

Fitch Downgrades Sifco's IDR to 'D'

Written by Australian Business

SAO PAULO--([BUSINESS WIRE](#))--Fitch Ratings has downgraded Sifco S.A.'s (Sifco) foreign currency and local currency Issuer Default Ratings (IDR) to 'D' from 'B-' and the National long-term rating to 'D(bra)' from 'BB(bra)'. Fitch has also downgraded the rating for the USD75 million senior unsecured notes due 2016 to 'C/RR4' from 'B-/RR4'.

KEY RATING DRIVERS

These rating actions follow Sifco's announcement that it has today filed for bankruptcy protection in Brazil. This announcement will result in payment default on some or all of Sifco's debt and result in a debt renegotiation.

Sifco had BRL105 million of cash and cash equivalents as of Sept. 30, 2013, compared with BRL750 million of total debt, including refinanced taxes. Of this total, approximately BRL297 million was short-term debt. The company's short-term assets included BRL100 million of inventories and BRL135 million of account receivables. The company's long-term assets included BRL609 million of net PPE, which primarily consists of its auto parts manufacturing facilities in Brazil and assembly lines in the U.S.

Additional information is available at ' www.fitchratings.com '.

Applicable Criteria and Related Research:

--'Corporate Rating Methodology' (Aug.5, 2013);

--'National Scale Ratings Criteria' (Oct. 31, 2013).

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Corporate Rating Methodology: Including Short-Term Ratings and Parent and Subsidiary Linkage

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=715139

National Scale Ratings Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=720082

Additional Disclosure

Solicitation Status

http://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=827561

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