Transport for London

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	AA-
Short-Term IDR	F1+

Local Currency

Long-Term IDR	AA-

Outlooks

Long-Term Foreign-Currency IDR	Negative
Long-Term Local-Currency IDR	Negative

Financial Data

Transport for London

	31 Mar 16	31 Mar 15
Total operating revenues (GBPm)	5,288.6	5,039.2
Rev. from pub. sector (GBPm)	848.3	1,070.9
Operating balance (GBPm)	-1,299.3	-944.8
Total debt (GBPm)	9,113.1	8,514.3
Total assets (GBPm)	40,867.5	39,030.8
Reserves (GBPm)	25,236.1	24,257.3
Fitch calculated EBITDA margin (%)	2.68	6.64

Related Research

United Kingdom (December 2016)

Analysts

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Key Rating Drivers

Strong Government Support: Transport for London (TfL) is classified as a credit-linked entity and its Long-Term IDRs are notched down once from the UK sovereign's (AA/Negative/F1+), under Fitch Ratings' public-sector entities rating criteria application of the four key rating factors: legal status, control, strategic importance and integration. Fitch believes that extraordinary support from the UK government would be forthcoming if needed.

Stronger Legal Status: TfL's legal status is that of a statutory corporation subject to local government finance rules. It is regulated under the Local Government Act 2003 and the Local Government Finance Act for capital finance purposes. TfL must produce a balanced budget each year and cannot be liquidated.

Midrange Control: TfL is a functional body of the Greater London Authority (GLA) and reports to the mayor of London who is chair of the board. The mayor appoints the board members and develops and publishes a transport strategy reflecting national and local priorities. Since 2004, a prudential scheme for local authorities has been in place, allowing TfL to borrow up to authorised limits.

Stronger Strategic Importance: TfL is strategically important for London and the UK economy. About 31 million journeys are undertaken on TfL's network daily, half of all bus and rail journeys in England. Passenger journeys across most modes of transport increased in FY16 with the exception of buses and trams. Bus volumes were down primarily due to the impact of reduced reliability as a result of increasing road traffic and congestion. Nevertheless, TfL expects patronage will increase by 8% to FY21 for buses and 11% for the tube.

Midrange Integration: Until now about one-third of TfL's total revenue has come from grants. Part of this is paid directly to TfL from the Department for Transport (DfT), part of this is transferred from the DfT via the GLA, and part of it is through business rates collected and distributed by the GLA. The outcome of the 2015 Spending Review means that TfL's funding settlement will continue to decrease, resulting in a loss of about GBP0.7m per year to FY21.

By FY19, TfL will no longer receive general grant from the central government and business rates receipts will be used to cover operating expenditure. As a result, this attribute is now assessed as 'Midrange' as TfL will receive less direct funding from the government. From April 2017, the investment grant will be replaced by an equivalent amount of almost GBP1bn in business rates to be transferred to TfL by the GLA under a pilot scheme for further business rates devolution.

Indirect Funding: The UK government has expressed its support for TfL's long-term commitments in the latest funding settlement, although it will no longer directly subsidise TfL's investment plan from April 2017. This has included funding for not only Crossrail (now named the Elizabeth Line), but the extensive work modernising tube services and stations as well as transforming the road network.

Rating Sensitivities

Sovereign Rating and Support: A rating change could result from a change in the UK sovereign rating or a weakening of the strategic importance or support or integration with the central government, which would lead to a wider notching difference. Weakening could be in the form of a further reduction in overall funding (including capital funding) without supplementary sources of revenue being identified.

Rating History

Date	Long-Term Foreign Currency	Long-Term Local Currency
01 July 16	AA-/Neg	AA-/Neg
24 April 13	AA/Stable	AA/Stable
27 March 13	AA+/RWN	AA+/RWN
16 March 12	AA+/Neg	AA+/Neg
10 March 11	AA+/Stable	AA+/Stable
17 March 04	AA/Stable	AA/Stable

Principal Rating Factors - Summary

Legal status	Control and oversight	Strategic importance	Integration
Strong	Mid-range	Strong	Mid-range

Source: Fitch

Related Criteria

Rating of Public-Sector Entities : Outside the United States (February 2016)

International Local and Regional Governments Rating Criteria (April 2016)

Profile and Overview

TfL is a statutory body created in 1999; in 2000, the Greater London Authority Act transferred all responsibility for London buses and other transport to TfL from the central government. In 2003, the responsibility for London Underground Limited (LUL) was passed to TfL; since autumn 2007, TfL has taken on some overground rail services. It is also responsible for the Docklands Light Railway (DLR), river services, taxis and cycling as well as roads and bridges.

