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Result of shareholder and court meeting

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FOR IMMEDIATE RELEASE

26 July 2019

RECOMMENDED CASH ACQUISITION

OF

KCOM GROUP PUBLIC LIMITED COMPANY

by

MEIF 6 FIBRE LIMITED

**a wholly-owned indirect subsidiary of Macquarie European Infrastructure Fund 6
SCSp
(an investment fund managed by Macquarie Infrastructure and Real Assets
(Europe) Limited (MIRAE))**

**to be implemented by means of a scheme of arrangement under
Part 26 of the Companies Act 2006**

Results of the Court Meeting and General Meeting

On 3 June 2019, the boards of KCOM Group Public Limited Company (**KCOM**) and MEIF 6 Fibre Limited (**MEIF 6 Fibre**) announced that they had reached agreement on the terms of a recommended cash acquisition by MEIF 6 Fibre of the entire issued and to be issued ordinary share capital of KCOM (the **Acquisition**) for a consideration of 108 pence for each KCOM Scheme Share. The Acquisition is being implemented by means of a scheme of arrangement under Part 26 of the Companies Act 2006 (the **Scheme**).

On 12 July 2019, MEIF 6 Fibre announced a revised cash offer of 120.3 pence for each KCOM Scheme Share, to be implemented by way of the Scheme. On the same date, KCOM announced that the KCOM Directors recommend unanimously that KCOM Shareholders vote in favour of the Scheme at the Court Meeting and in favour of the General Meeting Resolution to be proposed at the General Meeting.

On 16 July 2019, KCOM announced that the Court Meeting and General Meeting, both of which had been adjourned on 11 July 2019, would be reconvened at, in the case of the Court Meeting, 11.00 a.m. on 26 July 2019 (the **Reconvened Court Meeting**) and, in the case of the General Meeting, 11.15 a.m. on 26 July 2019 (the **Reconvened General Meeting**).

The boards of KCOM and MEIF 6 Fibre are pleased to announce that at the Reconvened Court Meeting and the Reconvened General Meeting held earlier today in connection with the Acquisition:

- the Scheme was approved by the requisite majority of KCOM Scheme Shareholders at the Reconvened Court Meeting; and
- KCOM Shareholders voted at the Reconvened General Meeting to pass the General Meeting Resolution to, amongst others, implement the Scheme.

Details of the resolutions passed are set out in the notices of the Court Meeting and General Meeting contained in the scheme document sent to KCOM Scheme Shareholders and dated 18 June 2019 (the **Scheme Document**).

The detailed voting results in relation to the Reconvened Court Meeting and the Reconvened General Meeting are summarised below.

Reconvened Court Meeting

At the Reconvened Court Meeting a majority in number of KCOM Scheme Shareholders who voted (either in person or by proxy), representing 99.48 per cent. by value of those KCOM Scheme Shareholders who voted (either in person or by proxy), voted in favour of the resolution to approve the Scheme. Each KCOM Scheme Shareholder, present in person or by proxy, was entitled to one vote per KCOM Scheme Share held at the Voting Record Time. Voting at the Reconvened Court Meeting was conducted by way of a poll.

The results of the poll at the Reconvened Court Meeting were as follows:

	Number of KCOM Scheme Shareholders who voted	% of KCOM Scheme Shareholders who voted	Number of KCOM Scheme Shares voted	% of KCOM Scheme Shares voted	Number of KCOM Scheme Shares voted as a % of the issued ordinary share capital*
For	4,242	82.69	258,473,765	99.48	66.92
Against	888	17.31	1,343,933	0.52	0.35
Total	5,130	-	259,817,698	-	67.27

*Excludes the 130,375,321 KCOM Shares held by MEIF 6 Fibre which are excluded from the Scheme and were not capable of being voted.

Reconvened General Meeting

At the Reconvened General Meeting the General Meeting Resolution to implement the Scheme, including through the adoption of new articles of association of KCOM, was duly passed. Each KCOM Shareholder, present in person or by proxy, was entitled to one vote per KCOM Share held at the Voting Record Time. Voting at the Reconvened General Meeting was conducted by way of a poll.

The results of the poll at the Reconvened General Meeting were as follows:

	Number of KCOM Shares voted	% of KCOM Shares voted
For	284,662,857	99.52
Against	1,367,788	0.48
Withheld*	56,157	
Total	286,086,802	

* A vote withheld is not a vote in law and counts neither "For" nor "Against" the resolution.

