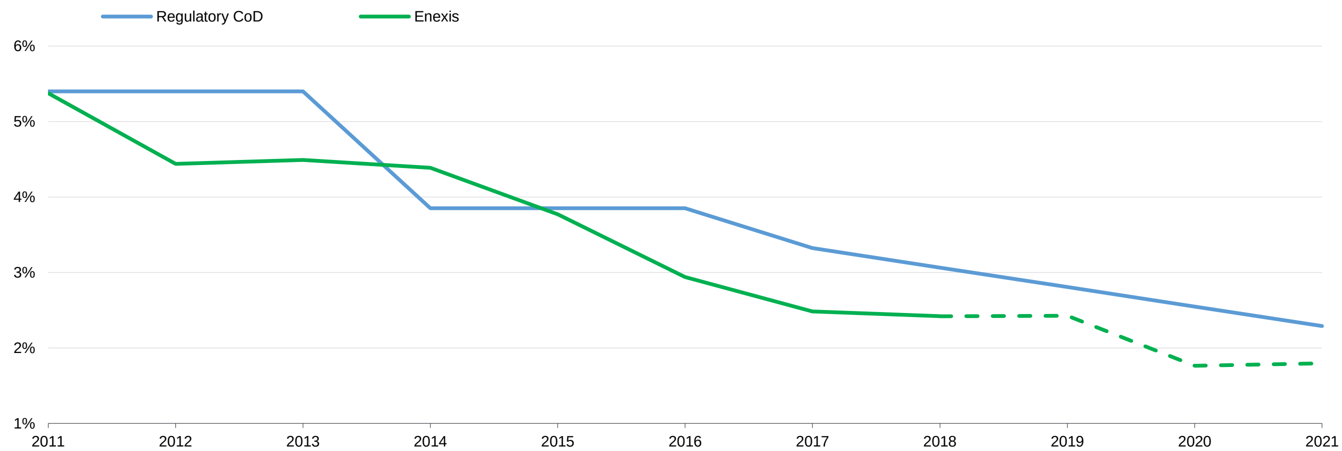
Sources: ACM, Moody's Investors Service calculation

Typically, when new Method Decisions are published, the full change in allowed revenues over the regulatory period to-date is reflected in tariffs at the first opportunity, i.e. in 2020 tariffs for the years from 2017-20 inclusive, with the change in subsequent years, here 2021, reflected in those tariffs. Whilst the change in the profile of allowed returns, and thus allowed revenues, resulting from the new Method Decisions would result in a slight reduction of total allowed revenue over the regulatory period, we expect no change in total allowed revenues for distribution network operators as an appellant cannot be worse off than if they had not appealed (the 'reformation in peius' principle) and network operators were the only party this aspect of the Method Decisions. We note several appeals have been lodged by network operators against the changes to the WACC in the amended Method Decisions and are under review by the CBb, with the CBb's decision expected by summer 2019.

The reduction in allowed returns is less material than for the 2014-16 regulatory period where it fell from 6.2% to 3.6% (both pre-tax, real) in linear steps. Enexis has demonstrated its ability to operate within the bounds of the regulatory return allowance and to fund comfortably within the cost of debt assumed by the regulator. We expect Enexis' cost of external debt to remain within the allowed cost for the period, supported by ongoing refinancing and new funding for its investment programme.

Exhibit 6

We expect Enexis to continue to outperform the regulatory cost of debt allowance over the remainder of the current regulatory period



Moody's estimate includes Enexis' refinancing needs and new funding required to support the increase in investments at current interest rate curves; Moody's estimate assumes refinancing of existing shareholder loans in 2019 with senior unsecured debt.
Sources: ACM, Enexis, Moody's Investors Service

The regulator also imposes a series of cost-efficiency targets on the networks, which, combined with the allowed return, determine the so-called X-factor, currently set at 2.13% for electricity and 1.54% for gas annually for Enexis (previously around 5% and 7%, respectively). While base costs were reset on the basis of average efficient costs in the 2013-15 period, resulting in an increase in the overall revenue allowance for 2017-21, the forward-looking operating efficiency targets embedded in the X-factor may still prove challenging.

