

Talvivaara's supplemented draft restructuring programme submitted to the District Court of Espoo

13.03.2015 | [Globenewswire Europe](#)

Stock Exchange Release
Talvivaara Mining Company Plc
13 March 2015

Talvivaara's supplemented draft restructuring programme submitted to the District Court of Espoo

The Administrator of the corporate reorganisation of [Talvivaara Mining Company Plc](#) ("Talvivaara" or "Company") has today filed the supplemented draft restructuring programme to the District Court of Espoo.

The Administrator considers that the supplemented draft restructuring programme is suitable for confirmation, subject to fulfilment of certain specific conditions set out in the programme and will result in a more favourable outcome for the creditors compared to bankruptcy. The draft restructuring programme is conditional and its confirmation as well as its entry into force requires. The Administrator's view is, that if implemented, the measures required from the Company in the supplemented draft restructuring programme would lead to the Company's operations being rehabilitated and the Company's financial position remedied.

The figures included in this release are unaudited and base on the information presented by the Administrator in the supplemented draft restructuring programme.

Talvivaara as a debtor in the restructuring proceedings is given a similar right as the creditors of the corporate reorganisation to give a statement on the supplemented draft restructuring programme and propose changes to it by the deadline of 27 March 2015 set by the District Court of Espoo.

The essential content of the supplemented draft restructuring programme is as follows:

- Due to a lack of financing, Talvivaara Sotkamo Ltd was forced to apply for bankruptcy on 6 November 2014. The bankruptcy proceedings have continued under public receivership since 1 December 2014. In these changed circumstances, the Administrator has had to evaluate whether a viable draft restructuring programme can be prepared for Talvivaara or whether there are other reasons to apply for the interruption of the restructuring proceedings.

- The Administrator's supplemented draft restructuring programme is based on the plan presented in the original draft restructuring programme dated 30 September 2014. The business operations of the mine are to be sold to a new company ("NewCo") with which Talvivaara shall have a sufficient functional connection that is based on ownership, operations or other type of economic co-operation. In the Administrator's view, without such functional connection, Talvivaara will not have a business eligible for restructuring.

- The Talvivaara Sotkamo Ltd's bankruptcy estate has agreed on a conditional sale of the mining business with Audley Capital Advisors LLP ("Audley") which was announced on 12 March 2015. In the same connection, a special purpose entity fully owned by the Finnish State, Terrafame Oy, has entered into an investment agreement with Audley. The conditions for the completion of the sale of the mining business include, e.g. the confirmation of the receipt of the necessary authority permits and the securing of binding financing. The conditional agreement for the sale of the mining business was announced the day before the draft restructuring programme was filed to the District Court. As a result, the Company has not had time to hold in depth negotiations with Audley concerning the possible forms of co-operation. The Administrator and the Company have had preliminary discussions with Audley concerning the alternatives by which Talvivaara could co-operate with Audley, and these discussions will continue.

- At the moment, the total amount of the restructuring debts to be taken into account in the restructuring proceedings is approximately 513 million euros, out of which 508 million euros is considered unsecured debt. This amount does not include debts with lowest priority. In addition, the Company has approximately 8 million euros liability relating to a granted third-party security and 7.5 million euros of restructuring debts and other liabilities secured by business mortgage. The Administrator is proposing that the restructuring debts be cut by 99% which would leave 1% of the amount of such debt to be repaid. The restructuring debts secured by business mortgage will not be cut and no payments would be made on debts with lowest priority. The draft restructuring programme does not include a provision on a duty to make supplementary payments. The total amount of the restructuring debts includes also approximately 32 million euros of conditional restructuring debt, which consists mainly of counter indemnity as for its own debt given as a guarantee for the guarantee insurance provided by Atradius Credit Insurance N.V to Kainuu ELY Centre. The guarantee insurance relates to the certain obligations prescribed in Talvivaara Sotkamo Ltd's environmental permit.

- The term of the restructuring programme would consist of one instalment. After the 1% restructuring debt repayment has been made to the remaining restructuring creditors and after the other measures obligating the Company in the draft restructuring programme have been completed, Talvivaara would not be subject to any restriction on payment of dividends.

- On 1 April 2014, the Company issued a guarantee for the termination sum amounting to approximately 206 million euros that Talvivaara Sotkamo Ltd would have to pay to [Nyrstar](#) Sales & Marketing AG ("[Nyrstar](#)") due to a premature termination of the zinc streaming agreement between the companies. However, the Intercreditor Agreement binding on the Company and [Nyrstar](#) includes a provision on the matter, stating that the Company cannot make any payments to [Nyrstar](#) in relation to the termination sum if full payment has not been made to the lenders having receivables with a higher ranked priority. As the lenders having a higher ranked priority will not receive a full payment on their receivables due to Talvivaara Sotkamo Ltd's bankruptcy and the Company's restructuring proceedings, the Company cannot make payments relating to the termination sum to [Nyrstar](#), as [Nyrstar](#)'s claim for termination sum is in a subordinate position. Therefore, the Administrator has not included the Company's guarantee liability for the termination sum in the restructuring debts or in the new liabilities arisen during the proceedings.

