

# Potash One Agrees to Friendly Takeover by K+S AG for CAD 4.50 Per Share in Cash

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- **31.3% premium over the 10-day weighted average trading price**
- **Potash One's Board of Directors unanimously recommends shareholders tender to the offer**
- **Expected production capacity of up to 2.7 million tonnes would lead to approximately USD 2.5 billion investment in Saskatchewan and the creation of up to 300 highly skilled jobs**

Vancouver, British Columbia and Kassel, Germany -- (Marketwire) -- 11/22/10 -- [K+S Aktiengesellschaft](#) and [Potash One Inc.](#) (TSX: KCL) announced today that they have entered into a Support Agreement pursuant to which K+S will make an offer to acquire all of the issued and outstanding common shares(i) of Potash One at a price of CAD 4.50 per share in cash for total consideration of approximately CAD 434 million (EUR 311 million).

## The offer represents a:

- 24.3% premium to the closing price of Potash One shares on November 19, 2010 on the Toronto Stock Exchange;
- 31.3% premium over the 10-day weighted average trading price of the Shares up to and including November 19, 2010; and
- 82.2% premium to Potash One's share price of CAD 2.47 on August 16, 2010, the day prior to [Potash Corp's](#) rejection of [BHP Billiton's](#) unsolicited proposal.

The Potash One Board of Directors has unanimously determined that the transaction is fair to Potash One shareholders and is in the best interests of the company and its shareholders. The Board recommends that shareholders tender their common shares to the offer. Potash One's Board has received an opinion from GMP Securities L.P. that the consideration to be received by the Potash One shareholders under the offer is fair from a financial point of view to those shareholders.

Potash One holds several potash exploration licenses in the Canadian province of Saskatchewan, including the Legacy Project - an advanced greenfield project to develop a potash solution mine. K+S estimates production capacity of up to 2.7 million tonnes of potassium chloride per year. The realisation of this production capacity would represent an approximately USD 2.5 billion capital investment into Saskatchewan and create up to 300 highly-skilled jobs. The project headquarters will be located in Saskatchewan, Canada. K+S expects initial production no earlier than 2015.

Paul Matysek, President and CEO of Potash One, states: 'Today's announcement delivers on our commitment to maximize value for Potash One shareholders while eliminating further risks inherent in developing and funding the Legacy Project. We have advanced this property from a greenfield discovery to an economically robust, permitted, feasibility stage, solution mining project. K+S is a highly qualified global leader with over 100 years of experience in the potash industry and a market capitalization of close to EUR 10 billion (USD 13 billion); they have the technical and operational depth and the proven marketing and sales expertise to successfully bring Legacy forward.'

Norbert Steiner, Chairman of the Board of Executive Directors of K+S, highlights: 'Our all-cash offer provides certain and compelling value for Potash One shareholders. The offer complements our growth strategy to expand our potash capacities and our average mine life. Furthermore, the new potash assets together with our existing domestic potash sites will enhance our international competitiveness and as a result strengthen the K+S Group overall, in Europe as well as Overseas.'

The transaction is to be effected by way of a takeover bid. Full details of the offer will be included in a formal offer and take-over bid circular which is expected to be mailed to the shareholders by mid-December 2010. A copy of the Support Agreement will be filed on [www.sedar.com](http://www.sedar.com) within 24 hours of this release. The

transaction is expected to close in the first quarter of 2011. The offer will be open for acceptance for a period of not less than 35 days and will be subject to certain customary conditions, including there having been validly deposited and not withdrawn at the expiry time at least 66 2/3% of the outstanding common shares(i) of Potash One. The transaction is not subject to 'net benefit to Canada' review under the Investment Canada Act.

The directors and officers of Potash One will enter into lock-up agreements with K+S pursuant to which they have agreed to tender approximately 21% of the Potash One shares(i) to the offer.

The Support Agreement provides for customary deal protections, including a non-solicitation covenant by Potash One, a five business day right for K+S to match any superior proposal received by Potash One and payment by Potash One to K+S of a termination fee of CAD 16.5 million if the offer is not completed in specified circumstances. The transaction is not subject to a financing condition.