National energy transition plan raises capital spending and brings challenges for the next regulatory period

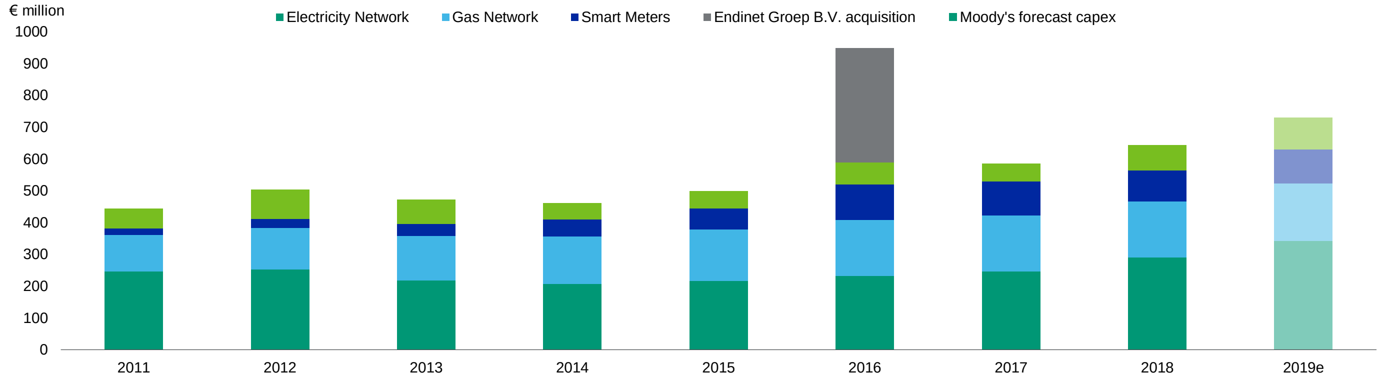
The Netherlands has committed to ambitious climate change targets for 2020, including a 16% reduction in greenhouse gas emissions, compared with the 2005 levels, and 14% of gross final energy consumption from renewable energy. Progress has been slow and the Netherlands shows the largest gap between actual and planned renewable energy development in the European Union, with an actual average share of renewables of 5.9% for 2015-16, compared with an indicative trajectory of 7.6%.

In July 2018, a coalition of seven Dutch political parties, which together have around 75% of the seats in Parliament, unveiled an ambitious climate policy (Climate Agreement) proposal. If passed as proposed (a final agreement is expected around summer 2019), it would commit the Netherlands to (1) by 2030, a 49% reduction in CO_2 emissions (relative to 1990 levels); and (2) by 2050, a 95% reduction in CO_2 emissions (relative to 1990 levels) and the generation of all electricity carbon neutrally.

Delivering these targets would require a significant acceleration of the energy transition across many areas that would result in material incremental capital spending for Enexis in the 2020s, including on new connections for local renewable generation (primarily solar and onshore wind), reinforcing the grid to cope with the growth in electric vehicles and the heat transition. Enexis has reported that combined with the shortage of skilled labour force, shortage of grid capacity has led to some delay in connecting renewables to the grid.

Exhibit 7

Enexis will have to increase its capital spending to support the country's energy transition



Source: Enexis, Moody's investors Service

As illustrated by the cancellation of the requirement to provide compulsory gas connections to new residential areas, the Netherlands is moving away from natural gas towards more sustainable sources of energy, which raises the risk of stranded assets for gas networks. The ACM is considering its impact on gas networks' allowed revenue for the 2022-26 regulatory period through the Morgan project and should start a consultation process on this subject in 2020. In parallel, the ACM is conducting analyses on alternative uses of the gas network, such as green gas and hydrogen.

