

Regulatory Story

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Motability Operations Group PLC - 43FF TENDER OFFER ANNOUNCEMENT
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27 February 2017

MOTABILITY OPERATIONS GROUP PLC ANNOUNCES TENDER OFFERS TO PURCHASE NOTES FOR CASH

Motability Operations Group plc (the **Company**) announces today separate invitations to holders of its outstanding (a) £450,000,000 6.625 per cent. Notes due 10 December 2019 (ISIN: XS0425525267) (the **Sterling Notes**) and (b) €550,000,000 3.250 per cent. Notes due 30 November 2018 (ISIN: XS0742069643) (the **Euro Notes** and, together with the Sterling Notes, the **Notes** and each, a **Series**), each unconditionally and irrevocably guaranteed by Motability Operations Limited (the **Guarantor**), to tender their Notes for purchase by the Company for cash (together, the **Offers** and each, an **Offer**). Each of the Offers is being made on the terms and subject to the conditions contained in the tender offer memorandum dated 27 February 2017 (the **Tender Offer Memorandum**) prepared by the Company and is subject to the offer restrictions set out below and as more fully described in the Tender Offer Memorandum.

Copies of the Tender Offer Memorandum are (subject to offer restrictions) available from the Tender Agent as set out below. Capitalised terms used and not otherwise defined in this announcement have the meanings given to them in the Tender Offer Memorandum.

Summary of the Offers

Description of the Notes	ISIN/ Common Code	Outstanding Nominal amount	Sterling Notes Benchmark Security	Sterling Notes Purchase Spread	Euro Notes Purchase Yield	Target Acceptance Amount
£450,000,000 6.625 per cent. Notes due 10 December 2019	XS0425525267 / 042552526	£450,000,000	3.750 per cent. UK Treasury Gilt due 7 September 2019 (ISIN: GB00B4YRFP41)	+35 bps	N/A	Subject as set out herein, £150,000,000 in aggregate nominal amount (the Sterling Notes Target Acceptance Amount)
€550,000,000 3.250 per cent. Notes due 30 November 2018	XS0742069643 / 074206964	€550,000,000	N/A	N/A	-0.30 per cent.*	Subject as set out herein, €160,000,000 in aggregate nominal amount (the Euro Notes Target Acceptance Amount)

*For information purposes only, the Euro Notes Purchase Price would be 106.114 per cent. assuming a Tender Offer Settlement Date of 14 March 2017. Should the Company exercise its discretion to postpone the Tender Offer Settlement Date, the Euro Notes Purchase Price will be recalculated and will be announced at the time of the announcement of results and pricing.

Each of the Offers will end at 4.00 p.m. (London time) on 6 March 2017 (the **Expiration Deadline**) unless extended, re-opened, amended or terminated early by the Company.

The Company is not under any obligation to accept for purchase any Notes tendered pursuant to the Offers or either Offer. The acceptance for purchase by the Company of Notes tendered pursuant to the Offers or either Offer is at the sole discretion of the Company and tenders may be rejected by the Company for any reason.

The Company will announce, by the issue of a press release to a Notifying News Service on 27 February 2017, that it has mandated Barclays Bank PLC, HSBC Bank plc, Lloyds Bank plc and The Royal Bank of Scotland plc (trading as NatWest Markets) to arrange a series of fixed income investor meetings in relation to its intention to issue, subject to market conditions, new (a) sterling-denominated (expected 15 year maturity) fixed rate notes (the **New Sterling Notes**) and (b) euro-denominated (expected 8 year maturity) fixed rate notes (the **New Euro Notes** and, together with the New Sterling Notes, the **New Notes**), in each case, to be guaranteed by the Guarantor and issued under the Company's Euro Medium Term Note Programme. Whether the Company will accept for purchase Sterling Notes validly tendered pursuant to the relevant Offer (subject to the right of the Company to

amend and/or terminate such Offer) is subject to the successful completion (in the sole determination of the Company) of the issue of the New Sterling Notes (the **New Sterling Notes Financing Condition**). Whether the Company will accept for purchase Euro Notes validly tendered pursuant to the relevant Offer (subject to the right of the Company to amend and/or terminate such Offer) is subject to the successful completion (in the sole determination of the Company) of the issue of the New Euro Notes (the **New Euro Notes Financing Condition** and together with the New Sterling Notes Financing Condition, the **New Financing Conditions** and each a **New Financing Condition**). Either or both of the New Financing Conditions may be waived by the Company.

Rationale for the Offers

The rationale for the Offers is to manage the re-financing risk and interest profile of the Company's indebtedness.

Details of the Offers

In respect of each Series, the Company will, on the Tender Offer Settlement Date, pay for Notes accepted by it for purchase pursuant to the relevant Offer a price (each a **Purchase Price**) in the manner described in the Tender Offer Memorandum.

Each Purchase Price will be determined in accordance with market convention and expressed as a percentage (rounded to the nearest 0.001 per cent. (with 0.0005 per cent. being rounded upwards)) of the nominal amount of the Notes of the relevant Series accepted for purchase pursuant to the relevant Offer, and is intended to reflect a yield to maturity of the Notes of the relevant Series on the Tender Offer Settlement Date based on the relevant Purchase Yield. Specifically, the Purchase Price applicable to the Notes of a particular Series will equal (a) the value of all remaining payments of principal and interest on the relevant Series up to and including the scheduled maturity date of the relevant Series, discounted to the Tender Offer Settlement Date at a discount rate equal to the relevant Purchase Yield, minus (b) Accrued Interest, for such Series.

The Company will also pay an Accrued Interest Payment in respect of Notes of the relevant Series accepted for purchase pursuant to the relevant Offer.

Sterling Notes - Final Acceptance Amount and Scaling

In respect of the Sterling Notes, it is the current intention of the Company to accept for purchase pursuant to the relevant Offer up to the Sterling Notes Target Acceptance Amount, although the Company reserves the right, in its sole discretion, to accept significantly less than or significantly more than the Sterling Notes Target Acceptance Amount for purchase pursuant to the relevant Offer or not to purchase any Sterling Notes pursuant to the relevant Offer (the final aggregate nominal amount of Sterling Notes accepted for purchase pursuant to the relevant Offer being the **Sterling Notes Final Acceptance Amount**).

If the Company decides to accept for purchase valid tenders of Sterling Notes pursuant to the relevant Offer and the aggregate nominal amount of Sterling Notes validly tendered pursuant to such Offer is greater than the Sterling Notes Final Acceptance Amount, the Company will accept such Sterling Notes for purchase on a *pro rata* basis such that the aggregate nominal amount of Sterling Notes accepted for purchase is no greater than the Sterling Notes Final Acceptance Amount. See "*Further Information and Terms and Conditions - Scaling of Tenders*" in the Tender Offer Memorandum for further information.

Euro Notes - Final Acceptance Amount and Scaling

In respect of the Euro Notes, it is the current intention of the Company to accept for purchase pursuant to the relevant Offer up to the Euro Notes Target Acceptance Amount, although the Company reserves the right, in its sole discretion, to accept significantly less than or significantly more than the Euro Notes Target Acceptance Amount for purchase pursuant to the relevant Offer or not to purchase any Euro Notes pursuant to the relevant Offer (the final aggregate nominal amount of Euro Notes accepted for purchase pursuant to the relevant Offer being the **Euro Notes Final Acceptance Amount**).

If the Company decides to accept for purchase valid tenders of Euro Notes pursuant to the relevant Offer and the aggregate nominal amount of Euro Notes validly tendered pursuant to such Offer is greater than the Euro Notes Final Acceptance Amount, the Company will accept such Euro Notes for purchase on a *pro rata* basis such that the aggregate nominal amount of Euro Notes accepted for purchase is no greater than the Euro Notes Final Acceptance Amount. See "*Further Information and Terms and Conditions - Scaling of Tenders*" in the Tender Offer Memorandum for further information.

Tender Instructions

In order to participate in, and be eligible to receive the relevant Purchase Price and the relevant Accrued Interest Payment pursuant to, the relevant Offer, Noteholders must validly tender their Notes by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Tender Agent by 4.00 p.m. (London time) on 6 March 2017 (subject to the right of the Company to extend, re-open, amend, waive any condition of and/or terminate the Offers or either Offer) (the **Expiration Deadline**). See "*Procedures for Participating in the Offers*" in the Tender Offer Memorandum for further information.

Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offers or either Offer by the deadlines specified in the Tender Offer Memorandum. The deadlines set by any such intermediary and each Clearing System for the submission and withdrawal of Tender Instructions will be earlier than the relevant deadlines specified in the Tender Offer Memorandum.

Tender Instructions will be irrevocable except in the limited circumstances described in "*Amendment and Termination*" in the Tender Offer Memorandum.

Expected Timetable of Events

The times and dates below are indicative only.

Events	Times and Dates
	(All times are London time)
<i>Commencement of the Offers</i>	
Offers announced. Tender Offer Memorandum available (subject to the offer and distribution restrictions set out in " <i>Offer and Distribution Restrictions</i> ") from the Tender Agent.	27 February 2017
<i>Expiration Deadline</i>	
Final deadline for receipt of valid Tender Instructions by the Tender Agent in order for Noteholders to be able to participate in the Offers or either Offer.	4.00 p.m. on 6 March 2017
<i>Announcement of Indicative Results</i>	
Announcement by the Company indicating aggregate nominal amount of Notes validly tendered pursuant to the Offers together with a non-binding indication of the level at which it expects to set the Sterling Notes Final Acceptance Amount and Euro Notes Final Acceptance Amount and (if applicable) indicative details of any <i>pro rata</i> scaling.	At or around 9.00 a.m. on 7 March 2017
<i>Pricing Time</i>	
Determination of the Sterling Notes Benchmark Security Rate, Sterling Notes Purchase Yield and each Purchase Price.	At or around 11.00 a.m. on 7 March 2017
<i>Expected Pricing of the New Notes</i>	
Expected pricing of the New Notes.	By 4.00 p.m. on 7 March 2017 (the New Notes Pricing Time)
<i>Announcement of Results and Pricing</i>	
Announcement by the Company whether (subject to satisfaction (or waiver) of either or both of the New Financing Conditions on or prior to the Tender Offer Settlement Date) the Company will accept valid tenders of Notes pursuant to the Offers or either Offer and, if so accepted, each Final Acceptance Amount, the Sterling Notes Benchmark Security Rate, the Sterling Notes Purchase Yield, each Purchase Price, Accrued Interest and details of any <i>pro rata</i> scaling.	As soon as reasonably practicable after the Pricing Time
<i>Tender Offer Settlement Date</i>	

Events**Times and Dates**

(All times are London time)

Expected Tender Offer Settlement Date for the Offers. 14 March 2017

New Notes Settlement Date

Expected issue and settlement of the New Notes. 14 March 2017

The above times and dates are subject to the right of the Company to extend, re-open, amend, waive any condition of and/or terminate the Offers or either Offer (subject to applicable law and as provided in the Tender Offer Memorandum). Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offers or either Offer before the deadlines specified above and in the Tender Offer Memorandum.

Noteholders are advised to read carefully the Tender Offer Memorandum for full details of, and information on the procedures for participating in, the Offers.

Questions and requests for assistance in connection with (i) the Offers or either Offer may be directed to the Dealer Managers, and (ii) the delivery of Tender Instructions may be directed to the Tender Agent, the contact details for each of which are set out below.

This announcement is released by Motability Operations Group plc and contains information that qualified or may have qualified as inside information for the purposes of Article 7(1) of the Market Abuse Regulation (EU) 596/2014 (MAR), encompassing information relating to the Offers described above. For the purposes of MAR and Article 2 (1) of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by Matthew Hamilton-James, Director of Motability Operations Group plc.

Barclays Bank PLC (Telephone: +44 (0) 20 3134 8515; Attention: Liability Management Group; Email: eu.lm@barclays.com), HSBC Bank plc (Telephone: +44 (0) 20 7992 6237; Attention: Liability Management Group; Email: LM_EMEA@hsbc.com), Lloyds Bank plc (Telephone: +44 (0) 20 7158 1721; Attention: Liability Management Group; Email: liability.management@lloydsbanking.com) and The Royal Bank of Scotland plc (trading as NatWest Markets) (Telephone: +44 (0) 20 7678 5282; Attention: Liability Management; Email: liabilitymanagement@rbs.com) are acting as Dealer Managers and Lucid Issuer Services Limited (Telephone: + 44 (0) 20 7704 0880; Attention: Thomas Choquet; Email: motability@lucid-is.com) is acting as Tender Agent.

DISCLAIMER This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be

read carefully before any decision is made with respect to the Offers or either Offer. In making its decision as to whether to tender Notes for purchase, each Noteholder must rely on its own examination of the Company and the information contained in the Tender Offer Memorandum, including its own determination of the merits and risks involved in participating in the Offers or either Offer.

