Transmissora Alianca de Energia Eletrica S.A.

Taesa

Full Rating Report

Ratings

Foreign Currency	
Long-Term IDR	BBB
Local Currency	
Long-Term IDR	BBB
National Long-Term Rating	AAA(bra)
Senior Unsecured – 3rd Issue	AAA(bra)
Senior Unsecured – 4th Issue	AAA(bra)

IDR – Issuer default rating.

Rating Outlook

Long-Term Foreign Currency IDR	Stable
Long-Term Local Currency IDR	Stable
National Long-Term Rating	Stable

Financial Data

Taesa (Consolidated)

(BRL Mil.)	6/13 LTM[a]	2012
Revenue	1,315	1,224
EBITDA	1,071	1,044
Total Adj. Debt	4,593	4,777
Cash and Mkt. Securities	712	2,634
Total Adj. Debt/EBITDA	4.3	4.6
EBITDA/Gross Interest Expense	2.3	2.9
FFO Adjusted Leverage (x)	4.1	10.7

[a]Last 12 months.

Related Research

Fitch Affirms Taesa's Ratings at 'BBB' and 'AAA(bra)'; Outlook Stable (September 2013)

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Key Rating Drivers

Expectation of Reduced Leverage: Transmissora Alianca de Energia Electrica S.A.'s (Taesa) investment grade ratings reflect the maintenance of a solid financial profile, even after relevant acquisitions were made in the last couple of years, in the total amount of BRL3.8 billion. In July 2012, Taesa concluded its capital issuance in the amount of BRL1.755 billion, which, in Fitch Rating's view, allowed the company to keep its financial leverage in line with the assigned ratings.

Low Business-Risk Assets: The ratings are based on Taesa's low business risk of its asset portfolio and minimal exposure to concession renewals over the short to medium term. It is one of the largest power transmission companies in Brazil, with 7,586km of transmission lines spread across the country. Taesa has 24 concessions, including 12 fully owned, which dilutes potential operating risks. The company benefits from a diversified client base and guaranteed payment structure. Its exposure to periodical tariff reviews is low.

Predictable Cash Flow: Taesa's highly predictable power transmission revenues are based on the lines' availability, rather than on the volume transported. The company's consolidated revenue has been driven by the inflation-based annual permitted revenue (RAP) readjustments and on the incorporation of the new assets acquired. Taesa's CFFO should remain robust, reflecting high EBITDA margins in the range of 85% to 90%. Fitch expects FCF to continue to be pressured by strong dividend payments.

Manageable Debt Profile: Taesa's consolidated debt is characterized by an extended maturity profile and reduced foreign exchange risk. The growth recorded in recent years reflects the debt contracted to finance the recent acquisitions, added to the financial obligations which came with the concessions acquired. The company's liquidity position weakened during second-quarter 2013, after the payment of BRL1.7 billion for the participation in assets acquired from Companhia Energetica de Minas Gerais (Cemig).

Moderate Regulatory Risk: Taesa's ratings are not constrained by the credit quality of one of its main shareholders, Cemig, since Cemig shares the company's control with an investment fund and its access to Taesa's cash is limited to dividends. The regulatory risk of the Brazilian power sector is considered moderate.

Stable Outlook: The Rating Outlook is Stable as Fitch expects Taesa to maintain its consolidated net financial leverage close to 3.0x, on a pro-forma basis, in 2013 and below in the following years, absent new acquisitions.

Rating Sensitivities

Negative rating actions could be triggered by deterioration in Taesa's consolidated financial profile, with net leverage going above 3.5x. Acquisitions at significant volumes financed with debt and relevant investments in new projects with risks associated with the construction phase and low profitability also could pressure the company's ratings. A positive rating action could be triggered by the strengthening of Taesa's financial profile, with net leverage going below 2.0x and a sustainable increase in its liquidity position.

Recent Events

Acquisition of Assets from Abengoa for BRL2.067 billion

On Nov. 30, 2011, Taesa acquired some of Abengoa Concessoes Brasil Holding S.A.'s (Abengoa), which include 50% of Sul Transmissora de Energia S.A. (STE), ATE Transmissora de Energia S.A. (ATE), ATE II Transmissora de Energia S.A. (ATE II), ATE III Transmissora de Energia S.A. (ATE III) and 100% of Nordeste Transmissora de Energia S.A. (NTE). The total amount paid was BRL1.163 billion. On July 3, 2012, Taesa concluded the acquisition of the other 50% of participation in STE, ATE, ATE II, and ATE III from Abengoa for BRL904 million.

