

Fitch Proposes Changes to Short-term Ratings

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Fitch Ratings-London-24 October 2006: In an exposure draft published today, Fitch proposes the introduction of greater differentiation in the ratings of short-term investment grade obligations, notably commercial paper, to incorporate loss severity as well as default probability. Traditionally Fitch's Short-term ratings - when assigned to commercial paper, deposits and other short-term obligations - have been largely mapped to the Short-term rating of the issuer. Today's proposal outlines the future possibility of more closely aligning the short-term rating of an instrument with that of a comparable long-term instrument of equivalent seniority within the capital structure. In a small number of cases - notably for utilities and some holding companies - this will lead to differences between an issuer's Short-term issuer rating and the Short-term rating applied to its obligations. The paper, titled "Proposed Revision to Short-term Rating Scales", is available from the 'Commercial Paper' section of Fitch's public website, www.fitchratings.com [Commercial Paper / Criteria Reports]. Fitch will be soliciting market feedback on this exposure draft for one month and then incorporate any changes warranted by industry commentary. Comments on the proposal should be addressed to richard.hunter@fitchratings.com or ian.linnell@fitchratings.com. Contact: Richard Hunter, London Tel: +44 (0)20 7417 4362; Ian Linnell, +44 (0)20 7417 4344 Media Relations: Francoise Alos, Paris, Tel: +33 1 44 29 91 22; Horst Bertram, Frankfurt, Tel: +49 69 7680 76130; Brian Bertsch, New York, Tel: +1 212-908-0549; Julian Dennison, London, Tel: +44 20 7862 4080; Jon Laycock, London, Tel: +44 20 7417 4327; Ching-Yuen Lock, Singapore, Tel: +65 6238 7301; Sylvia McKaige, Singapore, Tel: +65 6336 0095; Kenneth Reed, New York, Tel: +1 212-908-0540. Fitch's rating definitions and the terms of use of such ratings are available on the agency's public site, www.fitchratings.com. Published ratings, criteria and methodologies are available from this site, at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance and other relevant policies and procedures are also available from the 'Code of Conduct' section of this site.