As a condition of entering into the Support Agreement, an affiliate of K+S has subscribed for CAD 30 million convertible secured debenture from Potash One. The proceeds from the debenture will be used to fund immediate water infrastructure construction commitments related to the Legacy Project. The debenture bears interest at the rate of 8% per annum and will mature on the earlier of: (a) five business days after the date the Support Agreement is terminated; and (b) November 24, 2011. Subject to regulatory approval, at the option of either the holder or Potash One, the debenture will be convertible on maturity into Potash One shares at a conversion price of CAD 4.00 per share. Potash One will have the right to prepay the debenture at any time in cash, subject to the holder's right to elect to have the prepayment amount paid in shares. Potash One's debenture obligations will be secured by all of Potash One's assets, and the closing of the purchase will occur on or about November 24, 2010.

National Bank Financial Inc. is acting as exclusive financial advisor to Potash One and Farris, Vaughan, Wills & Murphy LLP is acting as legal counsel. In addition, GMP Securities L.P. is providing a fairness opinion to the board of directors of Potash One. Morgan Stanley & Co. Incorporated is acting as exclusive financial advisor to K+S, and Borden Ladner Gervais LLP is acting as legal counsel.

(i) on a fully diluted basis, i.e. including all option, conversion and other subscription rights

## About Potash One

[Potash One Inc.](http://www.potash1.ca) is a TSX-listed (symbol: KCL) Canadian resource company engaged in the exploration and development of advanced potash properties. The Company owns 100% of more than 515,000 acres of Potash Subsurface Exploration Permits in Saskatchewan, Canada. It includes the Legacy Project. For more information please visit Potash One's website [www.potash1.ca](http://www.potash1.ca).

## About K+S

The K+S Group is one of the world's leading suppliers of standard and speciality fertilizers. In the salt business, K+S is the world's leading producer with sites in Europe as well as North and South America. K+S offers a comprehensive range of goods and services for agriculture, industry, and private consumers which provides growth opportunities in virtually every sphere of daily life. The K+S Group employs more than 15,000 people. The K+S share - the only commodities stock on the German DAX index - is listed on all German stock exchanges (ISIN: DE0007162000, symbol: SDF). More information about K+S can be found at [www.k-plus-s.com](http://www.k-plus-s.com).

## Further Information for Potash One Inc. Shareholders:

Please contact the Depository and Information Agent Kingsdale Shareholder Services Inc., at +1 888 518-6799 toll free in North America, or at +1 416 867-2272 outside of North America, or by e-mail at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

Media: Joel Shaffer, Kingsdale Communications Inc., +1-416-867-2327.

## Forward-Looking Statements:

*Statements in this release that are forward-looking statements are subject to various risks and uncertainties as disclosed in the corporations' periodic filings with applicable securities regulators. Such statements*

*represent management's best judgment as of the date hereof based on information currently available. Statements in this press release other than purely historical information, including statements relating to the companies' future plans and objectives or expected results, constitute forward-looking statements. Forward looking statements are based on numerous assumptions and are subject to all of the risks and uncertainties inherent in the companies' business, including risks inherent in mineral exploration and development. The companies do not assume the obligation to update any forward-looking statement. In particular, a decision to place the Legacy Project into development, and the implementation of that decision, are subject to numerous risks, including the ability to access capital sufficient to finance start-up costs. Additional risks include changes to economic factors used in the Feasibility Study that may impact the feasibility of the Project, unexpected limitations on the potential expansion of estimates of resources and reserves, permitting risks and other economic and processing factors, all of which may be beyond our control.*

#### **Contacts:**

K+S Aktiengesellschaft - Press  
Michael Wudonig, CFA  
+49 561 9301-1262  
+49 561 9301-1666 (FAX)  
michael.wudonig@k-plus-s.com  
www.k-plus-s.com

K+S Aktiengesellschaft - Investor Relations  
Christian Herrmann, CFA  
+49 561 9301-1460  
+49 561 9301-2425 (FAX)  
christian.herrmann@k-plus-s.com

Potash One Inc.  
Paul F. Matysek, M.Sc., P.Geo.  
President and Chief Executive Officer  
+1 604 331-4431  
+1 604 408-4799 (FAX)  
www.potash1.ca

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