Public Offering of Shares with Cash Inflow of BRL1.755 billion

On Aug. 20, 2012, Taesa concluded its public offering of shares, which resulted in 27 million units issued for a total of BRL1.755 billion. The company's free float increased to 27.13%, above the 25% minimum required from companies listed at Level 2 of corporate governance of BM&FBovespa.

Acquisition of Assets from Cemig for BRL1.691 billion

On May 31, 2013, Taesa concluded the acquisition of shareholding participations in 10 transmission concessionaires (altogether called TBE), six of which being direct (Empresa Catarinense de Transmissao de Energia S.A. [ECTE], Empresa Regional de Transmissao de Energia S.A. [ERTE], Empresa Norte de Transmissao de Energia S.A. [ENTE], Empresa Paranaense de Transmissao de Energia S.A. [ETEP], Empresa Amazonense de Transmissao de Energia S.A. [EATE], and Empresa Brasileira de Transmissao de Energia S.A. [EBTE]) and four indirect (Sistema de Transmissao Catarinense S.A. [STC], Lumitrans — Companhia Transmissora de Energia Elétrica [Lumitrans], Empresa Santos Dumont Energia [ESDE], and Empresa de Transmissao Serrana S.A. [ETSE]), held by Cemig and Cemig Geração e Transmissao S.A. (Cemig GT). The disbursement was of BRL1.691 billion.

Financial Overview

Liquidity and Debt Structure

Taesa's consolidated debt is characterized by an extended maturity profile and reduced foreign exchange risk. The growth recorded in recent years reflects the debt contracted to finance recent acquisitions, which amounted to BRL3.8 billion, added to the financial obligations which came with the concessions acquired. As of June 30, 2013, Taesa's debt was BRL5.1 billion or BRL4.6 billion by the new IFRS consolidation rule, mainly composed of BRL4.1 billion of debentures, BRL404 million of commercial paper (CP) and BRL342 million of IDB loans.

The CP was issued by Taesa in May 2013 to prepay debt with BNDES and debt linked to foreign exchange variation with IDB. This reduced Taesa's exposure to currency mismatch risk. By June 2013, foreign currency debt was BRL214 million, representing only 4% of the total debt. Around 7% of Taesa's consolidated debt was secured, with no secured debt at the holding level.

Related Criteria

Corporate Rating Methodology (August 2013)

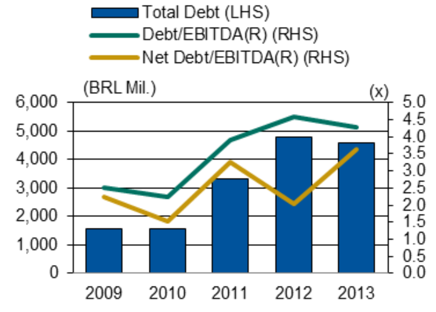
National Ratings Criteria (January 2011)

Debt Maturities and Liquidity

As of Jun. 30, 2013	BRL Thousand
Short-Term Debt	797,960
Jul. to Dec. 2014	446,066
2015	465,202
2016	233,986
Beyond 2016	2,649,729
Cash Flow From Operations	1,160,502
Cash	711,644

