



Autos Insider

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Visteon gains in NYSE return

As vehicle sales revive, prospects for the restructured parts industry are looking up

Brian J. O'Connor / Detroit News Finance Editor

Another battered survivor of the auto industry meltdown posted a milestone Monday when shares of auto supplier Visteon Corp. returned to trading on the New York Stock Exchange.

Shares of the former Ford Motor Co. parts maker closed up 15cents each, or 0.20 percent, at \$75.65. Visteon emerged from bankruptcy in October, following a 16-month restructuring under Chapter 11. Shares had been trading on the over-the-counter market and will now move under the symbol VC on the big board.

Visteon's return follows the initial public offering in November of General Motors Co., the biggest of the industry's bankruptcy makeovers. It's another sign of stabilization — and even some growth — in an industry wracked since 2005 by rising costs, mismanagement, a global credit crisis and a worldwide recession that sent auto sales plummeting.

While GM and Chrysler LLC were buoyed with government bailouts, parts makers were largely left to fend for themselves. Now, with auto sales reviving, prospects for the restructured industry are looking up.

"No matter how much they've been battered, you just don't replace those top suppliers that are set up to deliver mass parts for the worldwide auto industry," said Ken Dalto, CEO of management consultants Kenneth J. Dalto & Associates in Farmington Hills. "The auto industry does not have a lot of choices."

Under Chapter 11, Visteon shed about \$2 billion in debt and raised \$300 million from its debt holders and a hedge fund, which also took \$950 million in stock. The restructuring

means that even with global auto sales down by several million vehicles from their peak, the rehabilitated firm still can make money.

"They have a solid core, they've shed an enormous amount of debt and never lost their preferred supplier status, even through Chapter 11 and all the downturns," Dalto said. "It takes less volume to make money now, and they've learned an enormous amount about controlling costs. They went through the wringer."

boconnor@detnews.com

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