- The Administrator's estimate is that after the completion of the above referenced restructuring measures - and assuming that none of the restructuring creditors would use their conversion right included in the draft restructuring programme - the balance sheet of the Company would include approximately 25.1 million euros of debt, comprising of approximately 12.5 million euros of new debts arisen during the proceedings and approximately 12.6 million euros of cut restructuring debts and other liabilities.

- The confirmation and entry into force of the draft restructuring programme requires the fulfilment of all of the following conditions:

- a) Talvivaara succeeds in negotiating an agreement with the party that purchases Talvivaara Sotkamo Ltd's mining operations from the bankruptcy estate based on which:

- 1. Talvivaara can obtain sufficient cash flow to cover the costs of its business operations if the Company's other assets or other cash flows are not sufficient to cover said costs; and

- 2. Talvivaara has the right to make an investment sufficient to acquire a significant minority stake in the company engaging in the mining operations, or the parties complete a different financial and/or operative arrangement that will secure the continuance of the Company's eligible business;

- b) The general meeting of shareholders of Talvivaara:

- 1. approves the opportunity to be offered to all holders of unsecured restructuring debts to convert the full amount (but not a part thereof) of their unsecured restructuring debt into shares in the Company with due regard to any limitations of prohibitions set by foreign securities laws that would make the offering of the conversion right to certain foreign creditors either illegal or unreasonably difficult to implement. If all unsecured restructuring creditors exercise said opportunity, the percentage of holdings of the Company's current shareholders would be diluted by 70%. The conversion rate would be EUR 0.1144 per share; and

- 2. executes or authorises the Company's board of directors to execute a financial arrangement (e.g. issuance of shares or bonds or execution of other financing instrument) to raise the funds needed to execute an arrangement referred to in section a) 2. and/or for paying the remaining restructuring debts and for covering other possible liabilities to the extent the Company's other funds are not sufficient for such purpose;

- c) The proceedings for converting the restructuring debts into shares in the Company have been

completed in accordance with the section b) 1 above, and the new shares have been registered in the Trade Register.

· A share issue or an issuance of another instrument entitling to the shares of the Company, which are among the possible means to satisfy the condition for the entry into force of the restructuring programme, would, if fully subscribed for and depending on the amount to be raised in the transaction, dilute the holdings of the existing shareholders significantly. The existing shareholders would in this case include the current shareholders as well as those restructuring creditors who would have exercised their right to convert their restructuring debt into shares in the Company.

· In addition to what has been provided on the lapse of restructuring programme and corporate reorganization, if the special conditions set for the entry into force of the restructuring programme have not been met by 13 March 2017, the Administrator will make a request to the District Court to have the restructuring proceedings interrupted. In addition, the draft restructuring programme includes a specific condition entitling the Administrator to make a request to the District Court for the cancellation of the corporate reorganization in case the Company does not have the funds for paying the restructuring debts within two years of the confirmation of the programme. The Administrator estimates that this time limit expires in the summer of 2017.

· After all the conditions for the confirmation of the programme have been met, the Administrator shall inform the District Court and the creditors thereof and state that the draft restructuring programme can be confirmed. Once the District Court has confirmed the programme, it will enter into force and the restructuring proceedings will be terminated.

The summary of the supplemented draft restructuring programme is annexed to this release, and a link to the complete text of the programme can be found at www.talvivaara.com.

Enquiries

[Talvivaara Mining Company Plc](http://www.talvivaara.com) Tel +358 20 7129 800

Pekka Perä, CEO

Pekka Erkinheimo, Deputy CEO

Pekka Jaatinen, Attorney-at-Law Tel +358 20 7765 765

Castrén & Snellman Attorneys Ltd

Talv supplemented draft restructuring programme filed to District Court

Talvivaara Supplemented draft restructuring programme, summary 2015

This announcement is distributed by NASDAQ OMX Corporate Solutions on behalf of NASDAQ OMX Corporate Solutions clients.

The issuer of this announcement warrants that they are solely responsible for the content, accuracy and originality of the information contained therein.

Source: Talvivaaran Kaivososakeyhtiö Oyj via Globenewswire

HUG#1903322

Dieser Artikel stammt von Rohstoff-Welt.de

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/194469--Talvivaaraund039s-supplemented-draft-restructuring-programme-submitted-to-the-District-Court-of-Espoo.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!

Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).