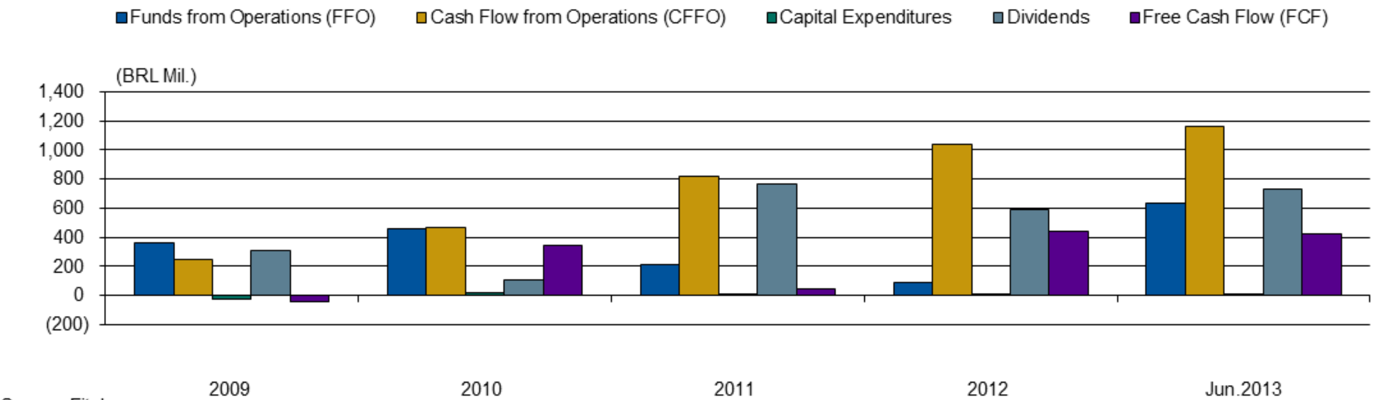
Source: Fitch

Total Debt and Leverage Ratios



Source: Fitch

Cash Flow Performance



Source: Fitch

Taesa's liquidity position weakened in second-quarter 2013, after the payment of BRL1.7 billion for the participation in assets acquired from Cemig. By the end of June 2013, the cash and marketable securities amounted to BRL772 million, covering 86% of the short-term debt of BRL897 million, which includes the outstanding balance of the BRL404 million in CP. Taesa intends to refinance the CP through the forth debenture issuance in the amount of up to BRL540 million. On a pro forma basis, considering the payment of the CP, coverage of the BRL493 million short-term debt balance by the cash and marketable securities would be 1.6x. Taesa's liquidity also benefits from its high operating cash generation.

The analysis of Taesa's financial performance evolution in recent years was affected by the change in accounting criteria to IFRS, from the Brazilian accounting rules (BRGAAP). In 2013, the new consolidation criteria also jeopardized the comparison between financial statements in relation to previous years. From January 2013 to June 2013, the results recorded by the subsidiaries Brasnorte Transmissora de Energia S.A. (Brasnorte), ETAU, and the 10 concessions acquired from Cemig are being considered only by the equity accounting method.

The table below offers a better view of the group's development, as the net revenue and EBITDA obtained under the BRGAAP reflect the invoicing and generation of the company's operating cash on a more realistic way.

Taesa's highly predictable power transmission revenues are based on the lines' availability, rather than volume transported. Taesa's consolidated revenue has been driven mainly by the inflation-based annual RAP readjustments and the incorporation of new assets acquired.

Taesa (Consolidated - Financial Highlights)

BRGAAP	6/30/2013	12/30/2012	12/31/2011	12/31/2010	12/31/2009	12/31/2008
Net Revenues	1,368,497	1,230,604	828,154	751,953	752,708	613,523
EBITDA	1,197,356	1,078,190	745,170	667,116	600,400	531,257
EBITDA Margin	87.5%	87.6%	90.0%	88.7%	79.8%	86.6%
Total Debt	5,058,000	4,777,225	3,338,151	1,548,863	1,565,848	1,669,686
Cash	772,000	2,634,011	560,322	477,413	178,177	300,883
Total Debt / EBITDA	4.2	4.4	4.5	2.3	2.6	3.1
Net Debt / EBITDA	3.6	2.0	3.7	1.6	2.3	2.6

Taesa + ETAU + Brasnorte + ATE III + São Gotardo + TBE

Source: Taesa

Taesa (Consolidated - Financial Highlights) - PRO FORMA*

BRGAAP	6/30/2013	12/30/2012	12/31/2011	12/31/2010	12/31/2009	12/31/2008
Net Revenues	1,692,800	1,230,604	828,154	751,953	752,708	613,523
EBITDA	1,478,800	1,078,190	745,170	667,116	600,400	531,257
EBITDA Margin	87.4%	87.6%	90.0%	88.7%	79.8%	86.6%
Total Debt	5,058,000	4,777,225	3,338,151	1,548,863	1,565,848	1,669,686
Cash	772,000	2,634,011	560,322	477,413	178,177	300,883
Total Debt / EBITDA	3.4	4.4	4.5	2.3	2.6	3.1
Net Debt / EBITDA	2.9	2.0	3.7	1.6	2.3	2.6

* On June 30, 2013, the pro forma Net Revenues and EBITDA consider 12 months of TBE and are based on the annualized 2Q2013 results

Source: Taesa

During the LTM ended June 30, 2013, Taesa reported consolidated net revenue and EBITDA of BRL1,368 million and BRL1,197 million, respectively, pursuant to Fitch's criteria and under BRGAAP, compared with BRL1,231 million and BRL1,078 million in 2012, and BRL828 million and BRL745 million in 2011. In 2011, the acquisitions of 100% of one transmission line and 50% of another four from Abengoa in the last quarter contributed with the 10.1% increase in Taesa's net revenue. The strong growth of 48.6% in the net revenue in 2012 reflected the longer period of contribution and higher shareholding participation in these assets. During the LTM ended June 30, 2013, the net revenue also is benefitted by the accounting of one month of the assets acquired from Cemig.

