Rocky Mountain Dealerships Inc. Announces Take Up and Redemption of Debentures

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Financing

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Rocky Mountain Dealerships Inc. ("Rocky") (TSX: RME; RME.DB) is pleased to announce that it has taken up and paid for all of its 7.00% convertible unsecured subordinated debentures (the "Debentures") for total consideration of $37,800,000, plus accrued and unpaid interest.

In conjunction with the redemption and repurchase of the Debentures, Rocky secured a $35,000,000 credit facility (the "Debenture Repayment Facility"). Rocky also entered into a floating-to-fixed interest rate swap, hedging its exposure to fluctuations on the Debenture Repayment Facility. On inception, the effective interest rate on the Debenture Repayment Facility is 4.6%, which represents an initial interest rate reduction of 2.4% as compared to the interest rate on the Debentures.

This transaction results in cash interest savings for Rocky, and is expected to increase shareholder value by eliminating the dilutive impact caused by the Debentures.

About Rocky Mountain Dealerships Inc.

Rocky is one of Canada's largest agriculture and construction equipment dealerships with 36 branches throughout Alberta, Saskatchewan and Manitoba. Rocky sells, rents, and leases new and used construction and agriculture equipment and offers product support and finance to its customers.

Additional information on Rocky is available at www.rockymtn.com and on SEDAR at www.sedar.com.

Language:
English

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Ticker Slug:
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Exchange: TSX


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