

FITCH UPGRADES POLAND'S KOLEJE MAZOWIECKIE; WITHDRAWS RATINGS

Fitch Ratings-Warsaw/Paris-31 May 2016: Fitch Ratings has upgraded Koleje Mazowieckie KM - sp. z o.o.'s (KM) ratings: Long-Term Foreign Currency Issuer Default Rating (IDR) to 'BBB' from 'BBB-', Long-Term Local Currency IDR to 'BBB+' from 'BBB' and the National Long-Term Rating to 'AA-(pol)' from 'A(pol)'. All ratings have Stable Outlooks.

Fitch has simultaneously withdrawn all KM's ratings for commercial reasons. The agency will no longer provide ratings or analytical coverage of KM.

KEY RATING DRIVERS

The upgrade follows a similar rating action on KM's sole owner, the Region of Mazowieckie (BBB+/Stable; see <https://www.fitchratings.com/site/pressrelease?id=1004854>) on 20 May 2016. Under our methodology for public sector entities KM is credit-linked to the region with its ratings one notch below the region's ratings. The Stable Outlook reflects our view that the links to the region will remain unchanged in the medium term. In our view strategic importance and control are stronger factors supporting the linkage between KM and the region, while legal status and integration provide only mid-range support to the linkage.

KM's subsidiary Koleje Mazowieckie Finance AB's EUR100m senior unsecured notes, which were guaranteed by KM, were repaid at due date in March 2016 and, are therefore no longer rated.

RATING SENSITIVITIES

Not applicable.

Contact:

Primary Analyst
Dorota Dziedzic
Director
+48 22 338 62 96
Fitch Polska S.A.
16 Krolewska Street
Warsaw 00-103

Secondary Analyst
Magdalena Mikolajczak
Analyst
+48 22 338 62 85

Committee Chairperson
Christophe Parisot
Managing Director
+33 1 44 29 91 34

Media Relations: Peter Fitzpatrick, London, Tel: +44 20 3530 1103, Email: peter.fitzpatrick@fitchratings.com; Malgorzata Socharska, Warsaw, Tel: +48 22 338 62 81, Email: malgorzata.socharska@fitchratings.com.

Additional information is available on www.fitchratings.com

Applicable Criteria

International Local and Regional Governments Rating Criteria - Outside the United States (pub. 18 Apr 2016)

https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=878660

Rating of Public-Sector Entities – Outside the United States (pub. 22 Feb 2016)

https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=877128

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