The country is contemplating developing its district heating infrastructure. While the activity does not benefit from a similar regulatory framework as electric or gas networks, some Dutch network operators such as Enexis could decide to have a role in its operation.

Modest leverage, compared with peers, supports strong standalone credit quality

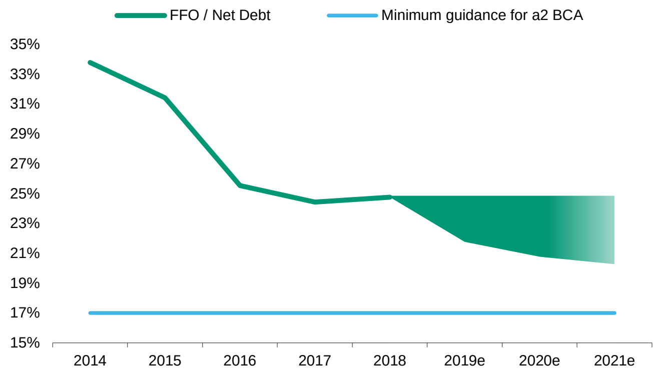
Like its closest peer Alliander N.V. (Aa2 stable), Enexis exhibits a strong financial profile with modest financial leverage compared with the wider European peer group of energy network companies. Over the next three to four years, we expect Enexis' metrics to weaken, with the reduction in allowed returns (itself a reflection of the continued low interest rate environment) and increasing investment requirements to support delivery of the country's energy transition.

Nevertheless, overall leverage will remain modest in the wider European context. We forecast Enexis will maintain FFO/net debt in the low- to mid-20s in percentage terms and net debt/fixed assets below 40% until the end of the regulatory period. The robust financial profile is also supported by a comparably modest dividend policy, with a payout ratio of around 50%, and an implicit commitment to shareholders to maintain an absolute dividend level of around €100 million on a best-efforts basis.

Exhibit 8

We expect a decline in cash flow because of lower returns...

FFO/net debt against ratio guidance

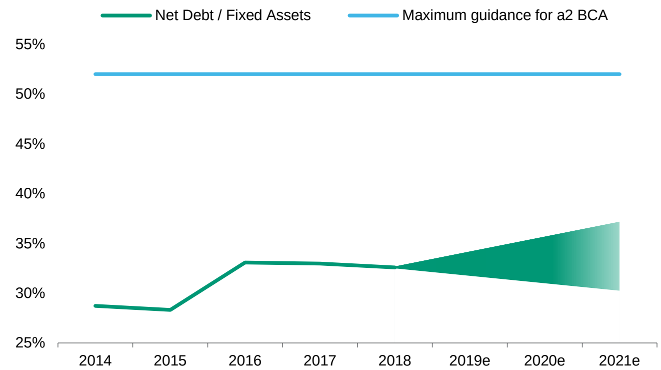


All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations; Moody's projections represent Moody's forward view; not the view of the issuer; and unless noted in the text, do not incorporate significant acquisitions and divestitures.
Source: Moody's Investors Service

Exhibit 9

...but relatively stable net debt/fixed assets

Net debt/fixed assets against ratio guidance



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Source: Moody's Investors Service

Final rating incorporates two notches of rating uplift

Given its 100% ownership by Dutch provinces and municipalities, Enexis falls within the scope of our Government-Related Issuers rating methodology, published in June 2018.

Enexis' Aa3 rating incorporates a two-notch uplift from its standalone credit quality, expressed as a Baseline Credit Assessment of a2, reflecting the likelihood of extraordinary financial support being provided by its owners, if ever required, the largest of which is the Province of Noord-Brabant with around 31%. Although the ownership of Enexis is relatively fragmented among five provinces and 88 municipalities, our assumption of strong support reflects the importance of Enexis' network operations for the regional economy, the fact that the four largest provinces together hold around 75% of the company’s shares, and the strong governance framework in the Netherlands with oversight by the national government.