Legal Status

TfL is a statutory corporation subject to local government finance rules. It is regulated under the Local Government Act 2003 and the Local Government Finance Act for capital finance purposes. TfL's subsidiaries are subject to the accounting requirements of the Companies Act 2006. TfL must produce a balanced budget each year. The sum of revenues, grants, contingencies and borrowing has to equal total operating and capital costs and debt service. TfL cannot be liquidated or made bankrupt.

Control and Oversight

TfL is a functional body of the GLA and reports to the mayor of London. The current mayor, Sadiq Khan, is the chair of the board. The mayor appoints the board members, of whom there are now 16 with all but two being new, as well as developing and publishing a Transport Strategy reflecting national and local priorities. A Commissioner is appointed by the board, based on the recommendation of the chairman of TfL and the Selection Panel. The Commissioner's role is to report to the board and lead the management team, which is accountable for the daily running of the organisation.

The GLA has a strategic role in London's planning and operations. It is run by the mayor and an assembly of 25 members, all of whom are directly elected every four years. Its main responsibilities are transport, policing, fire and emergency planning, culture and the environment across the Greater London area.

Since 2004, a prudential scheme for local authorities, including the GLA and its bodies, has been in place, allowing TfL to borrow up to authorised limits. The mayor is required to approve the affordable borrowing limit for TfL each year as the legal maximum. TfL agrees its incremental borrowing limits with the central government as part of the funding settlement.

Strategic Importance

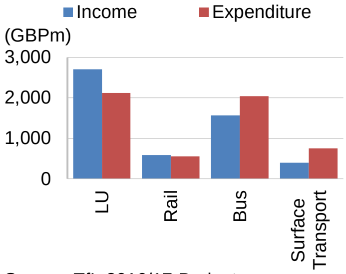
Greater London has a population of around 8.6 million. TfL's business plan includes investment to support estimated population growth to nine million by 2018 and 10 million by the 2030s, and potential growth in employment of more than half a million by 2020. London accounts for 22% of the UK's gross value added (GVA). Total use of public transport is increasing primarily as a result of greater demand from the rising population living in the urban area and the congestion charge. The pattern of passenger growth on the tube is related to economic growth in the city, whereas bus use is linked to the growth of London's population. TfL bases its revenue projections on growth forecasts provided by GLA Economics. In August 2016, real GVA growth for London was forecast at 2.8% for 2016, decreasing to 2.0% for 2017 before increasing slightly to 2.3% for 2018.

About 31 million journey stages are undertaken on TfL's network every day, which is half of all bus and rail journeys in England. TfL's capital expenditure plan aims to increase capacity by 30% on the tube and by 10% on rail by end-2020. The expected increase in passengers does not reflect any potential reduction in passenger numbers due to Brexit.

Integration

TfL funds itself through a mixture of central and local government grants and own revenue such as fares. The GLA channels the block grants, which cannot be intercepted and used for

Operating Income & Expenditure Per Business Unit FY17 Budget



Source: TfL 2016/17 Budget

anything other than intended and cannot be used to fund shortfalls in one functional body through surpluses in another. In Fitch's opinion, the central government would grant extraordinary support to TfL in case of need, as the GLA does not have the funding or resources to do so.

