

FITCH REPORT: APAC CORPORATES BRACING FOR GLOBAL CHALLENGES

Link to Fitch Ratings' Report: Bracing for Global Challenges: Asia Pacific Corporates – An Early Look into 2012

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=652129

Fitch Ratings-Seoul/Singapore-02 October 2011: Fitch Ratings says in a new report that most corporates in Asia Pacific will demonstrate growth in revenue and cash flow from operations (CFO) in 2012, albeit at a slower rate than in 2010 due to weak global economic conditions.

Key risks include the possibility of the global economy falling into a deep recession, and particularly a slowdown in Chinese demand for commodities and other products supplied by corporates around Asia.

"Recent global manufacturing PMI statistics indicate that China's economic engines are cooling, and, unlike the previous economic downturn at end-2008, the Chinese government currently has a low appetite for stimulus spending," notes Matt Jamieson, Senior Director and Head of APAC Research in Fitch's Corporate Ratings Group.

Nevertheless, Fitch notes that deleveraging undertaken since 2008, along with rising CFO and the ability to reduce capex, suggests that the average Asian corporate's balance sheet has more flexibility than at the outset of the previous global economic downturn at end-2008.

The report contains summary credit analysis and commentary for the major corporate sectors in Asia Pacific, including autos, electricity utilities, metals & mining, oil & gas, Chinese residential real estate, telecoms and technology.

The full report, "Bracing For Global Challenges: Asia Pacific Corporates - An Early Look into 2012", is available at www.fitchratings.com or by clicking on the link above.

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Additional information is available at www.fitchratings.com.

Applicable criteria 'Corporate Rating Methodology', dated 12 August 2011, is available on Fitch's website at www.fitchratings.com.

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