Taesa's consolidated net revenue should increase from 2013 to 2015, considering the expectation of positive readjustments to RAP tariff, mainly indexed to IGP-M; contribution from new assets acquired; and reinforcements in the capacity of existing assets. The process of RAP reduction by 50% in case concessions reach 15 years, should start in October 2016 and extend until 2023, negatively affecting Taesa's growth ratios.

Taesa's EBITDA margin has been high, 85% to 90%, a characteristic of Brazilian power transmission companies. It was able to efficiently manage its operating costs through a team tasked to develop O&M assets. The margins tend to fall in the beginning of the RAP reduction cycle and with tariff reviews, following the revenue decrease. During the LTM ended June 30, 2013, the EBITDA was BRL1.2 billion, above the BRL1.1 billion recorded in 2012 and the BRL745 million in 2011, with margins of 87.5%, 87.6%, and 90.0%, respectively. On a pro forma basis, incorporating the expectation of annual EBITDA in relation to the 10 assets acquired from Cemig, which have contributed with only one month, the EBITDA and EBITDA margin would be BRL1.5 billion and 87.4%.

Fitch expects Taesa's FCF to be linked to the level of dividend payments, as long as it does not obtain projects to be developed. The CFFO should remain robust, reflecting the high business margins. In accordance with IFRS accounting rules, CFFO and FCF were BRL1,161 million and BRL421 million, respectively, for the LTM ended June 30, 2013. The FCF should continue to be pressured by strong dividend payments, which reached BRL734 million during the same period.

Taesa's by-laws determine the payment of minimum dividends corresponding to 50% of the net profit. In 2011, Taesa distributed BRL741 million in dividends, BRL407 million of which were relative to 95% of the net profit in 2010 and BRL333 million were relative to the accumulated profit reserve from the migration of company's accounting system to IFRS. In 2012, Taesa paid the maximum dividends allowed (BRL429 million) relative to the net profit in 2011, which corresponds to a payment of 87% and, for the first time, advanced BRL160 million in dividends that same year. The complement of dividends relative to 2012, in the amount of BRL359 million, which adds up to a distribution of 88% of the net profit, were paid in the first half of 2013.

On a pro forma basis, Fitch expects Taesa to maintain its consolidated net financial leverage close to 3.0x in 2013 and below in the following years, absent new acquisitions. Its historically low consolidated leverage, even with substantial dividend payments in recent years, was pressured by the full acquisition of five transmission assets from Abengoa and participations in 10 assets from Cemig.

During the LTM ended June 30, 2013, Teasa reported, under BRGAAP, a total debt/EBITDA ratio of 4.2x and net debt/EBITDA ratio of 3.6x, which compare, respectively, with 4.4x and 2.0x reported in 2012, and 4.5x and 3.7x in 2011. As per Fitch calculations, on a pro forma basis, if the one-month EBITDA of assets acquired from Cemig is annualized, as well as the second quarter of the remaining consolidated companies, net leverage would be 2.9x. Taesa's capitalization in 2012 was important to counterbalance the disbursements with asset acquisitions.

Peer and Sector Analysis

Peer Group Analysis

(BRL Million)	Taesa	CTEEP	Abengoa	Alupar
LTM as of	06/30/2013	06/30/2013	12/31/2012	06/30/2013
National Long-Term Rating	AAA(bra)	AA+(bra)	A(bra)	AA+(bra)
Outlook	Stable	Stable	Stable	Stable
Financial Statistics				
Revenue	1,315	1,915	1,148	1,257
Revenue Growth (%)	7%	-34%	-7%	0%
EBITDA	1,071	806	121	965
EBITDA Margin (%)	81%	42%	11%	77%
Free Cash Flow	421	1,578	(1,045)	(174)
Total Adjusted Debt	4,593	1,909	1,569	3,238
Cash and Cash Equivalents	712	1,234	982	1,071
Funds Flow from Operations	638	1,157	(276)	835
Capex	6	8	762	565
Credit Metrics (x)				
EBITDA/Interest Expense	2.3	4.9	0.9	4.1
(FCF + Cash)/Debt-Service Coverage	1.3	4.2	0.1	1.4
Total Debt/EBITDA	4.1	2.4	13.0	3.4
Total Adjusted Net Debt/EBITDA	3.6	0.9	4.9	2.2
FFO Interest Coverage	2.4	8.0	(1.0)	4.5

Souce: Fitch.

Company Profile

Taesa is one of the largest power transmission companies in the Brazil, with 7,586km of transmission lines spread across the country, proportionally to its participation in the assets. This extension was achieved after the acquisition of participations in 10 assets which belonged to Cemig and Cemig GT in May 2013. Teasa is controlled by Cemig and FIP Coliseu, which both hold 86.5% of the voting capital. As Taesa is listed at Level 2 of corporate governance at BM&FBovespa, its free float increased July 2012, through the follow-on of its shares to meet the requirement of a minimum free float of 25% of total capital.