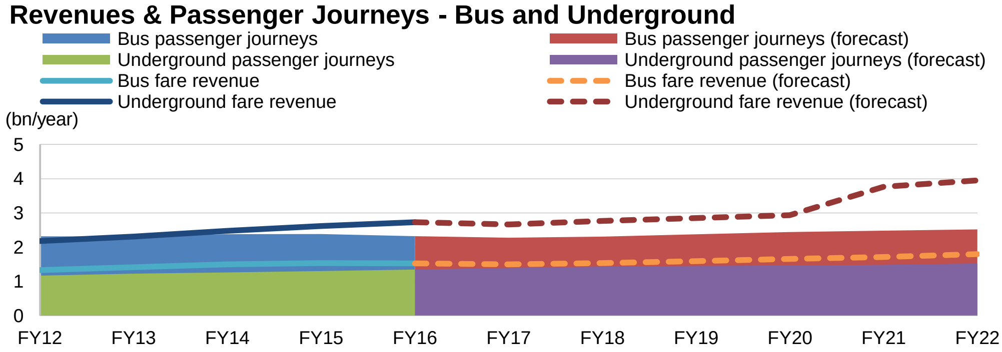
About 40% of TfL's total revenue comes from a mixture of central government grants and GLA grants. Part of this is paid directly to TfL by the DfT, part of it is transferred from the DfT via the GLA, and part of it is through business rates collected and distributed by the GLA. The GLA transport grant is set at the time of the Spending Review. TfL's latest funding settlement was approved in March 2016 and is reflected in TfL's latest 2016/17 Budget. The outcome of the 2015 Spending Review means that TfL's funding settlement will continue to decrease, resulting in a loss of about GBP0.7m per year to FY21.

Finance and Performance

Revenue

The mayor of London has sole responsibility for fares. Sadiq Khan met his mayoral pledge in June 2016 by freezing all TfL-controlled fares for four years. Daily/weekly caps and travelcards are linked to the national government policy on rail fares and increased by RPI in January 2017. The financial impact of this against the previous Mayor's Business Plan (that assumed fares increases of RIP+/-1%) is of an accumulative GBP640m over FY17-FY20. As a result, we expect TfL to focus on increasing revenues and demand and delivering efficiencies.

Revenues & Passenger Journeys - Bus and Underground



Note: Elizabeth line is included in the Underground fare revnue figures from April 2020
Source: FY17-22: TfL Business Plan Dec 2016

Just under 9.5 Oyster cards are used regularly in London. A ticketing payment system has enabled customers to use contactless debit or credit cards on Oyster card yellow readers, offering them the same fares as Oyster cards. This scheme has now been extended across the bus, tube, trams, DLR, Overground, TfL Rail, Emirates Air Line, River Bus and most National Rail services in London.

The Tube

The tube carries 4 million people each day. There are 11 lines, covering 402km and serving 270 stations. Tube capital spend is forecast at GBP8.2bn between FY16 and FY21. In 2Q16/17, the tube accounted for 56% of TfL's total fares income. Passenger journeys in 1H17 were up 3% on 1H16. The introduction of the night tube in August 2016 has also led to higher revenues and has experienced higher volume than expected. The Jubilee, Victoria, Northern and Piccadilly lines opened a night tube service between August and December 2016.

Surface Transport

Surface transport is responsible for buses, congestion charging, traffic signalling, roads, bridges, tunnels, cycling and walking. Bus use accounted for 32% of TfL's total fare income in 1H17. Bus usage decreased by just under 5% for 1H17 compared to 1H16 due to the impact of reduced bus reliability as a result of increasing road traffic and the congestion caused by the construction of major highway and urban improvement schemes. Nevertheless, bus usage is expected to rise due to the introduction of the Bus Hopper as well as priority lanes. The bus is the most used public transport mode in London, responsible for half of all daily journeys and nearly half of all UK bus journeys. TfL outsources some of its operations, including bus services. Six private companies operate on 90% of bus routes, on five-year contracts.

Congestion charging was initially launched in 2003 to reduce cars entering the most congested central areas. It has been extremely successful in its primary objectives of restricting car traffic and keeping down congestion. TfL also manages 580km of the city's road network, which makes up 5% of London's roads; the other 95% are controlled and managed by the London boroughs. The number of cycling journeys in London has nearly tripled since 2001 and more than 570,000 cycle trips are made daily. TfL expects more than 1 million journeys will be made by 2020. Santander is the sponsor of the cycle hire scheme, which now has over 10,000 bikes, at more than 700 docking stations situated every 300-500m.

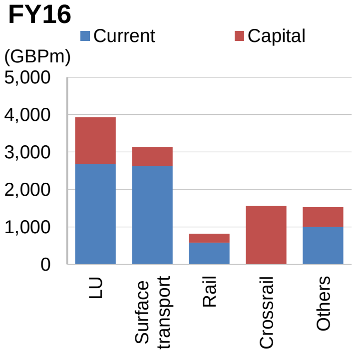
Rail

Rail covers the DLR, the London Overground, Tramlink and the Emirates Air Line. Passenger journeys on the Overground rose by 32% in FY16 and for 1H17 by 9% compared to 1H16. This is primarily due to the adoption of routes combined with a continued increase in demand and due to extra cars being added to most existing four-car trains.

