Rocky Mountain Dealerships Inc. announces intention to acquire all of its outstanding 7.00% convertible unsecured subordinated debentures

**Release Date:**
Wednesday, February 8, 2012 4:00 pm MST

**Terms:**
Financing

**Dateline City:**
CALGARY, Alberta

Rocky Mountain Dealerships Inc. ("Rocky") (TSX: RME)(TSX:RME.DB) announced today that it intends to make an offer (the "Offer") to purchase all of its 7.00% convertible unsecured subordinated debentures due September 30, 2017 (the "Debentures") at a purchase price of $1,125 for each $1,000 principal amount of Debentures (the "Offer Price"), representing a premium of $125 to the face value of the Debentures per $1,000 principal amount. The Offer also represents a premium of $55 to the closing price of $1,070 on the Toronto Stock Exchange ("TSX") on Wednesday, February 8, 2012, and a premium of approximately $49 to the volume weighted average trading price of $1,076 on the TSX for the 30 trading days ended Wednesday, February 8, 2012, in each case per $1,000 principal amount.

In connection with the Offer, Rocky also intends to hold a meeting (the "Meeting") for holders of the Debentures ("Debentureholders") on or about March 23, 2012, in Calgary, Alberta, to consider and approve amendments to the trust indenture governing the Debentures that will permit Rocky to, within 30 days of the expiry of the Offer, redeem any Debentures not tendered to the Offer at a redemption price equal to the Offer Price (the "Redemption").

There is currently $31,500,000 aggregate principal amount of Debentures outstanding. Assuming all of the Debentures are purchased pursuant to the Offer and/or the Redemption, the aggregate purchase price to Rocky, before costs and expenses of the Offer and Redemption and not including accrued and unpaid interest payable on the Debentures, will be $35,437,500, which Rocky intends to finance with available working capital and the funds from an amended credit facility expected to be provided by a syndicate of lenders.

Rocky's CEO, Matt Campbell, stated, "We believe that the Offer and related Redemption will enhance shareholder value by reducing Rocky's overall cost of financing by refinancing the Debentures with available working capital and lower-cost bank debt."

Debentureholders who tender their Debentures to the Offer will receive accrued and unpaid interest on such Debentures up to and including the date the Debentures are taken up by Rocky under the Offer. Debentureholders whose Debentures are redeemed pursuant to the Redemption will receive accrued and unpaid interest up to and including the date of redemption.

Full details of the Offer and Redemption are to be included in a combined management proxy circular, offer to purchase and issuer bid circular (the "Circular") that is anticipated to be sent to the registered holders of Debentures on or about February 21, 2012. It is anticipated that the Offer will be open for acceptance until March 30, 2012. The making of the Offer and the Redemption is subject to Rocky securing an acceptable amended credit facility and receipt of a formal valuation of the Debentures in accordance with applicable regulatory requirements.

Certain members of Rocky's management, who hold an aggregate of $672,000 principal amount of Debentures, have indicated that they intend to vote their Debentures in favour of the Redemption and deposit their Debentures to the offer.

RBC Capital Markets is acting as financial advisor to Rocky and as dealer manager in connection with the Offer and Redemption, with the law firm of Burnet, Duckworth & Palmer LLP acting as Rocky's legal advisor.

**About Rocky Mountain Dealerships Inc.**

Rocky is one of Canada's largest agriculture dealerships 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](http://www.rockymtn.com) [2] and on SEDAR at [www.sedar.com](http://www.sedar.com) [3].

**Forward-looking statements**

This press release contains forward-looking statements. All statements other than statements of historical fact contained in this press release are forward-looking statements. You can identify many of these statements by looking for words such as "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof. These forward-looking statements include statements with respect to the making and timing of the Offer, the amount of the Offer Price, the Redemption and the holding and timing of the Meeting. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur. Forward-looking statements are subject to risks, uncertainties and assumptions, including, but not limited to, those discussed elsewhere in this press release. There can be no assurance that such expectations will prove to be correct. Some of the factors that could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include, but are not limited to, any delay or failure to satisfy the conditions to the making of the Offer (including any failure or delay of the Company to obtain..."
the required financing or the commitment to provide the required financing necessary to make the Offer or to redeem Debentures in accordance with the Redemption) any failure or delay in obtaining Debentureholder approval of the Redemption, and the failure to satisfy any conditions to take up under the Offer. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this press release are made as of the date of this press release and Rocky assumes no obligation to update or revise them to reflect new events or circumstances except as expressly required by applicable securities law.

Rocky has not yet commenced the Offer referred to in this press release. Upon the commencement of the Offer, it will file the Circular with the provincial securities commissions in Canada. The Circular will contain important information about the Offer and the Redemption and should be read by Debentureholders. When the Offer is commenced, one will be able to obtain the Circular and all other documents at no charge when they become available on the system for electronic document analysis and retrieval (SEDAR) at www.sedar.com. Accordingly, this announcement does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, or otherwise dispose of, or any solicitation of any offer to sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for, any security. The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which this announcement is released, published or distributed should inform themselves about and observe such restrictions.

Language:
English

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Ticker Slug:
Ticker: RME
Exchange: TSX


Links: