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

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Terms: Financing [1]

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Rocky Mountain Dealerships Inc. ("Rocky") (TSX:RME, RME.DB) is pleased to announce that in accordance with its previous announcement it has made 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...

In connection with the Offer, Rocky will hold a meeting (the "Meeting") for holders of the Debentures ("Debentureholders") on 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 a credit facility to be provided by a syndicate of lenders.

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.

The Offer is conditional on Debentureholders approving the Redemption or at least 50% of the outstanding Debentures being validly deposited to the Offer and not withdrawn, and other conditions customary for transactions of this nature.

Full details of the Offer and Redemption are included in Rocky's combined management proxy circular, offer to purchase and issuer bid circular (the "Circular"), which includes a copy of the formal valuation of the Debentures prepared by Clark Valuation Group Ltd, and other related documents, which will be mailed to Debentureholders, filed with the applicable regulators and available on SEDAR at www.sedar.com.[2] The Offer will be open for acceptance until March 29, 2012 unless withdrawn or extended by Rocky.

The Board of Directors of Rocky (the "Board") has determined that the Offer and the Redemption are in the best interest of the Rocky and its shareholders. The Board has authorized the making of the Offer and the submission of the Redemption to Debentureholders for their consideration. Neither Rocky nor its Board makes any recommendation to Debentureholders as to whether to tender or refrain from tendering their Debentures to the Offer. Debentureholders are urged to consult their own financial, tax and legal advisors and to make their own decisions whether to tender or to refrain from tendering their Debentures to the Offer.

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 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 [3] and on SEDAR at www.sedar.com [4].

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. 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, 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.

The Circular and related documents contain important information about the Offer and the Redemption and should be read by Debentureholders. The Circular and related documents may be obtained at no charge when they become available on the system for electronic document analysis and retrieval (SEDAR) at www.sedar.com. 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.

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