

Acquisition of shares not already owned

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GCP Infrastructure Investments Ltd
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GCP Infrastructure Investments Limited (the "Company")

Recommended acquisition of shares not already owned in GCP Infrastructure Fund Limited

As previously announced, the Directors of the Company (the "Board") have been reviewing the most appropriate structure for the Company and its subsidiary, GCP Infrastructure Fund Limited (the "Master Fund" or the "Subsidiary"), for the future. The Directors are pleased to announce the terms of a proposed purchase, subject to conditions, of the shares in the Master Fund (the "Subsidiary Shares") which the Company does not already own, such that the Master Fund will become a 100% subsidiary of the Company. The consideration for the purchase will take the form of either: (i) new ordinary shares to be issued by the Company; (ii) shares in a new open-ended investment company (the "New OEIC") which will invest in further new ordinary shares to be issued by the Company; or (iii) (subject to the proviso below) cash from the Company's existing resources or cash resources that will be available to it from the Subsidiary's existing cash resources.

This reorganisation is subject to the approval of shareholders in the Subsidiary and of the Royal Court of Jersey (the "Court"), and to the other conditions set out further below. If the conditions are satisfied, the reorganisation is expected to become effective on 7 February 2014.

Background

The Company seeks to generate returns from senior and subordinated infrastructure debt and related and/or similar assets (the "Target Assets"). The Company achieves this by investing substantially all of its capital in the Subsidiary, an open-ended investment company that holds the Target Assets.

Since the launch of the Subsidiary in 2009 as a master fund and the launch of the Company in 2010 as a feeder fund to the Subsidiary, the Company has grown significantly relative to the size of the Subsidiary and currently has an 80.4 per cent. shareholding. Both the Board and the directors of the Subsidiary (the "Subsidiary Board") have formed the view that given the relative sizes of the Company and the Subsidiary (together the "Group") and the nature of the Group as a whole, the feeder / master fund structure is no longer appropriate for the Group.

Therefore, the Board and the Subsidiary Board consider it appropriate to reorganise the Group so that:

- the Subsidiary will become a wholly-owned subsidiary of the Company; and
- Group governance, advisory, and certain other arrangements are restructured to reflect the new Group structure;

(the "Reorganisation")

The proposed Reorganisation

The Board therefore announces that it has reached agreement with the Subsidiary Board on the terms of a recommended cash and share offer to be made by the Company for all of the issued share capital of the Subsidiary that it does not already own. The acquisition is being implemented by means of a scheme of arrangement pursuant to Article 125 of the Jersey Companies Law (the "Scheme"). In addition, the Company will acquire all of the 100 Non-Redeemable Shares in the Subsidiary held by Gravis Capital Partners LLP (the "Investment Adviser") pursuant to a separate share purchase agreement (the "Gravis SPA") which will be conditional on the Scheme becoming effective.

A summary of the terms of the Reorganisation is set out below. Details of the Scheme and the actions to be taken by shareholders in the Subsidiary are set out in a document being published and sent to the Subsidiary's shareholders.

The Company has existing authority under its Articles to issue new ordinary shares as required under the Scheme; a prospectus will be issued in due course in respect of those new ordinary shares. An application will be made for the new ordinary shares to be admitted to the Official List and to trading on the London Stock Exchange. The acquisition of further shares in the Subsidiary is in accordance with the Company's investment objective and policy; there will be no material change in the Company's investment objective and policy as a result of the Reorganisation.

Terms of the Scheme

Under the terms of the Scheme, in consideration for their Subsidiary Shares, the minority shareholders in the Subsidiary ("Minority Subsidiary Shareholders") may elect to receive:

- (a) new ordinary shares to be issued by the Company;
- (b) income or accumulation shares (depending on the class of Subsidiary Shares held) in the New OEIC ("New OEIC Shares") which will in turn invest all of its assets in further new ordinary shares to be issued to it by the Company; or
- (c) a cash payment.

New OEIC is being established to allow Minority Subsidiary Shareholders who so wish to continue their investment via an open-ended company. Shares in the New OEIC will be listed on the Channel Islands Stock Exchange.

The Directors believe, based on discussions that the Investment Adviser has had with a significant majority (by value of holdings) of Minority Subsidiary Shareholders, that only a small minority of Minority Subsidiary Shareholders (if any) will elect to receive a cash payment. Therefore, the Company expects to be able to finance any resulting cash payments from existing cash resources or cash resources that will be available to it from the Subsidiary's existing cash resources.

