

Alaris Royalty Corp. Closes Previously Announced US\$29.2 Million Contribution to Kimco and Confirms Dividend Increase

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CALGARY, ALBERTA -- (Marketwired - June 9, 2014) - [Alaris Royalty Corp.](#) ("Alaris" or the "Corporation") (TSX:AD) is pleased to announce that it has closed the previously announced contribution of US\$29,200,000 (the "Kimco Contribution") to Kimco Holdings, LLC ("Kimco") on June 6, 2014. Pursuant to the Kimco Contribution Alaris acquired preferred securities of Kimco entitling Alaris to receive a pre-tax annualized preferred distribution of US\$4,672,000 (the "Kimco Distribution"), which represents a pre-tax return of 16% per annum. Commencing on January 1, 2016, the Kimco Distribution will be adjusted up or down by an amount equal to Kimco's percentage change in gross revenue over the most recently completed 12 month period versus the 12 month period prior thereto, subject to a collar of 6%. The Kimco Contribution was funded with funds drawn from the Corporation's credit facility (the "Facility").

As a result of the Kimco Contribution closing, Alaris is confirming its previously announced increase of its monthly dividend to \$0.125 from \$0.12 (the "Dividend Increase"), representing an annualized dividend of \$1.50 per common share of the Corporation ("Common Share") (a \$0.06 per Common Share annualized increase). The first dividend for which this increase will apply is the dividend expected to be paid on July 15, 2014 to shareholders of record on June 30, 2014. This will be Alaris' eighth consecutive dividend increase.

Pursuant to the terms of Alaris' previously announced \$76,014,900 bought-deal offering of subscription receipts (the "Offering"), if the Kimco Contribution closed before the Offering, purchasers under the Offering would receive Common Shares in lieu of subscription receipts. As the Kimco Contribution has now closed, purchasers under the Offering will now be receiving Common Shares. Net proceeds from the Offering will be used to reduce the amount of debt outstanding on the \$85,100,000 Facility. The Corporation expects to have an undrawn balance on the Facility if the over-allotment option is exercised in full and approximately \$10,000,000 drawn on the Facility if it is not.

About Alaris

The Corporation provides alternative financing to a diversified group of private businesses ("Private Company Partners") in exchange for royalties or distributions from the Private Company Partners, with the principal objective of generating stable and predictable cash flows for dividend payments to its shareholders. Royalties or distributions to Alaris from the Private Company Partners are structured as a percentage of a "top line" financial performance measure such as gross margin, same clinic sales, gross revenues and same-store sales and rank in priority to the owners' common equity position.

Forward-Looking Statements

This news release contains forward-looking statements as defined under applicable securities laws. Statements other than statements of historical fact contained in this news release may be forward-looking statements under applicable securities legislation, including, without limitation, management's expectations, intentions and beliefs concerning: the amount of the Kimco Distribution; the return to Alaris on the Kimco Contribution; the Dividend Increase and the timing thereof; the use of proceeds of the Offering and the closing thereof; and the indebtedness under the Facility. Many of these statements can be identified by looking for words such as "believe", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof. To the extent any forward-looking statements herein constitute a financial outlook, they were approved by management as of the date hereof and have been included to provide an understanding with respect to Alaris' financial performance and are subject to the same risks and assumptions disclosed herein. There can be no assurance that the plans, intentions or expectations upon which these forward looking statements are based will occur.

By their nature, forward-looking statements require Alaris to make assumptions and are subject to inherent

risks and uncertainties. Assumptions about the performance of the Canadian and U.S. economies in 2014 and how that will affect Alaris' business and that of its Private Company Partners are material factors considered by Alaris management when setting the outlook for Alaris. Key assumptions include, but are not limited to, assumptions that the Canadian and U.S. economies will grow moderately over the next 12 months, that interest rates will not rise in a material way over the next 12 to 24 months, that the Private Company Partners will continue to make distributions to Alaris as and when required, that the businesses of the Private Company Partners will continue to grow, what the Corporation expects to experience regarding resets to its annual royalties and distributions from its Private Company Partners in 2014, and that Alaris will have the ability to raise required equity and/or debt financing on acceptable terms. Management of Alaris has also assumed that capital markets will remain stable and that the Canadian dollar will remain in a range of approximately plus or minus 10% of par relative to the U.S. dollar. In determining expectations for economic growth, management of Alaris primarily considers historical economic data provided by the Canadian and U.S. governments and their agencies.

There can be no assurance that the assumptions, plans, intentions or expectations upon which these forward looking statements are based will occur. Forward looking statements are subject to risks, uncertainties and assumptions and should not be read as guarantees or assurances of future performance. The actual results of the Corporation and the Private Company Partners could materially differ from those anticipated in the forward looking statements contained herein as a result of certain risk factors, including, but not limited to, the following: the dependence of Alaris on the Private Company Partners; reliance on key personnel; general economic conditions; failure to complete or realize the anticipated benefit of Alaris' financing arrangements with the Private Company Partners; a failure to realize the anticipated benefits of the Kimco Contribution; government regulations; a failure to obtain required regulatory approvals on a timely basis or at all; changes in legislation and regulations and the interpretations thereof; a material adjustment to the unaudited financial information of a Private Company Partner provided to Alaris; and risks relating to the Private Company Partners and their businesses, including, without limitation, a material change in the operations of a Private Company Partner or the industries they operate in and a change in the ability of the Private Company Partners to continue to pay Alaris' preferred distributions. Additional risks that may cause actual results to vary from those indicated are discussed under the heading "Risk Factors" in the Corporation's Annual Information Form for the year ended December 31, 2013, which is filed under the Corporation's profile at www.sedar.com.

Accordingly, readers are cautioned not to place undue reliance on any forward-looking information contained in this news release as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. Statements containing forward-looking information reflect management's current beliefs and assumptions based on information in its possession on the date of this news release. Although management believes that the assumptions reflected in the forward-looking statements contained herein are reasonable, there can be no assurance that such expectations will prove to be correct.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this news release are made as of the date of this news release and Alaris does not undertake or assume any obligation to update or revise such statements to reflect new events or circumstances except as expressly required by applicable securities legislation.

This press release does not constitute an offer of Common Shares for sale in the United States. The Common Shares have not been registered under the United States Securities Act of 1933, (the "1933 Act") as amended, and may not be offered or sold within the United States absent registration or an exemption from registration under the 1933 Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

Neither the TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this release.

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