Our assessment of a very high level of default dependence reflects Enexis' significant exposure to the Dutch economy, as almost all of the company's revenue and cash flow are generated from domestic activities.

In addition, the Dutch government's ambitious decarbonisation agenda increases the strategic importance of Enexis to its owners, as the central government increasingly sees municipalities as partners in the energy transition.

Liquidity analysis

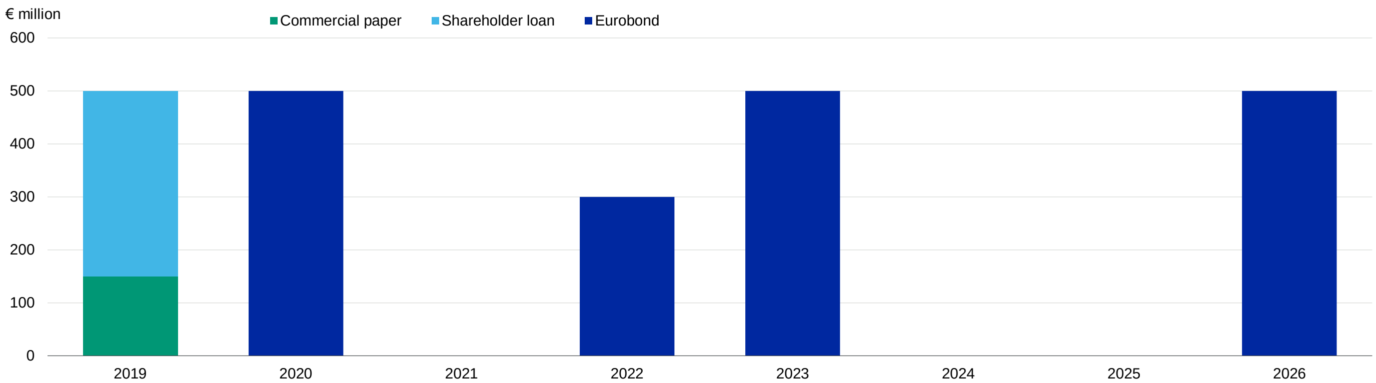
Enexis' liquidity is supported by the strong and predictable cash flow generated from its regulated network activities, a cash and cash equivalent balance of €31 million as of 31 December 2018, and available committed bank facilities. In December 2018, the company signed a new €850 million revolving credit facility maturing in December 2023, with two one-year extension options. The facility was fully undrawn as of 31 December 2018.

In December 2016, Enexis established a €1 billion commercial paper programme, which it uses to finance its short-term liquidity needs and to take advantage of the currently favourable interest rates. As of 31 December 2018, €150 million were drawn under the commercial paper programme.

Although more than 40% of Enexis' debt is maturing as of year-end 2020, we consider refinancing risk as moderate, given the increased size of its committed facilities and our expectation that the company will continue to have unrestricted access to the debt market.

Exhibit 10

More than 40% of Enexis' debt falls due in the next two years
As of 31 December 2018



Source: Enexis, Moody's Investors Service

Rating methodology and scorecard factors

Enexis is rated in accordance with the rating methodologies for Regulated Electric and Gas Networks, published in March 2017, and Government-Related Issuers, published in June 2018.

Exhibit 11

Rating factors

Enexis Holding N.V.

