

Debt appetite returns for Top 500

(23 May 2011 – Australia) The appetite for debt is back among Australia's Top 500 corporates, with a majority looking to raise additional capital this year through new debt facilities.

This is one of the key findings of new research conducted by East & Partners and Insto from interviews with chief financial officers and corporate treasurers in March.

The inaugural Debt Capital Market (DCM) Report by East & Partners and Insto found a strong appetite for debt among Australia's Top 500, with a significant majority looking to raise new debt rather than re-finance existing facilities. There was also a preference for debt over equity.

The research showed a strong appetite for capital expenditure and also Merger and Acquisition (M&A) activity.

Many of the corporates were looking to a window from June through to September for their debt issues, with a renewed interest in issuing in both \$US and Euros. The report then drills down and analyses the type of debt the corporates are planning to issue.

The research also contains detailed breakdowns on the Top 500's relationships with their debt providers, giving market share percentages for the Big Four and other local and foreign banks operating in Australia's debt capital markets.

The Top 500 deliver satisfaction ratings on their debt providers, revealing a surprisingly wide gap in how corporates rate the service from their DCM banking partners and the perception of their capabilities.

To complete the research, 449 of Australia's Top 500 corporates participated in the survey, which will serve as an initial benchmark for an ongoing research series to be completed twice yearly.

Of the survey sample, 62.1 percent were ASX listed. 70.4 percent were domestic corporates while 29.6 percent were subsidiaries of multinationals.

The research project is a joint venture between banking research house East & Partners and Insto, Australasia's leading publication covering the debt capital markets.

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About East:

East & Partners Pty Ltd, a leading specialist market research firm in the corporate and investment banking markets of Asia Pacific, works across 11 countries in the region delivering both multi-client and proprietary market analysis services to the industry.

The delivery of accurate quantitative analysis on the region's exploding demand for sophisticated transaction, debt, treasury, investment and advisory banking services and products has been uniquely addressed by East's "bottom up" research methodologies for 23 years, based on many thousands of customer interviews annually in Australia, China, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan, Thailand every year.

East's multi-client demand research and consulting work has enabled the firm to work with virtually every major bank within the region and international clients based in North America and Europe.

About Insto:

Insto has been covering Australasian debt capital markets for more than a decade, and its league tables and deal logs are regarded as the industry standard. Insto publishes the quarterly Insto magazine and reports on daily debt market news through its subscriber-based Bond Diary online service. The annual Insto Distinction Awards, held in February, are a key event on the institutional banking calendar.

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