Next Steps

The boards of KCOM and MEIF 6 Fibre are pleased to announce that the regulatory approval specified in the condition set out in paragraph 3(a) of Part A of Appendix 1

(Conditions to the Scheme and Acquisition) of the Scheme Document has now been given for the Acquisition.

Completion of the Acquisition remains subject to satisfaction or waiver of the other Conditions set out in the Scheme Document, including the sanction by the Court of the Scheme at the Court Hearing, which is expected to take place on 30 July 2019.

A revised timetable of principal events is set out at the end of this announcement (the **Revised Timetable**).

In accordance with the Revised Timetable, it is expected that trading in KCOM Shares on the London Stock Exchange's main market for listed securities will be suspended with effect from approximately 7.30 a.m. on 1 August 2019, that the Scheme will become Effective on 1 August 2019 and that cancellation of the admission of KCOM Shares to trading on the London Stock Exchange's main market for listed securities, and cancellation of the admission of KCOM Shares to the premium listing segment of the Official List of the Financial Conduct Authority, will occur by 8.00 a.m. on 2 August 2019.

Other

If any of the expected times and/or dates set out in the Revised Timetable change, the revised times and/or dates will be notified to KCOM Shareholders by announcement through a Regulatory Information Service. Such announcement will, subject to certain restrictions relating to persons in Restricted Jurisdictions, also be available on KCOM's website at www.kcomplc.com and Macquarie Infrastructure and Real Assets' website at www.macquarie.co.uk/mgl/uk/meif/meif6-fibre-offer.

Terms and expressions in this announcement shall, unless the context otherwise requires, have the same meanings as given to them in the Scheme Document.

All references to time are to London time.

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Important notices

*Barclays Bank PLC, acting through its Investment Bank (**Barclays**), which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting exclusively for MEIF 6 Fibre and MEIF 6 (managed by MIRAEL) and no one else in connection with the matters described herein and will not be responsible to anyone other than MEIF 6 Fibre and MEIF 6 (managed by MIRAEL) for providing the protections afforded to clients of Barclays nor for providing advice in relation to the matters described herein or any other matter referred to herein.*

*N.M. Rothschild & Sons Limited (**Rothschild & Co**), which is regulated in the United Kingdom by the FCA, is acting exclusively for KCOM and no one else in relation to the Acquisition and/or other matters set out in this announcement and will not be responsible to anyone other than KCOM for providing the protections afforded to clients of Rothschild & Co or for providing advice in relation to the Acquisition, the contents of this announcement or any other matter or arrangement referred to herein.*

*Peel Hunt LLP (**Peel Hunt**), which is authorised and regulated in the United Kingdom by the FCA, is acting for KCOM and no-one else in connection with the Acquisition and/or other matters set out in this announcement and will not be responsible to anyone other than KCOM for the protections offered to its clients nor for providing advice in relation to the Acquisition or any matters referred to in this announcement.*

*Investec Bank plc (**Investec**), which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting exclusively for KCOM and no one else in relation to the Acquisition and/or other matters set out in this announcement and will not be responsible to anyone other than KCOM for providing the protections afforded to the clients of Investec or for providing advice in relation to the Acquisition, the contents of this announcement or any other matter or arrangement referred to herein.*

Further information

This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or invitation 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.

Overseas Shareholders

The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom and the ability of KCOM Shareholders who are not resident in the United Kingdom to participate in the Acquisition may be restricted by laws and/or regulations in those jurisdictions and therefore any persons who are not resident in the United Kingdom or who are subject to the laws of any jurisdiction other than the United Kingdom (including Restricted Jurisdictions) should inform themselves about, and observe, any applicable legal or regulatory requirements. Any failure to comply with applicable legal or regulatory requirements of any jurisdiction may constitute a violation of securities laws in that jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Unless otherwise determined by MEIF 6 Fibre or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction.

This announcement has been prepared for the purpose of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England.

The Acquisition will be subject to the applicable requirements of English law, the Takeover Code, the Panel, the London Stock Exchange and the FCA.

Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any jurisdiction where to do so would constitute a violation of the laws of such jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

Further details in relation to Overseas Shareholders are contained in the Scheme Document.