In the event that a substantially greater proportion of Minority Subsidiary Shareholders than expected elect to receive a cash payment, and the Company is unable to fund all of the cash payments from its existing cash resources or cash resources that will be available to it from the Subsidiary's existing cash resources, the relevant Minority Subsidiary Shareholders will be deemed to have elected to receive New OEIC Shares, on a pro rata basis, in relation to those Subsidiary Shares in respect of which the Company is unable to make the cash payments. It is the current view of the Investment Adviser that there is likely to be total cash available to the Company as at the effective date of the Scheme, after making provision for ongoing working capital requirements, of c.£10 million for the purposes of the cash payments.

Basis of calculation of consideration

Whichever consideration option is chosen by the Minority Subsidiary Shareholders, the value of their Subsidiary Shares for the purposes of calculating the consideration that will be paid for them by the Company in accordance with the Scheme, will be the net asset value of such shares as at 31 January 2014.

Minority Subsidiary Shareholders electing to receive new ordinary shares in the Company will receive such number of new ordinary shares as have a Net Asset Value at 31 January 2014 equal to the consideration to which such Minority Subsidiary Shareholders are entitled.

Minority Subsidiary Shareholders electing to receive shares in New OEIC will receive such number of shares in New OEIC at £1.00 per share (being the subscription price per New OEIC Share) as equals the consideration to which they are entitled. New OEIC will receive such number of new ordinary shares in the Company as have a net asset value at 31 January 2014 equal to the consideration to which such Minority Subsidiary Shareholders are entitled. In addition, given the expected cost savings for the Company as a result of the Scheme, the Company intends to consider (subject to all regulatory and legal requirements) putting in place arrangements with New OEIC with a view to reducing the level of such costs borne by the shareholders of New OEIC such that the net effect of the running costs on shareholders of New OEIC will be broadly the same as those borne by shareholders in the Subsidiary now.

Conditions to the Reorganisation

In summary, the implementation of the Scheme is conditional upon:

- (i) approval of the Scheme by a majority in number, representing not less than 75 per cent. of the voting rights, of Minority Subsidiary Shareholders at a Court Meeting;
- (ii) the relevant resolutions being duly passed by the requisite majority of Subsidiary Shareholders at a general meeting of the Subsidiary held in connection with the Reorganisation;
- (iii) New OEIC being regulated as an open ended Jersey expert fund by the Jersey Financial Services Commission and being approved by the CISX for listing;
- (iv) the stamping of the Company's Prospectus in respect of the new ordinary shares by the FCA;
- (v) the sanction of the Scheme by the Court and the delivery of the Scheme Court Order to the Registrar of Companies; and
- (vi) the Conditions which are not otherwise identified above being satisfied or (where applicable) waived by the Company.

Contacts

Gravis Capital Partners LLP	
Stephen Ellis	+44 (0)20 7518 1495
Rollo Wright	+44 (0)20 7518 1493
Oriel Securities	+44 (0)20 7710 7600
Neil Winward	
Mark Bloomfield	
Tunga Chigovanyika	
Cenkos Securities	
Dion Di Miceli	+44 (0)20 7397 1921
Tom Scrivens	+44 (0)20 7397 1915
Buchanan	+44 (0)20 7466 5000
Charles Ryland	
Sophie McNulty	

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This announcement is directed only at persons who are: (a) persons outside the European Economic Area to whom it is lawful to communicate this announcement and (b) persons in member states of the European Economic Area who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive ("Qualified Investors"). For the purposes of this provision, the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each member state of the European Economic Area which has implemented the Prospectus Directive. In addition, in the United Kingdom, this announcement is directed only at Qualified Investors (i) who have professional experience in matters relating to investments who fall within the definition of "investment professional" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") or (ii) who are high net worth companies, unincorporated associations, partnerships or trustees of high value trusts as described in Article 49(2) of the Order.

The Shares issued and/or to be issued by the Company pursuant to the Reorganisation (the "Securities") have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States. The Securities may not be offered, sold, resold, pledged, delivered, distributed or otherwise transferred, directly or indirectly, into or within the United States, or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act). No public offering of the Securities is being made in the United States. The Company has not been and will not be registered under the US Investment Company Act of 1940 (the "Investment Company Act") and, as such,

holders of the Securities will not be entitled to the benefits of the Investment Company Act.

No information contained in this announcement should be taken as constituting an offer to the public in Jersey for the purposes of the Control of Borrowing (Jersey) Order 1958 or the Collective Investment Funds (Jersey) Law 1988. This announcement is directed only at persons who fall within the definition of "eligible investor" as set out in the Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008.

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