

Mexico City Airport Trust Announces Amendments To Its Cash Tender Offers And Consent Solicitations

NEWS PROVIDED BY

Mexico City Airport Trust →

17:55 ET

MEXICO CITY, Dec. 11, 2018 /PRNewswire/ -- Mexico City Airport Trust ("MEXCAT") announces amendments to its previously announced tender offers and consent solicitations after considering responses by noteholders and other interested parties. The new terms of the offers give effect to certain enhancements for the benefit of holders of the notes subject to the offers (the "Notes").

The principal changes proposed by MEXCAT are summarized as follows:

- **Price Offered.** MEXCAT is amending the tender offers to purchase up to US\$1.8 billion in aggregate principal amount of all Notes, and up to a pro rata principal amount of each series of Notes, at a fixed price of US\$1,000 per each US\$1,000 principal amount of Notes tendered on or prior to the early tender/consent deadline, *plus* accrued and unpaid interest. The original tender offers used a reverse Dutch auction mechanism to determine the price, within a range that was capped at par.
- **Consent Payment.** MEXCAT is amending the consent solicitations to increase the consent payment to US\$10 per US\$1,000 principal amount of Notes, which will be payable (i) with respect to all tendered Notes of a series if we purchase any of such Notes (however, for Notes that we accept for purchase, the consent payment is included as part of the early tender payment) and (ii) with respect to all consents accepted by us.
- **Additional Protections for Holders.** MEXCAT is amending the consent solicitations to propose the addition of several measures to the indentures governing the Notes (the "Indentures"), which are meant to address concerns holders may have about the terms of the Notes after completion of the offers:
 - *Principal Accumulation Accounts.* MEXCAT proposes to amend the terms of the Notes to require MEXCAT to:
 - prior to March 31, 2019, establish and thereafter maintain a segregated account for each series of Notes to fund repayments, repurchases or defeasance of that series of Notes (each a "Principal Accumulation Account"),
 - contribute an aggregate amount equal to US\$200 million per year to the Principal Accumulation Accounts allocated on a pro-rata basis based on the principal amount outstanding of each series of Notes, and
 - use amounts in each Principal Accumulation Account to (i) invest in certain permitted investments or cash denominated in U.S. dollars, (ii) fund the repayment of Notes at maturity, as well as repurchases of Notes, which may be made by open market repurchases, tender offers or otherwise, or (iii) defease indebtedness under the Notes of a series as permitted under the corresponding indenture governing the terms of such series.

The Notes will be secured by a first-priority security interest over all amounts deposited in the Principal Accumulation Accounts.
 - *Protection from Alternative Airport.* MEXCAT proposes to add an event of default in case (i)(A) any airport commences commercial operations within a 70-kilometer radius of the Benito Juárez International Airport, or (B) the Toluca Airport generates passenger traffic above five million passengers per year, and (ii) our debt service coverage ratio is below 1.75 to 1.0.
 - *Limitation on New Debt.* MEXCAT proposes to amend the debt incurrence covenant in each of the Indentures to significantly limit MEXCAT's ability to incur new debt.
 - *Rate of Passenger Charges.* The current terms of the Notes already provide that it is an event of default if the rates of passenger charges collected at the Benito Juárez International Airport are (i) determined in any currency other than U.S. dollars or (ii) are reduced below US\$34.72 for international flights and US\$22.33 for domestic flights causing MEXCAT's projected debt service coverage ratio to fall below a specified level. MEXCAT proposes to increase these amounts to adjust to the current rates of US\$44.07 for international flights and US\$23.20 for domestic flights.

- **Restricted Payments.** MEXCAT is no longer proposing to amend the condition to make restricted payments under the indenture governing the Notes due in 2026 and the indenture governing the Notes due in 2046, requiring certain debt service coverage ratio tests.
- **Change to Deadlines.** The previously announced early tender/consent deadline and withdrawal deadline have been extended to 5:00 pm, New York City time, on December 19, 2018. Accordingly, the previously announced expiration time has been extended to 11:59 p.m., New York City time, on January 4, 2019.

Holders who previously submitted tenders and/or delivered consents and who wish to continue to participate in the offers do not need to take any action. Holders who wish to withdraw may do so by following the procedures described in the Offer to Purchase and Consent Solicitation Statement, dated December 3, 2018.

The Dutch auction clearing price has now been fixed for each series of Notes and bids are no longer required. The early tender consideration is equal to US\$1,000 per US\$1,000 principal amount, which includes US\$50 per US\$1,000 principal amount representing the early tender payment and the consent payment for Notes that are tendered prior the early tender/consent deadline and accepted for purchase.

The complete terms and conditions of the amended tender offers and consent solicitations are set forth in MEXCAT's Amended and Restated Offer to Purchase and Consent Solicitation Statement (the "Amended Statement") and in the related Amended and Restated Letter of Transmittal and Consent (the "Amended Letter of Transmittal"), in each case dated today.

MEXCAT has engaged Citigroup Global Markets Inc., HSBC Securities (USA) Inc. and J.P. Morgan Securities LLC to act as dealer managers for the tender offers and as solicitation agents for the consent solicitations (the "Dealer Managers"). Global Bondholder Services Corporation is acting as the depository and information agent for the Offers. Any questions or requests for assistance regarding the Offers may be directed to Citigroup Global Markets Inc. at +1 (800) 558-3745 (toll free) and +1 (212) 723-6106 (collect), HSBC Securities (USA) Inc. at +1 (888) HSBC-4LM (toll free) and +1 (212) 525-5552 (collect) and J.P. Morgan Securities LLC at +1 (866) 846-2874 (toll free) and +1 (212) 834-7316 (collect). Requests for additional copies of the Amended Statement, the Amended Letter of Transmittal and related documents may be directed to Global Bondholder Services Corporation at +1 (212) 430-3774 (Banks and Brokers) and +1 (866) 470-4500 (Toll-free).

The tender offers and consent solicitations are not being made to holders of Notes in any jurisdiction in which MEXCAT is aware that the making of the tender offers and consent solicitations would not be in compliance with the laws of such jurisdiction. In any jurisdiction in which the securities laws or blue sky laws require the tender offers and consent solicitations to be made by a licensed broker or dealer, the respective tender offers and consent solicitations will be deemed to be made on MEXCAT's behalf by the Dealer Managers or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

THIS PRESS RELEASE IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE OR A SOLICITATION OF CONSENT WITH RESPECT TO ANY SECURITIES. THE OFFERS ARE BEING MADE SOLELY PURSUANT TO THE AMENDED STATEMENT AND RELATED AMENDED

LETTER OF TRANSMITTAL, WHICH SET FORTH THE COMPLETE TERMS OF THE TENDER OFFERS AND CONSENT SOLICITATIONS WHICH HOLDERS OF THE NOTES SHOULD CAREFULLY READ PRIOR TO MAKING ANY DECISION.

Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements are information of a non-historical nature or which relate to future events and are subject to risks and uncertainties. No assurance can be given that the transactions described herein will be consummated or as to the ultimate terms of any such transactions. MEXCAT undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or for any other reason.

SOURCE Mexico City Airport Trust