The DLR now has 45 stations and approximately 150 vehicles. The first phase of the project to double sections of track and increase capacity during peak times was completed in 2014 and the second will be completed in 2019, which will finish the doubling of all remaining single-track sections between Stratford and Bow Church. This project is essential to service the growth and regeneration of the area. The DLR will also benefit from additional railcars to increase capacity.

The Emirates Air Line, opened in June 2012, is a 1km cable car line that connects North Greenwich and the Royal Docks in less than 10 minutes and carries an average of 1.5 million passengers per year.

Breakdown of Expenditure FY16



Source: TfL

Expenditure

TfL is one of the largest employers in London, with an average 27,501 permanent staff in FY16 (26,090 in FY15) (including fixed-term contracts). In FY16, staff costs accounted for 26% of operating costs (including depreciation). In the past, a significant part of TfL's expenditure was on public-private partnerships and private finance initiatives. TfL has had no public-private partnerships since August 2010. Private finance initiatives are contracted where TfL controls the use of infrastructure and residual interest at the end of the arrangement and are treated as service concession arrangements.

TfL expects to compensate for the reduction in operating grants through a number of measures including efficiency savings as well as growing commercial income; the introduction of new services and the increase in passenger numbers will also help increase revenues.

In 2016, TfL introduced a new operating model which will focus on identifying operational efficiencies as well as new ways of increasing demand and revenues. A holistic approach has been taken to look at TfL as a whole rather than as separate units, with a focus on the most efficient way of carrying out projects rather than on deadlines. Demand should increase as a result of bus priority measures and a comprehensive review of the bus routes, the night tube, the Elizabeth Line and commercial revenues should improve as a result of a new advertising contract. TfL is also undergoing a transformation programme; there has been a change in top management and a new executive committee.

The Elizabeth Line: Major Capital Expenditure Project

The Elizabeth Line is TfL's most significant capital expenditure project. A high-frequency, high-capacity service will be delivered to 42 stations, nine of which will be new in central London. It will expand the city's rail network capacity by 10%, and aims to generate more than GBP40bn

TfL Funding of the Elizabeth Line – Capped at GBP7.1bn

Source	(GBPbn)
Indirect funding	**4.7**
GLA borrowing backed by Business Rate Supplement (BRS)	3.5
Boroughs backed by BRS, Community infrastructure Levy, developer contributions (GBP0.6bn of which is through GLA)	1.2
TfL direct funding	**2.4**
EIB corporate loan for the Elizabeth line	1.0
Other corporate borrowing	1.0
Sale of TfL surplus land	0.4
Total TfL funding sources	**7.1**
DfT funding sources	**5.2**
(Including BAA plc, City of London, DfT grant)	
Other funding sources	**2.5**
(including network rail surface works, other)	
Total funding envelope	**14.8**

Source: TfL

for the UK economy. An additional 1.5 million people will be within 45 minutes' commuting distance of the capital's key business districts. Services will begin in phases; the first trains will enter service in May 2017, and the Elizabeth Line services will start running in the central tunnel section towards the end of 2018. TfL expects it to be fully operational by the end of 2019.

A total of GBP14.8bn has been set aside for funding from TfL, GLA borrowing, the private sector and Network Rail. TfL's exposure has however been capped at GBP7.1bn, and there is a put option to the DfT if the costs breach a pre-determined level. TfL has taken on additional borrowing to fund part of its contribution. Construction of the Elizabeth Line at sites across the city remains on time and on budget, with over 80% complete and more than half the track and all new station platforms completed. Investment in the Elizabeth Line and the tube is vital to secure future economic growth in the capital and will increase London's rail capacity by 10% and enable new and faster journeys.

Crossrail 2 is a project under development, and is being jointly developed by TfL, the GLA and the DfT. It would serve stations throughout south east England, linking south west and north east London as well as destinations across Surrey and Hertfordshire. The Mayor is committed to delivery by 2033.

Overall Performance

For FY16, TfL recorded a surplus on the provision of services after tax of GBP1bn, a decrease of GBP1.3bn from GBP2.3bn in FY15. This was primarily due to GBP0.8m less in Elizabeth Line ring-fenced grant. Fare income rose 6.4% to GBP4.3bn in FY16, partly due to the increase of fares in line with RPI and an increase in passenger numbers. Total income from other sources remained stable at about GBP1bn. An increase in gross expenditure is a reflection of increased activity.