Regulated Electric and Gas Networks Industry Grid [1][2]	Current FY 12/31/2018		Moody's 12-18 Month Forward View As of April 2019 [3]	
Factor 1 : Regulatory Environment and Asset Ownership Model (40%)	**Measure**	**Score**	**Measure**	**Score**
a) Stability and Predictability of Regulatory Regime	Aa	Aa	Aa	Aa
b) Asset Ownership Model	Aa	Aa	Aa	Aa
c) Cost and Investment Recovery (Ability and Timeliness)	A	A	A	A
d) Revenue Risk	Aa	Aa	Aa	Aa
Factor 2 : Scale and Complexity of Capital Program (10%)				
a) Scale and Complexity of Capital Program	Baa	Baa	Baa	Baa
Factor 3 : Financial Policy (10%)				
a) Financial Policy	A	A	A	A
Factor 4 : Leverage and Coverage (40%)				
a) FFO Interest Coverage (3 Year Avg)	9.2x	Aaa	8x - 11x	Aaa
b) Net Debt / Fixed Assets (3 Year Avg)	32.9%	Aa	32% - 37%	Aa
c) FFO / Net Debt (3 Year Avg)	24.9%	A	22% - 25%	A
d) RCF / Net Debt (3 Year Avg)	20.3%	A	16% - 20%	A
Rating:				
Indicated Rating from Grid Factors 1-4		A1		A1
Rating Lift	**0**	**0**	**0**	**0**
a) Indicated Rating from Grid		A1		A1
b) Actual Baseline Credit Assessment				a2
Government-Related Issuer				**Factor**
a) Baseline Credit Assessment				a2
b) Government Local Currency Rating				n/a
c) Default Dependence				Very High
d) Support				Strong
e) Final Rating Outcome				Aa3

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 12/31/2018; Source: Moody's Financial Metrics™
[3] This represents Moody's forward view, not the view of the issuer, and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Investors Service

Ratings

Exhibit 12

Category	Moody's Rating
ENEXIS HOLDING N.V.	
Outlook	Stable
Issuer Rating -Dom Curr	Aa3
Senior Unsecured -Dom Curr	Aa3
ST Issuer Rating -Dom Curr	P-1

Source: Moody's Investors Service

Appendix

Exhibit 13

Peer comparison

	Enexis Holding N.V. Aa3 Stable (BCA a2)			Alliander N.V. Aa2 Stable (BCA a1)			Fingrid Oyj A1 Stable (BCA a2)			N.V. Nederlandse Gasunie A1 Stable (BCA a3)			TenneT Holding B.V. A3 Stable (BCA baa2)		
(in EUR million)	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-15	FYE Dec-16	FYE Dec-17	FYE Dec-16	FYE Dec-17	FYE Dec-18
Revenue	1,376	1,398	1,445	1,584	1,797	1,920	586	672	853	1,631	1,548	1,241	2,843	3,976	4,269
EBITDA	728	725	760	559	658	753	254	269	300	1,122	1,075	793	959	1,530	1,675
Total Assets	7,415	7,752	7,807	7,839	8,201	8,455	2,126	2,139	2,134	10,427	10,347	9,913	17,789	19,577	21,304
Total Debt	2,444	2,607	2,416	1,916	2,166	2,156	1,134	1,110	1,085	4,678	4,264	3,787	8,083	8,776	10,114
Net Debt	2,246	2,321	2,385	1,853	2,066	2,017	1,055	1,026	1,000	4,613	4,026	3,746	7,926	8,721	10,106
FFO / Net Debt	25.5%	24.4%	24.8%	25.1%	25.5%	30.4%	19.9%	21.5%	24.2%	19.5%	20.7%	19.0%	9.8%	13.5%	13.0%
RCF / Net Debt	20.6%	19.9%	20.4%	20.1%	20.1%	25.1%	11.3%	11.9%	6.9%	11.7%	12.5%	16.1%	6.6%	11.1%	10.6%
(FFO + Interest Expense) / Interest Expense	8.1x	10.0x	9.7x	8.4x	9.7x	11.9x	11.1x	13.2x	15.0x	7.2x	7.5x	9.1x	5.3x	6.9x	7.0x
Net Debt / EBITDA	3.1x	3.2x	3.1x	3.3x	3.1x	2.7x	4.2x	3.8x	3.3x	4.1x	3.7x	4.7x	8.3x	5.7x	6.0x

