



Fitch Upgrades 5 Spanish Public Sector Entities Ratings Endorsement Policy

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Fitch Ratings-Barcelona/London-02 May 2014: Fitch Ratings has upgraded five Spanish Public Sector Entities' (PSE) Long-term foreign and local currency Issuer Default Ratings (IDR). Fitch has also affirmed the Short-term foreign currency IDR. The Outlook is Stable. The respective bond issues/senior unsecured ratings have also been upgraded.

The Fondo de Reestructuración Ordenada Bancaria (FROB) bonds guaranteed by Spain have also been upgraded to 'BBB+' from 'BBB'.

The rating actions follow the agency's upgrade of Spain's Long-term foreign and local currency IDR to 'BBB+/Stable/F2' from 'BBB/Stable/F2' (see 'Fitch Upgrades Spain to 'BBB+'; Outlook Stable' dated 25 April 2014 at www.fitchratings.com). A complete list of rating actions is provided at the end of this commentary.

KEY RATING DRIVERS

The IDRs on the PSEs credit linked to Spain's sovereign have been upgraded reflecting the application of the agency's "Rating of Public Sector Entities - Outside the United States" methodology.

RATING SENSITIVITIES

Any change to the sponsors' ratings will be reflected in the ratings of the PSEs. Additionally any material change to the legal status or control and supervision of the sponsors will affect the ratings.

The rating actions are as follows:

Administrador de Infraestructuras Ferroviarias (ADIF)

Long-term foreign and local currency IDR upgraded to 'BBB+' from 'BBB'; Outlook Stable
Short-term foreign and local currency IDR of 'F2' affirmed

Primary Analyst: Guilhem Costes

Secondary Analyst: Fernando Mayorga

ADIF Alta Velocidad

Long-term foreign and local currency IDR upgraded to 'BBB+' from 'BBB'; Outlook Stable. Short-term foreign and local currency IDR of 'F2' affirmed

EUR3bn EMTN Programme upgraded to 'BBB+ (EXP)' from 'BBB (EXP)';

Primary Analyst: Guilhem Costes

Secondary Analyst: Fernando Mayorga

Corporación de Reservas Estratégicas de Productos Petrolíferos (CORES)

Long-term foreign and local currency IDR upgraded to 'BBB+' from 'BBB'; Outlook Stable.

Short-term foreign currency IDR of 'F2' affirmed

Primary Analyst: Fernando Mayorga

Secondary Analyst: Guilhem Costes

Pequeños y Medianos Astilleros (PYMAR)

Long-term foreign currency IDR upgraded to 'BBB' from 'BBB-'; Outlook Stable.

Short-term foreign currency IDR of 'F3' affirmed

Primary Analyst: Ines Callahan

Secondary Analyst: Fernando Mayorga

Sociedad Estatal de Participaciones Industriales (SEPI)

Long-term foreign and local currency IDR upgraded to 'BBB+' from 'BBB'; Outlook Stable.

Short-term foreign currency IDR of 'F2' affirmed

Primary Analyst: Ines Callahan

Secondary Analyst: Fernando Mayorga

Fondo de Reestructuración Ordenada Bancaria (FROB)

EUR5.8bn bonds guaranteed by Spain upgraded to 'BBB+' from 'BBB'.

Primary Analyst: Fernando Mayorga

Secondary Analyst: Guilhem Costes

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Additional information is available on www.fitchratings.com.

Applicable criteria, "Tax-Supported Rating Criteria", dated 14 August 2012, and 'Rating of Public Sector Entities Outside the United States' dated 4 March 2014, are available at www.fitchratings.com.

Applicable Criteria and Related Research:

Tax-Supported Rating Criteria

Rating of Public-Sector Entities - Outside the United States

Additional Disclosure

Solicitation Status

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