Business Plan (BP), Published December 2016

The BP outlines commitments over the next five years including delivering safe, high-quality and reliable services alongside significant capital investment programmes. TfL is undertaking an overhaul in order to drive efficiency and aims to achieve a positive net cost of operations before financing (and after capital renewals) by FY21 and a positive net cost of operations (after net financing cost) by FY22. Cost reductions are being achieved by merging functions, reducing management layers, cutting expenditure across areas that support operational business, reducing reliance on agency staff, negotiating better deals with suppliers, and scrutinising ways of delivering major projects.

For the operating plan, funding primarily comes from fares, business rates retention and other operating income. A general grant received will reduce until FY18 from when no further general grant will be received. Total operating income is projected to continue rising to GBP7.4bn in FY22 from GBP5.3bn in FY16.

Funding for the capital plan is from investment grant, the Elizabeth Line funding sources, borrowing and property income. TfL has assumed an annual spend of about GBP700m on capital renewals per year as well as around GBP1.4bn on new capital investment. Any capex for very large single projects (like Crossrail 2) would need additional funds not covered in its business plan. Nevertheless, if the increase in future fare income is lower than projected, TfL has flexibility to: review capital projects; delay or reduce capital expenditure; reduce or revise services; and change fares, fare structure or concession arrangements.

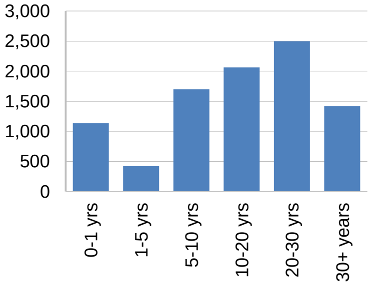
The BP assumes savings of GBP4.3bn. TfL is also looking to raise other income with plans to use land and retail estate and deliver new homes, half of which are intended to be affordable. Sensitivity analysis has been undertaken for the BP considering the value, volume and timing of different factors. These include passenger journeys, commercial development revenues, transformation programmes, renewals and maintenance, business rate retention, the Elizabeth Line, capital expenditure and inflation.

TfL Borrowing

(GBPm)	FY16	(%)	FY15	(%)
TfL bonds	3,620	37	3,100	33
PWLB	2,725	28	2,725	29
EIB	2,022	21	1,962	21
CP	780	8	760	8
Total direct debt[a]	**9,147**	**93**	**8,548**	**92**
Finance leases	659	7	746	8
Total direct debt & finance leases	**9,806**		**9,294**	

[a] Note: Shows undiscounted remaining cash flows relating to debt
Source: TfL

Debt Maturity Profile 31 Dec 16



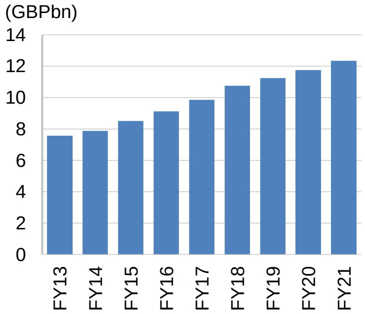
Source: TfL

TfL Incremental Borrowing Limits

Year	(GBPm)
2017/18	900
2018/19	500
2019/20	500
2020/21	600
2021/22	-

Source: TfL

Actual and Projected Debt



FY17-FY21: Business plan
Source: TfL

TfL also has a commercial development 10-year plan, which aims to raise GBP3.4bn in net income. It expects the property development to be delivered primarily through joint ventures.

Debt, Liquidity and Contingent Liabilities

TfL's direct nominal debt totalled GBP9.1bn at FYE16, an increase of 7% or GBP600m from GBP8.5bn at FYE15. At end-December 2016, TfL bonds and PWLB funding accounted for just under 70% of total direct debt, with European Investment Bank (EIB) funding and commercial paper forming the rest. The weighted average maturity of debt at FYE16 was 19.9 years, and the weighted average interest rate was 3.7%, in line with FY15. Of TfL debt, at end-December 2016, 17% was due within five years, of which GBP1.1bn is due within the year.

