EMPRESA NACIONAL DE AUTOPISTA, S.A.

Panamá, 20 de Julio de 2016
Nota No. 599 -16 GG ENA

Superintendente
Lcda. Marelissa Q. de Stanziola
SUPERINTENDENCIA DEL MERCADO DE VALORES
Ciudad

Estimada Superintendente Stanziola:

Por medio de la presente y en cumplimiento al Acuerdo No. 3 – 2008 de 31 de marzo de 2008, le informamos como un hecho de importancia la Calificación de Riesgo emitida por la Calificadora Fitch Ratings el pasado 14 de julio para las emisiones de ENA Este, ENA Norte y ENA Sur.

- ENA ESTE de BBB- a BB-
- ENA NORTE de BBB a BB+
- ENA SUR mantuvo la calificación BBB.

La disminución en la calificación de ENA ESTE se respalda principalmente por alta dependencia que tiene la emisión por el flujo disponible para el servicio de deuda y el pago de intereses y capital de la Serie "B" Turbo de los Bonos emitidos por ENA SUR.

La disminución en la calificación de ENA NORTE la sustentan en una visión de debilitamiento en las estimaciones de ingresos futuros del corredor al no existir una perspectiva de alza en las tarifas a largo plazo.

Este comunicado será colocado vía el siguiente hipervínculo a nuestra página de internet http://www.enacorredores.com/transparencia/#articulo-28 .

Atentamente,

Carlos E. Barnes
Gerente General

Adjunto

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FITCH DOWNGRADES ENA NORTE AND ENA ESTE'S NOTES; AFFIRMS ENA SUR

Fitch Ratings-Monterrey-14 July 2016: Fitch Ratings has taken rating actions on ENA Sur, ENA Este and ENA Norte Trusts' notes as follows:

--ENA Sur Trust (ENA Sur) affirmed at 'BBB' and 'AAA(pan)'; Outlook Negative;
--ENA Este Trust (ENA Este) downgraded to 'BB-' from 'BBB-' and to 'A(pan)' from 'AA+(pan)'; Outlook Negative;
--ENA Norte Trust (ENA Norte) downgraded to 'BB+' from 'BBB' and to 'AA-(pan)' from 'AAA(pan)'; Outlook Stable.

ENA Sur's rating affirmation reflects the fact that its robust debt structure has allowed it to benefit from past positive performance and to deleverage to a point where nowadays it has no dependence on future traffic growth.

ENA Sur's recent traffic performance shows decreases of 7.7% in 2015. Notwithstanding this fact, Fitch's base case long term expected traffic compound annual growth rate (CAGR) does not materially differ from ENA's. Yet, the lack of inflation adjustments in toll rates since the transactions have been placed has led to a general deterioration of the three toll roads' projected metrics. Fitch will assume henceforth that tolls will remain unchanged. As a result, ENA Sur's rating case loan life coverage ratio (LLCR) is 1.34x (1.43x in past review), on the low side of its rating category, but the project maintains low leverage as reflected in its debt to cash flow available for debt service (CFADS) at 6.8x.

The downgrade of ENA Este's rating to 'BB-', Outlook Negative is mostly explained by its significant dependence on distributions from ENA Sur, which are now expected to be considerably lower and delayed in time. This, coupled with a one-year delay in its start of operations and a slower-than-expected traffic ramp-up, has led to an even lower cash flow generation. As a consequence, the likelihood of a default over the longer term will substantially increase, should government chose not to adjust toll rates in the coming years and prevent this outcome from happening.

As with ENA Sur and Este, ENA Norte's Fitch base case long term expected traffic CAGR also does not materially differ from ENA's original traffic projections. Thus, despite recent positive traffic performance, the two notches downgrade of its rating to 'BB+' incorporates the expectation of weakened credit metrics (rating case LLCR of 1.12x), driven by the prospect of flat toll rates over an extended period of time. Differently from ENA Sur, which debt matures in 2025, ENA Norte's debt service repayment is dependent upon three more years of revenues, which explains unchanged tolls' more pronounced effect on the transaction's metrics.

The Negative Outlook on ENA Sur and ENA Este's ratings reflects the fact that transactions' respective metrics are consistent with weaker ratings. The implementation of sufficient adjustments to tolls rates coupled with a solid traffic performance in the near future would likely strengthen credit protection measures to levels consistent with their rating categories, leading to an Outlook revision to Stable.

