

## Moody's assigns Edcon's provisional rating, outlook stable

Moody's Investors Service has assigned a provisional (P)Caa2 rating to the proposed issuance of €400m senior notes, due in 2019, by retailer Edcon Holdings.



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Concurrently, Moody's has affirmed Edcon's corporate family rating (CFR) at B3, its probability of default rating (PDR) at B3-PD and various instrument ratings assigned to Edcon Holdings Limited and Edcon Limited.

The ratings agency said on Friday that the proposed senior notes would be guaranteed on a subordinated basis by Edcon Limited, Edcon Acquisition (Pty) Ltd and Edgars Consolidated Stores Limited. The outlook on the ratings is stable.

"We have assigned a (P)Caa2 rating decision to Edcon's proposed senior notes in line with the current ratings assigned to the €378m senior notes due 2015, on the understanding that the new senior notes will be used to refinance the existing €378m senior notes," said Dion Bate, a Moody's Vice President - Senior Analyst and local market analyst for Edcon.

The proposed €400m issuance senior notes due in 2019 will improve the company's liquidity profile by further lengthening its maturity profile, added Bate.

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