TfL has a GBP808m borrowing requirement for FY17 that includes GBP730.5m of incremental borrowing. At end-December 2016, most of TfL's borrowing requirement for FY17 had been sourced through loan facilities with the EIB and Export Development Canada. TfL also has GBP200m of committed and undrawn facilities with the EIB and Export Development Canada. TfL is now able to defer all or part of this borrowing from one year to the next.

Guarantee contracts have been given to some of TfL's subsidiaries, totalling GBP0.9bn at FYE16. This is based on approximate amounts of debt that were envisaged to be drawn by the counterparty at the signing of each agreement. TfL is legally required to recognise its guarantees, and those that have value are recorded as a liability on the balance sheet. All guarantees have been assessed as having zero or immaterial value and disclosed for information purposes only. All guarantees granted are over obligations of TfL's subsidiaries, which are already recorded as liabilities on the balance sheet. Some of TfL's PFI contracts contain commitments that could result in breakage costs in the event of early termination.

For a portion of borrowing requirements, TfL uses interest rate derivatives. TfL is allowed to enter into derivatives to mitigate risk under section 49 of the TfL Act of 2008. At FYE16, Transport for London Finance Limited held 18 interest rate derivative contracts with a combined notional value of GBP831m.

Strong Liquidity Position

TfL has cash and liquid deposits of GBP3.3bn at FYE16, of which GBP1.5bn was ring-fenced for the Elizabeth Line. TfL has a prudent minimal level of about GBP500m, although it would generally maintain levels above this. It also has GBP200m of undrawn overdraft facilities with HSBC and access to PWLB and money market borrowing through a commercial paper programme. TfL can set up revolving credit facility, but has none at present.

Pensions

Most of TfL's employees are covered by a defined-benefit scheme managed by a wholly owned subsidiary. The latest available full actuarial valuation from March 2015 showed a GBP396m deficit, which will be covered by 31% employers' contribution plus a lump sum to be paid by end-March 2018. Unfunded pension liabilities (GBP3.2bn for FY16) have not been included in the total risk figure, as this is the accounting figure and not what TfL is required to fund.

Appendix A

Transport for London

(GBPm)	2012	2013	2014	2015	2016
Income statement summary and profitability					
Total operating revenue (exc. transfers and grants from public sector)	4,180.9	4,495.5	4,789.6	5,039.2	5,288.6
Operating revenue growth (%)	7.64	7.52	6.54	5.21	4.95
Transfers and grants from public sector	1,707.8	2,178.6	1,484.8	1,070.9	848.3
Transfers and grants from public sector/total revenues[a] (%)	29.00	32.64	23.66	17.53	13.82
Operating balance	-341.7	184.1	-499.4	-944.8	-1,299.3
Interest expense	352.4	351.9	377.7	408.2	414.8
Profit (loss) after tax	1,404.3	2,528.6	3,499.6	2,082.9	978.8
Personnel costs/total revenues[a] (%)	25.72	24.37	28.46	30.29	31.64
Fitch calculated EBITDA margin (%)	14.19	21.43	14.25	6.64	2.68
FFO margin (%)	10.92	17.24	8.45	1.80	-1.90
FCF margin (%)	4.20	2.29	3.01	-4.36	-2.80
Return on equity and reserves (%)	n.m.	n.m.	n.m.	n.m.	n.m.
Return on assets (%)	n.m.	n.m.	n.m.	n.m.	n.m.
Balance sheet summary					
Total assets	28,915.5	32,320.1	35,863.2	39,030.8	40,867.5
Stock	37.6	42.0	47.7	53.9	70.6
Cash and liquid investments	2,661.7	3,684.2	4,569.1	4,667.8	3,314.4
Reserves	16,113.5	18,674.8	22,174.4	24,257.3	25,236.1
Equity	0.0	0.0	0.0	0.0	0.0
Cash-flow summary					
EBITDA (Fitch calculated)	**835.7**	**1,430.0**	**894.3**	**405.6**	**164.4**
Cash interest paid	-190.2	-296.9	-388.6	-320.4	-306.6
Other items before FFO	-2.2	17.7	24.3	24.6	25.5
FFO: Funds from operations	**643.3**	**1,150.8**	**530.0**	**109.8**	**-116.7**
Changes in working capital	-215.2	10.7	60.9	-23.4	80.1
CFO: Cash-flow from operations	**428.1**	**1,161.5**	**590.9**	**86.4**	**-36.6**
Net capital expenditure	-181.0	-1,008.5	-401.8	-353.1	-135.0
Dividends paid	0.0	0.0	0.0	0.0	0.0
FCF: Free cash-flow	**247.1**	**153.0**	**189.1**	**-266.7**	**-171.6**
Equity injection	0.0	0.0	0.0	0.0	0.0
Other cash financing	-661.1	-538.6	-481.2	-396.2	-393.5
Cash-flow before debt movement	**-414.0**	**-385.6**	**-292.1**	**-662.9**	**-565.1**
New borrowing	1,921.8	428.5	435.1	668.1	623.1
Debt repayment	-1,483.1	-21.3	-107.1	-22.1	-25.3
Cash-flow after net debt movement	**24.7**	**21.6**	**35.9**	**-16.9**	**32.7**