KEY RATING DRIVERS
Limited Volume Risk (Revenue Risk-Volume: Stronger for ENA Sur and ENA Norte; Midrange for ENA Este): The corridors represent a critical link for commuters and commercial traffic in

the city of Panama. Given the recent infrastructure changes in the city, the assets have limited but increasing competition from free alternatives and other transportation modes. While traffic of corridors Sur and Norte has a long track record, corridor Este has recently started operations and traffic is currently in the ramp-up phase.

Fixed Toll Rates (Revenue Risk-Price: Weaker): Although the concessionaire is entitled to annually adjust toll rates at inflationary levels, toll rates have not been increased by inflation and are not expected to be updated in the medium term. Toll rates are structurally protected with a covenant that prohibits toll rate reductions if debt service coverage ratio (DSCR) does not meet a minimum threshold.

Suitable Infrastructure Plan (Infra Development & Renewal: Midrange): Sound contractual requirements to fund capital expenditure costs are in place for the three corridors. The roads are maintained in adequate conditions, while a moderate and inclusive maintenance plan is in place to maintain certain sections of corridor Sur requiring major investment. The capital investment program (CIP) is mainly internally funded. Given that corridor Este was recently built, it is not expected to require large major maintenance in the medium term. Construction works for a bridge located in corridor Este were reactivated.

Conservative Debt Structure (Debt Structure: Stronger for ENA Sur and ENA Norte; Midrange for ENA Este): ENA Sur's debt carries fixed interest rates and a fully amortizing profile. The Class A notes have scheduled principal payments while the Class B notes feature a pass-through amortization scheme (flow zero). While ENA Norte Trust's debt structure is flow zero, ENA Este Trust's debt is structurally subordinated to ENA Sur as debt repayment is highly dependent on ENA Sur's distributions. There is a six-month debt service reserve account for ENA Sur and ENA Norte, while ENA Este maintains approximately USD30 million as debt reserve.

Metrics
ENA Sur's leverage has decreased over time and is now 6.8x under Fitch's rating case. The project generates sufficient revenues to maintain LLCR at 1.41x and 1.34x under the base and rating cases, respectively.

ENA Norte's level of indebtedness is significant, reflected by its debt to CFADS of 10.1x in Fitch's rating case, and requires stable traffic growth to fully repay debt. Mandatory interest payments are vastly covered and Fitch's base case projections show full debt repayment with a small cushion of one year before maturity, while rating case shows debt fully paid at maturity.

ENA Este's leverage is significant during the first years and the transaction requires a robust traffic growth to preserve financial flexibility. Rating case LLCR at 0.82x is low for the rating category. However, the transaction's debt structure (flow zero) and the view that the road is a public asset provide a considerable timeframe for actions to be taken by the Panamanian government to address economic imbalance.

Peers:
ENA Sur compares well particularly with RCO's 2013 notes, rated 'BBB', Outlook Stable, with Infrastructure Development and Renewal attribute at similar levels. ENA Sur has a Price Risk attribute at weaker, while RCO's is midrange. RCO's stronger Volume Risk assessment is partially offset by ENA Sur's Debt Structure considered as stronger. RCO's higher LLCR at 1.70x (versus 1.34x) comes from a longer debt term, which is reflected in ENA Sur's lower debt to CFADS (6.84x versus 7.58x).

RATING SENSITIVITIES

--Positive: Positive actions taken by the government to support bond holder's interests.

--Negative: 2017 traffic below Fitch's expectations, insufficient toll rate adjustments, O&M expenses materially above expectations that cause financial flexibility to be reduced and result in a materially lower LLCR.

The following is an additional sensitivity for ENA Este:
--Negative: Sustainable lag in amount and timing of ENA Sur excess cash flow could pressure financial ratios.

SUMMARY OF CREDIT

ENA Sur's traffic levels decreased considerably in 2015, with tolled traffic decreasing by 7.7% and revenue decreasing 4.7%. This compares negatively to the traffic decreases of 5% and 7% expected by Fitch in its base and rating cases, respectively. The loss in volume was due to the following factors: i) the recent opening of the subway's first line, which is now an alternative form of transportation for the citizens of Panama, ii) the start of operations of corridor Este, as users in order to get to the airport of Tocumen are now using corridor Norte and continuing through corridor Este, instead of taking corridor Sur as they did in the past, iii) the implementation of the Panapass tolling system, and iv) the continued improvements of bus transportation in the city.

