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**For immediate release**

**20 December 2019**

**RECOMMENDED CASH ACQUISITION**

**of**

**Ei GROUP PLC**

**by**

**STONEGATE PUB COMPANY BIDCO LIMITED**

**(a wholly-owned subsidiary of Stonegate Pub Company Limited)**

**to be effected by means of a Scheme of Arrangement  
under Part 26 of the Companies Act 2006**

**Update on Debt Financing Arrangements**

On 18 July 2019, the Board of Ei Group plc ("**EIG**") and the Board of Stonegate Pub Company Bidco Limited ("**Bidco**"), a wholly-owned subsidiary of Stonegate Pub Company Limited ("**Stonegate**"), announced that they had reached agreement on the terms of a recommended all-cash acquisition by Bidco of the entire issued and to be issued ordinary share capital of EIG (the "**Acquisition**"). The Acquisition is to be effected by means of a scheme of arrangement between EIG and the Scheme Shareholders under Part 26 of the Companies Act (the "**Scheme**"). Capitalised terms in this announcement, unless otherwise defined, have the same meanings given to them in the scheme circular published on 15 August 2019 (the "**Scheme Document**").

On 12 September 2019, EIG announced that at a Court Meeting and General Meeting held on that date, all shareholder resolutions relating to the Acquisition were approved by the requisite majorities.

Completion of the Acquisition remains subject to regulatory approval from the CMA and the Court sanctioning the Scheme at the Court Hearing, which is expected to take place in the first quarter of 2020.

As announced on 17 October 2019, in connection with financing a portion of the consideration payable under the Acquisition, Bidco entered into a second lien facility agreement dated 16 October 2019 between, among others, Bidco as borrower and Barclays Bank PLC as agent and security agent (the "**Second Lien Facility Agreement**") which was intended to replace the Second Lien Bridge Facility Agreement entered into on 17 July 2019 (as amended and restated pursuant to an amendment and restatement agreement dated 11 September 2019) (the "**Second Lien Bridge Facility Agreement**") and described in further detail in the Scheme Document.

On 19 December 2019, Bidco and the other parties thereto entered into:

(a) an amendment and cancellation agreement (the "**Amendment and Cancellation Agreement**") cancelling the Second Lien Bridge Facility Agreement and certain other related finance documents, and

(b) amendment and restatement agreements (the "**Amendment and Restatement Agreements**") in respect of each of the Senior Term Loan Facility Agreement, Senior Bridge Facility Agreement, Revolving

Facility Agreement, the Intercreditor Agreement (each as described in the Scheme Document) and the Second Lien Facility Agreement in order to, among other things, reflect the replacement of the Second Lien Bridge Facility Agreement with the Second Lien Facility Agreement.

Copies of the Amendment and Cancellation Agreement and the Amendment and Restatement Agreements are available on EIG's website at [www.eigroupplc.com](http://www.eigroupplc.com) and on Stonegate's website at [www.stonegatepubs.com](http://www.stonegatepubs.com).

### **Enquiries**

**Stonegate Pub Company Limited**

Simon Longbottom  
Ian Payne  
Daniel Wilkinson

Tel: +44 (0) 1582 957160

**Nomura International plc (Financial Adviser to Stonegate and Bidco)**

Adrian Fisk  
Henry Phillips  
Christopher Fincken

Tel: +44 (0)20 7102 1000

**Goldman Sachs International (Financial Adviser to Stonegate and Bidco)**

Anthony Gutman  
Nick Harper  
James Brodie

Tel: +44 (0)20 7774 1000

**Barclays Bank PLC, acting through its Investment Bank (Financial Adviser to Stonegate and Bidco)**

Derek Shakespeare  
Andrew Richards  
Neal West

Tel: +44 (0)20 7623 2323

**Tulchan Communications (PR Adviser to Stonegate and TDR)**

Jonathan Sibun  
Suniti Chauhan  
Will Smith

Tel: + 44 (0)20 7353 4200

**Instinctif Partners (PR Adviser to Stonegate)**

Justine Warren

Tel: + 44 (0)20 7457 2020

### **IMPORTANT NOTICES**

Nomura International plc, which is authorised by the Prudential Regulation Authority ("PRA") and regulated by the PRA and the Financial Conduct Authority ("FCA") in the United Kingdom, is acting as financial adviser to Bidco and Stonegate, and no one else in connection with the matters set out in this Announcement and Nomura International plc, its affiliates and its respective officers, employees, agents, representatives and/or associates will not regard any other person as their client, nor will they be responsible to anyone other than Bidco and Stonegate for providing the protections afforded to clients of Nomura International plc nor for giving advice in relation to any matter or arrangement referred to in this Announcement. Neither Nomura International plc nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in

contract, in tort, under statute or otherwise) to any person who is not a client of Nomura International plc in connection with this Announcement or any matter referred to herein.

Goldman Sachs International, which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting as financial adviser to Bidco and Stonegate and no one else in connection with the matters described in this Announcement and will not be responsible to anyone other than Bidco and Stonegate for providing the protections afforded to clients of Goldman Sachs International, or for giving advice in connection with the matters described in this Announcement or any matter referred to herein. Neither Goldman Sachs International nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Goldman Sachs International in connection with this Announcement or any matter referred to herein.

Barclays Bank PLC, acting through its Investment Bank ("Barclays"), which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting as financial adviser to Bidco and Stonegate and no one else in connection with the matters described in this Announcement and will not be responsible to anyone other than Bidco and Stonegate for providing the protections afforded to clients of Barclays, or for giving advice in connection with the matters described in this Announcement or any matter referred to herein. Neither Barclays nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Barclays in connection with this Announcement or any matter referred to herein. In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the Exchange Act, Barclays and its affiliates will continue to act as exempt principal trader in EIG securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

This Announcement does not constitute an offer or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this Announcement or the Scheme Document or otherwise in any jurisdiction in which such offer or solicitation is unlawful.

## **FURTHER INFORMATION**

This Announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer, invitation or solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise nor shall there be any sale, issuance or transfer of securities of EIG in any jurisdiction in contravention of applicable law. The Acquisition will be made solely pursuant to the terms of the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the offer document), which contains the full terms and conditions of the Acquisition. Any decision in respect of the Scheme (or, if applicable, the Takeover Offer), or other response in relation to, the Acquisition should be made only on the basis of the information contained in the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the offer document).

Each EIG Shareholder is strongly advised to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him.

This Announcement does not constitute a prospectus or prospectus equivalent document.

## **DISCLOSURE REQUIREMENTS OF CODE**

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later,

following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purposes of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

## **PUBLICATION ON WEBSITE**

In accordance with Rule 26.1 of the Code, a copy of this Announcement and the documents required to be published by Rule 26 of the Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on EIG's website at [www.eigroupplc.com](http://www.eigroupplc.com) and on Stonegate's website at [www.stonegatepubs.com](http://www.stonegatepubs.com) by no later than 12 noon (London time) on the Business Day following this Announcement. For the avoidance of doubt, the contents of those websites are not incorporated by reference and do not form part of this Announcement.