If any Noteholder is in any doubt as to the action it should take, it is recommended to seek its own financial advice, including in respect of any tax consequences, immediately from its broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to tender such Notes pursuant to the Offers or either Offer. The Dealer Managers will not be responsible to any Noteholders for providing the protections afforded to customers of the Dealer Managers or for advising any other person in connection with the Offers or either Offer. None of the Company, the Guarantor, the Dealer Managers or the Tender Agent makes any recommendation whether Noteholders should tender Notes pursuant to the Offers. None of the Company, the Guarantor, the Dealer Managers, the Tender Agent or any of their respective directors, employees or affiliates makes any representation or recommendation whatsoever regarding this announcement, the Tender Offer Memorandum or the Offers, or takes any responsibility for the contents of this announcement or the Tender Offer Memorandum.

Offer and Distribution Restrictions

Neither this announcement nor the Tender Offer Memorandum constitutes an invitation to participate in the Offers or either Offer in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws. The distribution of this announcement and the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement or the Tender Offer Memorandum comes are required by each of the Company, the Guarantor, the Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions.

Nothing in this announcement or the Tender Offer Memorandum or the electronic transmission thereof constitutes an offer to buy or the solicitation of an offer to sell Notes (and tenders of Notes in the Offers or either Offer will not be accepted from Noteholders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require an Offer to be made by a licensed broker or dealer and any of the Dealer Managers or any of the Dealer Managers' respective affiliates is such a licensed broker or dealer in any such jurisdiction, such Offer shall be deemed to be made by such Dealer Manager or affiliate, as the case may be, on behalf of the Company in such jurisdiction.

United States

The Offers are not being made, and will not be made, directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of or of any facilities of a national securities exchange of, the United States or to any U.S. Person (as defined in Regulation S of the Securities Act (each a **U.S. Person**)). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. The Notes may not be tendered pursuant to the Offers by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States or by, or by any person acting for the account or benefit of, a U.S. Person. Accordingly, copies of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offers are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to any persons located or resident in the United States or to any U.S. Person. Any purported tender of Notes in the Offers resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by, or by any person acting for the account or benefit of, a U.S. Person or by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

NEITHER THIS ANNOUNCEMENT NOR THE TENDER OFFER MEMORANDUM CONTAINS OR CONSTITUTES AN OFFER OF, OR THE SOLICITATION OF AN OFFER TO BUY OR SUBSCRIBE FOR, SECURITIES TO ANY PERSON IN THE UNITED STATES OR ANY OTHER JURISDICTION. SECURITIES MAY NOT BE OFFERED, SOLD OR DELIVERED IN THE UNITED STATES ABSENT REGISTRATION UNDER, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, THE SECURITIES ACT. THE SECURITIES, AND THE GUARANTEES THEREOF, REFERRED TO IN THIS ANNOUNCEMENT AND THE TENDER OFFER MEMORANDUM HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND SUCH SECURITIES AND GUARANTEES MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

Each Noteholder participating in an Offer will represent that it is not a U.S. Person, it is not located in the United States and is not participating in an Offer from the United States, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in such Offer from the United States and is not a U.S. Person. For the purposes of this and the above two paragraphs, **United States** means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

Italy

None of the Offers, this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offers have been or will be submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa (CONSOB)* pursuant to Italian laws and regulations. The Offers are being carried out in the Republic of Italy (Italy) as exempted offers pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

Noteholders or beneficial owners of the Notes that are located in Italy can tender Notes for purchase in the Offers through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties *vis-à-vis* its clients in connection with the Notes or an Offer.

United Kingdom

The communication of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offers is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to, and may only be acted upon by, those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Financial Promotion Order**)) or persons who are within Article 43 of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

France

The Offers are not being made, directly or indirectly, to the public in the Republic of France (**France**). None of this announcement, the Tender Offer Memorandum or any other document or material relating to the Offers has been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*), other than

individuals, acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*, are eligible to participate in the Offers or either Offer. None of this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offers have been or will be submitted for clearance to or approved by the *Autorité des Marchés Financiers*.

Belgium

None of this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offers have been submitted to or will be submitted for approval or recognition to the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten / Financial Services and Markets Authority*) and, accordingly, the Offers may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of 1 April 2007 on public takeover bids as amended or replaced from time to time. Accordingly, the Offers may not be advertised and the Offers will not be extended, and none of this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offers (including any memorandum, information circular, brochure or any similar documents) have been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than "qualified investors" within the meaning of Article 10 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets (as amended from time to time).

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