Additional information for US Shareholders

KCOM Shareholders in the United States should note that the Acquisition relates to the securities of an English company and is proposed to be implemented pursuant to a scheme of arrangement provided for under English company law. A transaction implemented by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition will be subject to UK procedural and disclosure requirements and practices applicable to a scheme of arrangement involving a target company in England, which are different from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information included in this announcement and other documentation relating to the Acquisition has been or will have been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. If MEIF 6 Fibre exercises its right to implement the Acquisition by way of a Takeover Offer, such Takeover Offer will only be made in the United States in accordance with the US Exchange Act.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, MEIF 6 Fibre, certain affiliated companies and their respective nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, KCOM Shares, other than pursuant to the Acquisition, until the date on which the Takeover Offer and/or Scheme becomes Effective, lapses or is otherwise withdrawn. If such purchases or arrangements to purchase were to be made they would be made outside the United States and would comply with applicable law, including the US Exchange Act. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Takeover Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at 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.

In accordance with the Takeover 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 KCOM 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. This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

None of the securities referred to in this announcement have been approved or disapproved by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this announcement or the Scheme Document. Any representation to the contrary is a criminal offence in the United States.

The receipt of cash pursuant to the Acquisition by a US Shareholder as consideration pursuant to the terms of the Acquisition may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each US Shareholder is urged to consult his or her independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him or her.

It may be difficult for US holders of KCOM Shares to enforce their rights and claims arising out of the US federal securities laws, since MEIF 6 Fibre and KCOM are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US holders of KCOM Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent 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 on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 pm 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 Takeover Code, any person who is, or becomes, interested in one per cent 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 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 purpose 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 Panel's website at 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 a website

This announcement and the documents required to be published pursuant to Rule 26 of the Takeover Code will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Macquarie Infrastructure and Real Assets' website at www.macquarie.co.uk/mgl/uk/meif/meif6-fibre-offer and on KCOM's website at www.kcompic.com promptly and in any event by no later than 12 noon on the Business Day following the date of this announcement.

Neither the content of the websites referred to in this announcement nor the content of any website accessible from hyperlinks is incorporated into, or forms part of, this announcement.

Request for hard copies

KCOM Shareholders may, subject to applicable securities laws, request a hard copy of this announcement (and any information incorporated into it by reference to another source) by contacting Link Asset Services on 0371 664 0321 or by submitting a request in writing to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TH, with an address to which the hard copy may be sent. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside of the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Acquisition or give any financial, legal or tax advice. KCOM Shareholders may, subject to applicable securities laws, also request that all future documents, announcements and information to be sent in relation to the Acquisition should be in hard copy form.

General

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial

adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

REVISED EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out expected dates for the implementation of the Scheme.

<u>Event</u>	<u>Time and/or date</u>
Publication of Scheme Document	18 June 2019
Reconvened Court Meeting	11:00 a.m. on 26 July 2019
Reconvened General Meeting	11:15 a.m. on 26 July 2019
The following dates are indicative only and subject to change, please see note (1) below	
Court Hearing (to sanction the Scheme)	30 July 2019 ⁽¹⁾
Last day of dealings in, and for registration of transfers of, and disablement in CREST of, KCOM Shares	31 July 2019 ⁽¹⁾
Scheme Record Time	10.00 p.m. on 31 July 2019 ⁽¹⁾
Dealings in KCOM Shares suspended	7.30 a.m. 1 August 2019 ⁽¹⁾
Effective Date	1 August 2019⁽¹⁾
Cancellation of listing of, and admission to trading of, KCOM Shares	By 8.00 a.m. on 2 August 2019 ⁽¹⁾
Latest date for despatch of cheques and/or crediting of CREST accounts for cash consideration due under the Scheme	14 days after the Effective Date
Long Stop Date	31 October 2019 ⁽²⁾

Notes:

1. These times and dates are indicative only and will depend, amongst other things, on the date on which: (i) the Conditions are either satisfied or (if capable of waiver) waived; (ii) the Court sanctions the Scheme (which may not be the same day on which the Court hears KCOM's application); and (iii) the order sanctioning the Scheme is delivered to the Registrar of Companies. Changes to other times or dates indicated above shall be notified by KCOM issuing an announcement through a Regulatory Information Service and by posting a notice on its website at www.kcomplc.com. All KCOM Scheme Shareholders have the right to attend the Court Hearing.
2. This is the latest date by which the Scheme may become Effective unless KCOM and MEIF 6 Fibre, with the consent of the Panel and (if required) the approval of the Court, agree in writing a later date.

All times shown are London times.

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