FIP Coliseu is managed by Banco Modal S.A. and has 12 quota holders (the largest being Fundação CEEE de Seguridade Social - Eletroceee, Fundação Forluminas de Seguridade Social - Forluz, Banco Santander S.A., and BB-Banco de Investimento S.A.). The fund was created in 2009 with a five-year term and holds a put option against Cemig on its participation in Taesa that can be exercised until 2014. In case this option is exercised, the potential amount to be received by FIP Coliseu will correspond to the amount paid for the acquisition, adjusted by IPCA+7% per year.

Asset Base

Taesa's ratings are based on the low business risk of its asset portfolio and minimal exposure to concession renewals over the short to medium term. The expiration of its concessions will not begin until 2030, taking place on a staggered basis over the following years. The company also benefits from a diversified asset base comprising 24 concessions, which dilutes the operating risks. The holding comprises 10 concessions, holds 100% of one concession, and shares control of the remaining 13 concessions. Taesa relies on its own team to operate and maintain its assets in order to ensure the desired service quality.

Taesa's Previous Asset Portfolio

Concession	Stake	Km	Substations	Voltage (KV)	Signature of the Contract	RAP Reduction	End of Concession	RAP 12/13 (BRL million)	RAP 13/14 (BRL million)	Index	Tariff Review on Basic RAP
ETEO	100.0%	502	3	440	May/00	Oct/16	May/30	130.7	138.8	IGP-M	No
NOVATRANS	100.0%	1,278	6	500	Dec/00	Jun/18	Dec/30	386.3	410.3	IGP-M	No
TSN	100.0%	1,069	6	500/230	Dec/00	Jun/18	Dec/30	361.4	385.7	IGP-M	No
GTESA	100.0%	51	2	230	Jan/02	Aug/18	Jan/32	6.6	7.0	IGP-M	No
NTE	100.0%	383	3	500/230	Jan/02	Jan/19	Jan/32	113.8	120.8	IGP-M	No
STE	100.0%	389	4	230	Dec/02	Jul/19	Dec/32	60.7	64.5	IGP-M	No
PATESA	100.0%	135	2	230	Dec/02	Sep/19	Dec/32	15.9	16.9	IGP-M	No
ETAU	52.6%	99	4	230	Dec/02	Apr/20	Dec/32	16.9	18.0	IGP-M	No
MUNIRAH	100.0%	107	2	500	Feb/04	Oct/20	Feb/34	27.1	28.8	IGP-M	No
ATE I	100.0%	370	3	500	Feb/04	Dec/20	Feb/34	110.7	117.6	IGP-M	No
ATE II	100.0%	942	4	500	Mar/05	Jan/22	Mar/35	168.6	179.0	IGP-M	No
ATE III	100.0%	454	4	500/230	Apr/06	Mar/23	Abr/36	77.9	88.9	IPCA	No
BRASNORTE	38.7%	148	4	230	Mar/08	-	Mar/38	8.5	7.7	IPCA	Yes
Total		**5927**	**47**					**1,485**	**1,584**		

Source: Taesa.

Concessions Acquired from Cemig (TBE)

Concession	Stake	Km	Substations	Voltage (KV)	Signature of the Contract	RAP Reduction	End of Concession	RAP 12/13 (BRL million)	RAP 13/14 (BRL million)	Index	Tariff Review on Basic RAP
ECTE	19.0%	48	2	500	Nov/00	Mar/17	Nov/30	13.4	14.3	IGP-M	No
ETEP	50.0%	162	2	500	Jun/01	Aug/17	Jun/31	36.4	38.7	IGP-M	No
EATE	50.0%	464	5	500	Jun/01	Mar/18	Jun/31	160.0	169.8	IGP-M	No
ERTE	50.0%	78	2	230	Dec/02	Sep/19	Dec/32	14.8	19.9	IGP-M	No
ENTE	50.0%	230	3	500	Dec/02	Feb/20	Dec/32	83.7	88.9	IGP-M	No
LUMITRANS	40.0%	16	2	500	Feb/04	Oct/22	Feb/34	7.9	8.4	IGP-M	No
STC	40.0%	74	3	230	Apr/06	Nov/22	Apr/36	12.0	12.8	IPCA	No
EBTE	74.0%	579	7	230	Oct/08	-	Oct/38	24.8	27.3	IPCA	Yes
ESDE	50.0%	2	1	345	Nov/09	-	Nov/39	5.2	2.7	IPCA	Yes
ETSE	19.0%	9	2	500/230	May/12	-	May/42	2.8	3.0	IPCA	Yes
Total		**1,659**	**29**					**361**	**386**		
Total (after TBE)		**7,586**	**76**					**1,846**	**1,970**		

Source: Taesa.