[a] Includes revenue from the public sector

n.m.: not meaningful
Source: Issuer and Fitch calculations

Appendix B

Transport for London

(GBPm)	2012	2013	2014	2015	2016
Debt summary					
Short-term debt	2,177.5	1,139.6	709.2	784.3	832.1
Long-term debt	4,954.3	6,425.0	7,158.1	7,730.0	8,281.0
Total debt	**7,131.8**	**7,564.6**	**7,867.3**	**8,514.3**	**9,113.1**
Subordinated debt	0.0	0.0	0.0	0.0	0.0
Finance leases	1,027.5	890.7	821.8	746.0	659.1
Other Fitch classified debt	0.0	0.0	0.0	0.0	0.0
Total risk	**8,159.3**	**8,455.3**	**8,689.1**	**9,260.3**	**9,772.2**
Unfunded pension liabilities	0.0	0.0	0.0	0.0	0.0
Contingent liabilities	0.0	0.0	0.0	0.0	0.0
Overall risk	**8,159.3**	**8,455.3**	**8,689.1**	**9,260.3**	**9,772.2**
Cash, liquid deposits and sinking fund	2,661.7	3,684.2	4,569.1	4,667.8	3,314.4
Net overall risk	**5,497.6**	**4,771.1**	**4,120.0**	**4,592.5**	**6,457.8**
% debt in foreign currency	0.00	0.00	0.00	0.00	0.00
% debt at fixed interest rate	74.00	90.00	98.00	99.60	99.40
% issued debt	13.66	26.07	33.05	36.41	39.94
Coverage and leverage					
Fitch calculated EBITDA gross interest coverage (x)	n.m.	n.m.	n.m.	n.m.	n.m.
FFO gross interest coverage (x)	3.38	3.88	1.36	0.34	-0.38
FFO debt service coverage (x)	0.38	3.62	1.07	0.32	-0.35
FFO/net capital expenditure (%)	355.41	114.11	131.91	31.10	-86.44
FFO gross leverage (x)	0.09	0.15	0.07	0.01	-0.01
Net debt/(CFO-capex) (x)	-1.39	-1.21	-0.90	-1.00	-1.22
Total debt/Fitch calculated EBITDA (x)	n.m.	n.m.	n.m.	n.m.	n.m.
Net debt/Fitch calculated EBITDA (x)	n.m.	n.m.	n.m.	n.m.	n.m.
Total risk/Fitch calculated EBITDA (x)	n.m.	n.m.	n.m.	n.m.	n.m.
Overall risk/Fitch calculated EBITDA (x)	n.m.	n.m.	n.m.	n.m.	n.m.
Total debt/equity and reserves (%)	44.26	40.51	35.48	35.10	36.11
Total debt/total assets (%)	24.66	23.41	21.94	21.81	22.30
Sector specific data					
Total kms in operation	577	582	584	586	594
Passengers per Km	6,426,343.2	6,524,055.0	6,707,191.8	6,778,157.0	6,722,222.2
Public funding per passenger (units)	0.5	0.6	0.4	0.3	0.2
Operating costs per passenger (units)	1.7	1.7	1.7	1.8	1.9
Revenue - fare box	3,271.1	3,539.0	3,807.4	3,989.1	4,258.4
Revenue - fare box/operating costs (%)	52.50	54.53	56.21	56.54	57.27
Revenue - fare box/operating revenues and revenue from public sector (%)	55.55	53.03	60.68	65.29	69.39

n.m.: not meaningful

Source: Issuer and Fitch calculations

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