As of the first four months of 2016, traffic in ENA Sur shows an increase of 4.4%, driven by an increase in light vehicles. However, revenue shows a lower increase at 1.1%, due to the fact that traffic of trucks has decreased significantly (-27.4%) with respect to the same period of 2015. This is due to the fact that heavy vehicles are using corridor Este.

Following the same trend as in corridor Sur, traffic in corridor Norte decreased 3.5% in 2015, while revenue declined 1.6%. Nonetheless, as of May 2016, traffic and revenue show a strong recovery, growing at 11.5% and 10.2%, respectively when compared to the same period of last year.

Corridor Este began operations in November 2015, with a delay of over one year, as initial estimates considered start of operations in September 2014. The delay did not only cause foregone revenues during most of 2015, but has also postponed traffic ramp-up. The concessionaire is currently implementing several initiatives in order to catch-up with projected traffic; however, in Fitch's opinion, at least a full year of operations will be needed to assess the extent of its impact on revenues.

As of May 2016, traffic in corridor Este is still well below expectations for the whole year.

As of the first five months of 2016, all roads remain predominantly commuting, as cars provide more than 90% of total traffic, and more than 80% of revenue.

According to the transactions' documents, the issuer is to provide an updated traffic report by mid-2017. This will allow Fitch to better assess future traffic behaviour given the recent infrastructure changes in the city of Panama.

The concessionaire is working on improving cash flow generation by optimising the operations of the assets. Some of these initiatives include the installation of police stations to reinforce the order and security of the roads, the implementation of Optical Character Recognition (OCR) programs in every toll booth to detect cars that avoid paying tolls and automatically apply fines to offenders, and the charging of tolls in segments that were free. In addition, the concessionaire has reactivated the construction works of a bridge located in corridor Este, which is expected to contribute with additional traffic.

Partially offsetting the negative effect on the transactions' CFADS of assuming flat toll rates in the coming years, Fitch has adjusted down its assumptions of O&M costs increases to reflect past performance and management expectation. Thus, Fitch's base case for the three issuances assumed operating expenses were increased yearly at inflation plus 5%, while major maintenance was increased at inflation plus 5% above its respective maintenance program. Tariffs were assumed fixed for the rest of the term. Inflation was considered at 2.5% for 2016 and then fixed at 3.0% for the rest of the term. Traffic CAGR for ENA Sur, Norte and Este was assumed at 3.7%, 3.5% and 8.3%, respectively.

Fitch's rating case assumed 7.5% real increase to operating expenses and major maintenance and traffic CAGR of 2.8%, 2.7% and 7.4%, respectively for ENA Sur, Norte and Este.

ENA Sur's base case LLCR was 1.41x with a debt to CFADS ratio at 6.8x, while rating case metrics were 1.34x and 6.8x for LLCR and debt to CFADS, respectively.

ENA Norte's base case LLCR was 1.19x with a debt to CFADS ratio at 10.0x, while rating case metrics were 1.12x and 10.1x for LLCR and debt to CFADS, respectively.

ENA Este's base case LLCR was 0.92x with a debt to CFADS ratio at 17.8x and 29% of debt is not paid. Under the rating case LLCR is 0.82x, debt to CFADS is 17.9x and 44% of debt is not paid.

The macroeconomic health of the country is supported by Fitch's view of the Panamanian sovereign. The country's rating was affirmed at 'BBB' with a Country Ceiling of 'A' in February 2016.

Corridor Sur extends over 19.8 kilometers (approximately 12.3 miles) connecting Panama City's international airport (in the East) to the CBD (in the West). ENA Sur operates the toll road concession of corridor Sur, and has no other significant commercial activities. Empresa Nacional de Autopistas holds 100% of ENA Sur's shares. The Panama-Madden Segment (corridor Norte) is a 13.5-kilometer (8.4-mile) toll road that intersects Phase I on the eastern end and runs northwest, connecting to the Interstate Colon Highway. Phase IIB (corridor Este) is an extension of corridor Norte and is part of Phase II, connecting the eastern end of Phase IIA with the Pan-American highway in the Tocumen at the international airport.

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Applicable Criteria
Rating Criteria for Infrastructure and Project Finance (pub. 08 Jul 2016)
https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=882594
Rating Criteria for Toll Roads, Bridges and Tunnels (pub. 29 Sep 2015)
https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=870170