Revenue Structure

The power transmission companies' revenue is not exposed to the volumetric risk. Brazilian concessionaires are remunerated with basis on the RAP established in the concession contract. The RAP compensates the concessionaires for making their power transmission facilities available to users of the basic grid and transmission subsystems, and is not linked to the volume of power transmitted. Any nonavailability of transmission lines is discounted from the RAP, which represented a 1.0% discount for Taesa during the first half of 2013. The RAP must be sufficient to remunerate the investments made by each concessionaire in its power transmission assets, its operating costs, and maintenance of such assets.

The RAP of the concessionaires is subject to annual readjustments to offset the inflation rate fluctuations, as measured by the General Price Index - Market (IGP-M) or by the Consumer Price Index - Ample (IPCA), as well as investments previously approved by the Brazilian Electricity Regulatory Agency (Aneel). It also can be readjusted under certain extraordinary circumstances, as changes to the tax legislation and investments not previously approved by Aneel. The RAP annual adjustment also includes surplus or deficit revenue corrections during any previous year (adjustment portion), as well as adjustments due to operation interruptions planned or not. The readjustments happen July 1, based on the period that goes from June of the previous year to May of the reference year. In 2013, the tariff readjustments based on IGP-M was 6.2%, with 6.5% in case of the tariffs adjusted by IPCA.

Taesa's exposure to periodical tariff reviews is low, as only four of its 24 concessions were obtained after November 2006 and are not subject to this procedure. Exposure to tariff reviews may increase as it participates in bids for new transmission concession projects. Pursuant to Taesa's other concession contracts, prior to November 2006, the RAP of these concessions should decrease by 50% after the 15th year from when they commenced operations, with the first such decrease in revenue occurring in 2016. Fitch expects Taesa to manage its debt level to mitigate the impact of this cash flow generation reduction on its credit metrics.

Taesa's power transmission companies benefit from a diversified client base and a guaranteed payment structure. The users of the transmission lines are, in general, generation and distribution companies, and large energy consumers. Each transmission company issues monthly invoices to all its transmission system users, following instructions of the National System Operator (ONS).

The monthly payments due by the users, made in three installments, are ensured by a contract of constitution of guarantees. It grants to ONS access to the funds available in the bank accounts indicated by the system user, in case this fails to make the payments due to transmission concessionaires. This substantially mitigates the counterpart risk. The balance in each client account never can be lower than 110% of the average amount paid to transmission companies in the last three months.

The system user, who fails to make the monthly payment for three consecutive months, or for more than five non-consecutive months within any 12-month period, must submit a letter of credit valid for six months and equivalent to two monthly payments for the power transmission services to ONS. Other penalties shall be applied if the letter of credit is not submitted to ONS. Any defaults in relation to payments by the purchasers also are mitigated by a shared risk structure which should dilute such defaults among the other transmission network users. This makes the transmission company's business even stronger in the country.

Strategy

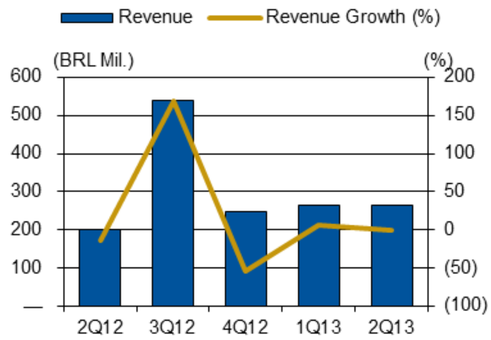
Taesa's strategy is to expand its asset base. This growth can result from the acquisition of existing assets (secondary market), as well as participation in new project auctions. The company has been more effective in the acquisition of assets already in operation, for considering low the profitability of the projects which are being auctioned. Taesa can participate in auctions via partnerships and there are no restrictions to have a minority participation in the project, provided Taesa is included in the controlling block.

In organizational terms, the company has incorporated the concessions in which it held 100% of control. It is a way to have a simplified shareholding structure and approximate the cash generation to the shareholder.

Taesa does not pursue any specific credit metric, having only the financial covenant (net debt/EBITDA lower or equal to 3.5x) as reference.

