

# Further re Placing of dollar notes

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R.E.A.Hldgs PLC  
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**R.E.A. Holdings plc ("REA" or the "company")**

**Issue by the company of a supplementary prospectus in relation to the proposed issue by the company of up to \$50 million nominal of 7.5 per cent dollar notes 2017**

## **Introduction**

Further to the announcement on 25 October 2012 in connection with a proposed issue of up to \$50 million nominal of 7.5 per cent dollar notes 2017 ("**new dollar notes**"), up to \$35 million nominal of which to be issued by way of the exchange offer under which the company has offered to acquire all of the \$35 million nominal of outstanding 7.5 per cent dollar notes 2012/2014 of the company (the "**existing dollar notes**") from the holders thereof in exchange for new dollar notes (the "**exchange offer**") and up to the remaining \$15 million nominal of which to be issued by way of a placing by Guy Butler Limited ("**Guy Butler**") on behalf of the company (the "**placing**")., REA announces that it has today published a supplementary prospectus in respect of such issue.

## **Purpose of the supplementary prospectus**

The purpose of the supplementary prospectus is to disclose a proposed arrangement under which R.E.A. Services Limited ("**REAS**"), a wholly owned subsidiary of the company, will subscribe the balance of the new dollar notes the subject of the placing which are not taken up by placees, and the intention of REAS to on-sell the new dollar notes subscribed by it in due course. Additionally, the supplement gives details of the statutory withdrawal rights that arise as a result of the publication of the document.

## **Reasons for the supplementary prospectus**

Pursuant to the placing agreement dated 25 October 2012, Guy Butler undertook to use its reasonable endeavours to place all of the new dollar notes the subject of the placing by 10.30 a.m. (London time) on 15 November 2012 or (a) such earlier date as Guy Butler in its discretion considered appropriate, having regard to its obligations to use reasonable endeavours to procure placees, or (b) such later date as Guy Butler in its discretion might require, being not later than 18 November 2012.

As at the close of business on 12 November 2012, Guy Butler had procured placees for approximately \$13 million nominal of new dollar notes.

In addition, the directors are aware that certain potential placees of new dollar notes have indicated that although they are interested in subscribing new dollar notes pursuant to the placing, they will be unable to make a formal decision to subscribe within the time allowed for the placing. It thus now appears that Guy Butler is unlikely, prior to the closing date of the placing, to be able to procure placees for the whole \$15 million nominal of new dollar notes the subject of the placing.

Accordingly, Guy Butler, the company and REAS have agreed that REAS shall subscribe the balance of the \$15 million new dollar notes for which Guy Butler does not procure placees (including, should such be the case, any new dollar notes in respect of which a prospective placee withdraws its application in accordance with the statutory rights referred to below) (the "balance notes") with the intention that REAS will, over time, on-sell the balance notes as purchasers can be found. The subscription by REAS will be funded by way of an interest free loan from the company to REAS to be repaid as and when REAS sells new dollar notes and in any event by 30 June 2017. Guy Butler has agreed that it will not be paid a commission in relation to the balance notes subscribed by REAS.

By subscribing for the balance notes, REAS will be in a position to offer new dollar notes to the potential placees referred to above if, in due course, they conclude that they do wish to invest in the new dollar notes.

### **The exchange offer**

The exchange offer remains open for acceptance until 1.00 p.m. on 15 November 2012.

### **Withdrawal rights**

Prospective investors in the new dollar notes, whether as holders of existing dollar notes who have accepted the exchange offer or as subscribers pursuant to the placing, are reminded of their statutory withdrawal rights in respect of the exchange offer and placing pursuant to section 87Q(4) of the Financial Services and Markets Act 2000, which arise upon the publication of the supplementary prospectus. Holders of existing dollar notes who have accepted the exchange offer and investors who have committed to subscribe new dollar notes under the placing shall have until 10.00 a.m. on 16 November 2012 (being at least two clear business days following the publication of the supplementary prospectus) within which to withdraw their offer to subscribe new dollar notes in its entirety. If the acceptance or application is not withdrawn in the stipulated period any acceptance or application to subscribe new dollar notes will remain valid and binding.

If holders of existing dollar notes who hold their notes in certificated form and/or investors who have committed to subscribe new dollar notes under the placing wish to exercise their statutory withdrawal rights, they must do so by lodging a written notice of withdrawal by post or by hand (during normal business hours only) to Capita Registrars Corporate Actions at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to arrive by no later than 10.00 a.m. on 16 November 2012. Notice of withdrawal given by any other means or which is deposited with or received after expiry of such period will not constitute a valid withdrawal.

If holders of existing dollar notes who hold their notes in uncertificated form (that is, within CREST) wish to exercise their statutory withdrawal rights they must send (or, if a CREST sponsored member, must procure that his/her CREST sponsor sends) an ESA instruction to settle in CREST in respect of each acceptance to be withdrawn.

As soon as reasonably practicable (and in any event within 14 days) following a holder of existing dollar notes validly withdrawing his or her acceptance of the exchange offer, where the relevant existing dollar notes are held in uncertificated form, Capita Registrars will give TFE instructions to Euroclear to transfer the relevant existing dollar notes held in escrow balances, and in respect of which it is the Escrow Agent for the purposes of the exchange offer, to the original available balances of the relevant accepting holders of existing dollar notes and, where the relevant existing dollar notes are held in certificated form, Capita Registrars will return the relevant certificates to the relevant person or agent at his or her registered address.

Guy Butler has informed prospective investors about the proposal that REAS should subscribe the balance notes and has received informal and non-binding indications that such prospective investors intend to proceed with the placing.

### **Available Information**

In addition to those documents set out in paragraph 3.10 of the registration document, the supplementary prospectus will also be available to be downloaded from the company's website: [www.rea.co.uk](http://www.rea.co.uk) and to be inspected, during normal business hours, at the London offices of the company's solicitors, Ashurst LLP, at Broadwalk House, 5 Appold Street, London EC2A 2HA. A copy of the supplementary prospectus will also shortly be submitted to the National Storage Mechanism and will be available for inspection at [www.Hemscott.com/nsm.do](http://www.Hemscott.com/nsm.do).

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