All figures are calculated using Moody's estimates and standard adjustments.
Source: Moody's Financial Metrics™

Exhibit 14

Debt adjustment breakdown

(in EUR Millions)	FYE Dec-13	FYE Dec-14	FYE Dec-15	FYE Dec-16	FYE Dec-17	FYE Dec-18
As Reported Total Debt	**1,831.5**	**1,773.7**	**2,269.0**	**2,276.0**	**2,487.0**	**2,303.0**
Pensions	32.0	34.4	32.3	36.0	36.0	21.0
Leases	132.0	122.8	116.0	132.0	84.0	92.0
Moody's Adjusted Total Debt	**1,995.5**	**1,930.9**	**2,417.3**	**2,444.0**	**2,607.0**	**2,416.0**
Cash & Cash Equivalents	-200.0	-206.3	-657.0	-198.0	-286.0	-31.0
Moody's Adjusted Net Debt	**1,795.5**	**1,724.6**	**1,760.3**	**2,246.0**	**2,321.0**	**2,385.0**

All figures are calculated using Moody's estimates and standard adjustments.
Source: Moody's Financial Metrics™

Exhibit 15

Select historical financials as adjusted by Moody's

(in EUR million)	FYE Dec-13	FYE Dec-14	FYE Dec-15	FYE Dec-16	FYE Dec-17	FYE Dec-18
INCOME STATEMENT						
Revenue	1,385.7	1,399.5	1,353.0	1,376.0	1,398.0	1,445.0
EBITDA	757.9	769.2	729.6	728.0	725.0	760.0
EBITDA margin %	54.7%	55.0%	53.9%	52.9%	51.9%	52.6%
EBIT	460.9	445.7	418.6	371.6	362.0	391.5
EBIT margin %	33%	32%	31%	27%	26%	27%
Amortization	30.3	32.1	27.0	31.0	29.0	24.0
BALANCE SHEET						
Net Property Plant and Equipment	5,859.6	6,007.4	6,215.9	6,790.2	7,040.0	7,318.0
Total Assets	6,395.1	6,539.8	7,193.9	7,415.2	7,752.0	7,807.0
Total Debt	1,995.5	1,930.9	2,417.3	2,444.0	2,607.0	2,416.0
Cash & Cash Equivalents	200.0	206.3	657.0	198.0	286.0	31.0
Net Debt	1,795.5	1,724.6	1,760.3	2,246.0	2,321.0	2,385.0
Total Liabilities	3,026.4	3,023.1	3,587.7	3,711.8	3,944.0	3,783.0
CASH FLOW						
Funds from Operations (FFO)	572.9	582.5	552.9	573.6	567.0	590.5
Cash Flow From Operations (CFO)	513.9	605.1	558.9	555.6	575.0	616.5
Dividends	114.5	119.5	133.0	111.0	104.0	103.0
Retained Cash Flow (RCF)	458.4	463.0	419.9	462.6	463.0	487.5
Capital Expenditures	(425.2)	(423.1)	(467.9)	(549.6)	(532.0)	(580.5)
Free Cash Flow (FCF)	(25.8)	62.5	(42.0)	(105.0)	(61.0)	(67.0)
LEVERAGE & COVERAGE						
(FFO + Interest Expense) / Interest Expense	5.8x	7.8x	6.4x	8.1x	10.0x	9.7x
Net Debt / EBITDA	2.4x	2.2x	2.4x	3.1x	3.2x	3.1x
FFO / Net Debt	31.9%	33.8%	31.4%	25.5%	24.4%	24.8%
RCF / Net Debt	25.5%	26.8%	23.9%	20.6%	19.9%	20.4%
FCF / Net Debt	-1.4%	3.6%	-2.4%	-4.7%	-2.6%	-2.8%

All figures are calculated using Moody's estimates and standard adjustments.
Source: Moody's Financial Metrics™

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

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