

Sherritt Announces Offers and Solicitations of Consent for 8.00% Senior Unsecured Debentures Due 2018 and 7.50% Senior Unsecured Debentures Due 2020

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Intention to Issue Up to \$300 Million of New Debentures to Refinance 7.75% Senior Unsecured Debentures Due 2015

TORONTO, ONTARIO -- (Marketwired - Sept. 11, 2014) - [Sherritt International Corporation](#) ("Sherritt") (TSX:S) announced today offers to purchase for cash between \$100 million and \$150 million principal amount of Sherritt's outstanding 8.00% Senior Unsecured Debentures due November 15, 2018 (the "2018 Debentures") and between \$200 million and \$250 million principal amount of Sherritt's outstanding 7.50% Senior Unsecured Debentures due September 24, 2020 (the "2020 Debentures", and together with the 2018 Debentures, the "Debentures"). Proceeds from the sale of Sherritt's coal business on April 28, 2014, will be used to purchase these securities thereby reducing Sherritt's total debt by up to \$400 million.

Sherritt also announced concurrent solicitations of consent for proposed amendments to the indentures under which the 2018 Debentures and 2020 Debentures were issued. The proposed amendments to the indentures will amend and restate the indentures so that the covenants and certain other provisions of the Debentures will be substantially similar to those of a proposed new issue of debentures.

Subject to the completion of the offers and the solicitations of consent, Sherritt intends to issue up to \$300 million principal amount of debentures due 2022 (the "2022 Debentures"). Subject to the completion of the offers, the solicitations of consent and the completion of an offering of the 2022 Debentures, Sherritt intends to refinance the outstanding 7.75% Senior Unsecured Debentures due October 15, 2015 (the "2015 Debentures") using the proceeds from the sale of the 2022 Debentures.

Refinancing Objectives

The execution of these transactions will achieve the following key objectives for Sherritt:

- Reduces total debt significantly and strengthens the balance sheet;
- Retains proceeds from the sale of the coal business to enhance liquidity;
- Refinances the 2015 Debentures and extends the maturity profile; and
- Reduces the aggregate principal amount of 2018 Debentures and 2020 Debentures

If all transactions are completed, Sherritt will have debentures maturing in 2018, 2020 and 2022 all with principal amounts outstanding in the range of \$250 to \$300 million.

"These tender offers, along with the proposed new debenture issue to refinance the debentures coming due in 2015, will reduce our total debt and our annual interest payments, improve our debt maturity profile, strengthen our balance sheet and give us the financial flexibility we would like to advance our business," said David Pathe, President and CEO. "Upon completion, our public debt covenants will better reflect the new Sherritt business structure following the sale of our coal business. We expect that the current favourable conditions in the debt market will enable us to execute this complete solution. The transactions we are announcing today are consistent with our stated objectives at the time we exited the coal business."

If you hold 2018 Debentures or 2020 Debentures you should consult the Offers to Purchase and Solicitations of Consent which will be sent to holders of the 2018 Debentures and 2020 Debentures and will be available at www.sherritt.com under our Investor Relations section and at www.sedar.com. You should also contact your financial advisor or other intermediary as soon as possible.

Details Regarding the 2018 and 2020 Offers and Solicitations of Consent

Holders who validly tender their Debentures and separately deliver their consent not later than 5:00 p.m.

(eastern time) on September 29, 2014 will receive the maximum early consideration of \$1,047.50 per \$1,000 principal amount of 2018 Debentures and \$1,032.50 per \$1,000 principal amount of 2020 Debentures, plus accrued and unpaid interest to, but not including, the payment date.

The maximum early consideration set forth above includes the (i) early consideration of \$1,045 per \$1,000 principal amount of 2018 Debentures and \$1,030 per \$1,000 principal amount of 2020 Debentures, and (ii) an early consent fee of \$2.50 per \$1,000 principal amount of Debentures, in each case, payable only to holders that validly tender and do not validly withdraw their Debentures at or prior to 5:00 p.m. (eastern time) on September 29, 2014.

Holders who validly tender their Debentures and separately deliver their consents after 5:00 p.m. (eastern time) on September 29, 2014 will not receive the early consideration or the early consent fee, but will be permitted to tender their Debentures and deliver their consents until the offer to purchase and the consent solicitation expires at 5:00 p.m. on October 8, 2014, unless otherwise extended by Sherritt. These holders will receive the regular consideration of \$1,010 and the regular consent fee of \$1.00 per \$1,000 of Debentures, for a total regular consideration of \$1,011 per \$1,000 principal amount of each of the 2018 Debentures and 2020 Debentures, plus accrued and unpaid interest to, but not including, the payment date.

The following table summarizes the material pricing terms of the offers. All pricing shown in the table below is per \$1,000 principal amount of debentures:

Security Description Aggregate Principal Amount	Outstanding	Regular Consideration Fee	Regular Consent Fee
Consideration (1)	Early	Early	
Consent Fee	Maximum		
Early Consideration (2)			
8.00% Senior Unsecured Debentures due 2018			
\$400 million	\$1,010		
\$1.00	\$1,011		\$1,045
\$2.50	\$1,047.50		
7.50% Senior Unsecured Debentures due 2020			
\$500 million	\$1,010		
\$1.00	\$1,011		\$1,030
\$2.50	\$1,032.50		

(1) Includes regular consideration and regular consent fee.

