



FINNAIR HAS SUCCESSFULLY PLACED EUR 200 MILLION HYBRID BONDS

News / Finance



Finnair Plc successfully placed **EUR 200 million hybrid bonds** on 1 October 2015 (the “New Hybrid Bonds”).

The initial coupon rate of the New Hybrid Bonds is fixed at 7.875 per cent per annum, but it will be subject to a coupon reset on each 5th anniversary of the issue date of the New Hybrid Bonds. The New Hybrid Bonds have no specified maturity date, but Finnair may exercise its redemption option on the 5th anniversary of the issue date of the New Hybrid Bonds and on each annual interest payment date thereafter.

The New Hybrid Bonds were significantly oversubscribed and were allocated to more than 100 investors. The New Hybrid Bonds are expected to be issued on 13 October 2015.

The launch of the voluntary cash tender offer (the “Tender Offer”) announced on 28 September 2015 by Finnair for its outstanding hybrid bonds issued on 26 November 2012 (the “2012 Hybrid

Bonds”) is conditional upon the successful issue of the New Hybrid Bonds, and Finnair considers it has received indications of a sufficient amount of subscriptions for the New Hybrid Bonds to proceed with the Tender Offer. As a result, in the absence of any unforeseen development, Finnair expects that it will complete the Tender Offer in accordance with, but subject always to, the terms and conditions of the Tender Offer contained in the Tender Offer Memorandum dated 28 September 2015 (the “Tender Offer Memorandum”) relating to the Tender Offer.

“We are pleased to have successfully placed new hybrid bonds, which constitute Finland’s largest hybrid bond issue to date. We are especially pleased with the strong demand from international and domestic investors, which clearly indicates confidence in Finnair and our ability to successfully implement our strategy in the current market environment,” says Finnair CFO Pekka Vähähyppä.

The New Hybrid Bonds, like Finnair’s 2012 Hybrid Bonds, which are the subject of the Tender Offer, are debt instruments, which are subordinated to Finnair’s unsubordinated debt obligations and treated as equity in the consolidated financial statements under IFRS. The New Hybrid Bonds do not confer on their holders the right to vote at shareholder meetings and do not dilute the holdings of the current shareholders.

Finnair has appointed Danske Bank Oyj as tender agent and Danske Bank A/S and each of Danske Bank A/S and Morgan Stanley & Co. International plc as dealer managers in connection with the Tender Offer. Finnair has appointed each of Danske Bank A/S and Morgan Stanley & Co. International plc as joint coordinators, structuring advisors and joint lead managers and Pohjola Bank plc as joint lead manager in connection with the issue of the New Hybrid Bonds.

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