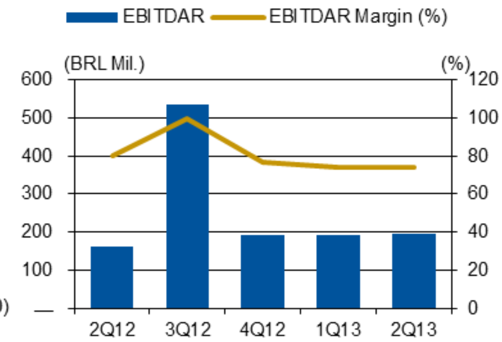
Business Trends

Revenue Dynamics
(As of Jun. 30, 2013)

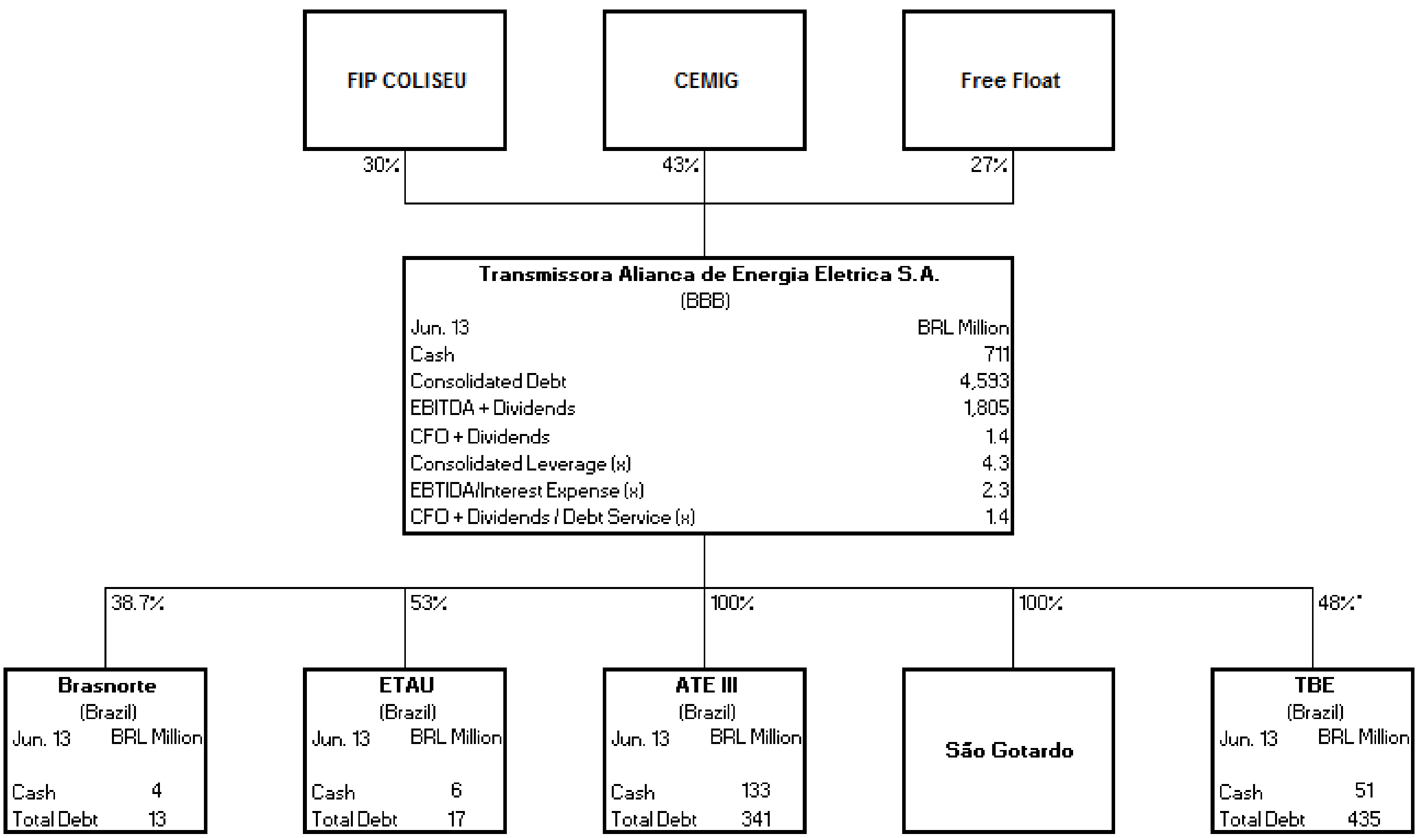


Source: Fitch

EBITDA Dynamics
(As of Jun. 30, 2013)



Source: Fitch



* Combined Stake

Financial Summary — Transmissora Aliança de Energia Elétrica S.A.