(2) Includes early consideration and early consent fee.

For the purposes of determining who may complete a 2018 or 2020 consent, a holder means each person shown on the records of the registrar as a holder of the Debentures at 5:00 p.m. (eastern time) on September 11, 2014.

Conditions

The tender offers and solicitations of consent are subject to certain terms and conditions, as set forth more fully in the Offers to Purchase and Solicitations of Consent dated September 11, 2014. These conditions include, among others, (i) the execution of a supplemental indenture setting forth the 2018 amendments and the 2020 amendments following receipt of consents from holders of not less than 66 2/3% of the principal amount of each of the outstanding 2018 Debentures and 2020 Debentures, (ii) the minimum tender of \$100 million principal amount of 2018 Debentures, (iii) the minimum tender of \$200 million principal amount of 2020 Debentures; and (iv) the successful completion of the offering of 2022 Debentures.

If the principal amount of 2018 Debentures tendered exceeds the maximum purchase amount of \$150 million, Sherritt will purchase \$150 million of the 2018 Debentures tendered to the offer on a pro rata basis

among all such 2018 Debentures. If the principal amount of 2020 Debentures tendered exceeds the maximum purchase amount of \$250 million, Sherritt will purchase \$250 million of the 2020 Debentures tendered to the offer on a pro rata basis among all such 2020 Debentures.

Amendments

The proposed amendments to the indentures will amend and restate the provisions of the indentures so that the covenants and certain other provisions of the Debentures will be the same as a proposed new issue of 2022 Debentures. A complete description of the revised provisions of the 2018 Debentures and 2020 Debentures are attached as Schedule I and Schedule II to the Offers to Purchase and Solicitations of Consent. If the amendments are approved and subject to the completion of the offers and the new issue of 2022 Debentures, the amendments will become effective through an amended and restated indenture and the existing indentures will cease to apply, and Sherritt will not be subject to the requirement pursuant to existing indentures to use any excess proceeds from the sale of Sherritt's coal business to repurchase outstanding 2018 Debentures or 2020 Debentures.

Expiry

The offers and solicitations of consent will be open for acceptance until not later than 5:00 p.m. (eastern time) on October 8, 2014, unless extended by Sherritt (the "Expiration Time").

Payment of the offer consideration and the consent fees will be made on the payment date which is expected to be October 10, 2014.

Withdrawal

Debentures properly tendered on or prior to 5:00 p.m. (eastern time) on September 29, 2014 may be withdrawn at any time on or prior to this time, but not thereafter. Debentures properly tendered after 5:00 p.m. (eastern time) on September 29, 2014 may be withdrawn prior to the Expiration Time. Consents properly delivered are irrevocable and may not be withdrawn.

Further information

Sherritt has retained National Bank Financial Inc. and Scotia Capital Inc. to act as the dealer managers and solicitation agents for the offers and the solicitations of consent in Canada, Georgeson Shareholder Communications Canada Inc. to serve as the information agent and Computershare Investor Services Inc. to serve as the depositary.

Requests for documents should be directed to Georgeson Shareholder Communications Canada Inc., the information agent, at 1-866-374-9876 or by email at askus@georgeson.com.

Any questions regarding procedures for tendering Debentures and delivering consents should be directed to Computershare Investor Services Inc., the depositary at 1-800-564-6253 or by email at corporateactions@computershare.com.

Any questions regarding the terms of the offers and the solicitations of consent should be directed to National Bank Financial Inc. at 416-869-8638 or by email at yves.locas@nbc.ca, or Scotia Capital Inc. at 416-863-7257 or by email at michael.lay@scotiabank.com.

This announcement is neither an offer to purchase nor a solicitation to sell any Debentures, nor is it a solicitation of consents with respect to the Debentures. The offer and solicitations of consent are being made solely pursuant to the Offer to Purchase and Solicitations of Consent and the related Consent and Letter of Transmittal. The offer and solicitations of consent is not being made to the holders of the Debentures in any jurisdiction in which the offer and solicitations of consent would not be in compliance with the laws of such jurisdiction. None of Sherritt, the dealer managers and solicitation agents, the depositary or the information agent is making any recommendation in connection with the offer and solicitations of consent.

Forward-Looking Statements

This press release contains "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the offers

and the solicitations of consent and matters related thereto, including the expected timing of closing the new issue. Often, but not always, forward-looking information can be identified by the use of forward-looking words like "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management of Sherritt as of the date such information is provided and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results to be materially different from those expressed or implied by such forward-looking information, including risks that Sherritt will not satisfy each of the conditions of the offers to purchase and solicitations of consent, will not proceed with the new issue or will not proceed with the refinancing of the 2015 Debentures. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Sherritt does not undertake to update any forward-looking information, except as may be required by applicable securities laws.

About Sherritt

Sherritt is a world leader in the mining and refining of nickel from lateritic ores with projects and operations in Canada, Cuba, and Madagascar. The Corporation is the largest independent energy producer in Cuba, with extensive oil and power operations across the island. Sherritt licenses its proprietary technologies and provides metallurgical services to mining and refining operations worldwide. The Corporation's common shares are listed on the Toronto Stock Exchange under the symbol "S".

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CONTACT INFORMATION

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