	LTM Ended Jun.2013	2012	2011	2010	2009
Profitability					
Operating EBITDA	1,070,751	1,043,859	894,211	696,437	624,062
Operating EBITDAR	1,070,751	1,043,859	894,211	696,437	624,062
Operating EBITDA Margin	81.4	85.3	89.7	87.2	71.7
Operating EBITDAR Margin	81.4	85.3	89.7	87.2	71.7
FFO Return on Adjusted Capital (%)	12.7	5.0	21.7	15.1	13.7
Free Cash Flow Margin (%)	32.0	36.0	-149.2	43.5	-4.6
Return on Average Equity (%)	21.9	18.6	20.8	18.2	19.0
Coverage					
FFO Interest Coverage	2.4	1.2	6.1	4.1	3.2
Operating EBITDA/Interest Expense	2.3	2.9	4.5	4.6	3.9
Operating EBITDAR/Interest Expense + Rents	2.3	2.9	4.5	4.6	3.9
Operating EBITDA/Debt Service Coverage	0.8	1.3	0.6	3.4	0.7
Operating EBITDAR/Debt Service Coverage	0.8	1.3	0.6	3.4	0.7
FFO Fixed Charge Coverage	2.4	1.2	6.1	4.1	3.2
FCF Debt Service Coverage	0.7	1.0	-0.9	2.4	0.1
(FCF + Cash and Marketable Securities)/Debt Service Coverage	1.3	4.4	-0.5	4.7	0.4
Cash Flow from Operations/Capital Expenditures	188.2	168.9	-148.9	29.8	-8.6
Capital Structure and Leverage (X)					
FFO Adjusted Leverage	4.1	10.7	2.8	2.5	3.0
Total Debt with Equity Credit/Operating EBITDA	4.3	4.6	3.7	2.2	2.5
Total Net Debt with Equity Credit/Operating EBITDA	3.6	2.1	3.1	1.5	2.2
Total Adjusted Debt/Operating EBITDAR	4.3	4.6	3.7	2.2	2.5
Total Adjusted Net Debt/Operating EBITDAR	3.6	2.1	3.1	1.5	2.2
Implied Cost of Funds (%)	11%	9%	8%	10%	10%
Secured Debt/Total Debt					
Short-Term Debt/Total Debt	0.2	0.1	0.4	0.0	0.4
Balance Sheet					
Total Assets	9,161,668	9,636,364	6,490,580	4,575,830	4,080,165
Cash and Marketable Securities	711,644	2,634,011	560,322	477,413	178,177
Short-Term Debt	797,740	431,238	1,318,124	55,928	684,698
Long-Term Debt	3,794,983	4,345,987	2,020,027	1,492,935	881,150
Total Debt	4,592,723	4,777,225	3,338,151	1,548,863	1,565,848
Equity Credit					
Total Debt with Equity Credit	4,592,723	4,777,225	3,338,151	1,548,863	1,565,848
Off-Balance Sheet Debt					
Total Adjusted Debt with Equity Credit	4,592,723	4,777,225	3,338,151	1,548,863	1,565,848
Total Equity	4,111,150	4,097,243	2,252,472	2,508,354	2,207,369
Total Adjusted Capital	8,703,873	8,874,468	5,590,623	4,057,217	3,773,217
Cash Flow					
Funds from Operations	638,156	88,071	1,012,150	462,158	358,453
Change in Operating Working Capital	522,346	946,588	-1,754,912	7,373	-115,147
Cash Flow from Operations	1,160,502	1,034,659	-742,762	469,531	243,306
Total Non-Operating/Non-Recurring Cash Flow	0	0	0	0	0
Capital Expenditures	-6,167	-6,127	-4,988	-15,738	28,388
Dividends	-733,552	-588,534	-740,614	-106,330	-311,553
Free Cash Flow	420,783	439,998	-1,488,364	347,463	-39,859
Net Acquisitions and Divestitures	-2,350,289	-658,874	0	0	-205
Other Investments, Net	-1,977,599			0	
Net Debt Proceeds	-728,880	517,566	1,571,273	-48,227	-83,128
Net Equity Proceeds	1,729,499	1,729,499			281
Other Financing, Net					
Total Change in Cash	-2,906,486	2,028,189	82,909	299,236	-122,911
Income Statement					
Net Revenues	1,314,863	1,223,676	997,244	798,594	870,790
Revenue Growth (%)		23%	25%	-8%	39%
Operating EBIT	1,114,082	1,087,244	892,710	681,715	620,753
Gross Interest Expense	471,371	356,402	198,796	150,564	159,994
Rental Expense					
Net Income	692,963	589,182	495,399	428,630	350,286

Source: Company reports.

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.