$95.5 Million

GW Sugar Sale Agreement Signed, Proposed Refinancing Plan Told

A beetgrowers' cooperative has signed the agreement for purchasing the Great Western Sugar Company, the Denver Post reported Sunday.

The cooperative — Great Western Producers' Cooperative — will purchase the sugar company for $95.5 million, a figure which includes a $37 million debt which the cooperative will take over.

The signing culminates over two years of negotiation.

The exact terms of the final sale conditions are yet to be worked out, but the sale is expected before Oct. 1 of this year, according to Robert G. Everett and Robert Owen. Everett is president of Great Western United, the parent company of GW Sugar, and Owen is president of the growers' cooperative.

The announcement comes on the heels of Everett's announcement that the GWU Corporation would offer to purchase its publicly-held subordinated debentures as part of its proposed recapitalization program.

Everett announced that if the sale and the recapitalization plan are completed, GWU will offer to purchase all debentures for $72 cash for each $100 in face amount plus accrued interest to date of purchase or Oct. 1, whichever is the earlier date. He also indicated that GWU would seek approval to increase the interest rate from six per cent to eight per cent on the debentures as an alternative for debentureholders who may not tender. GWU previously announced that approval of the over-all plan of recapitalization by debentureholders would be a condition to implementations of the plan.

Everett stated that the GWU board, as part of the recapitalization plan, modified the terms of the offer to be made to the holders of its $3 convertible serial preferred stock. The offer will be a per share package consisting of $13.52 of a new 10-year 10 per cent GWU junior subordinated debenture and $13.10 of co-operative capital notes, plus cash amounting to $10.88 which would include dividend arrearages on the $3 stock.

No modification in the

Great Western United to sell sugar company to cooperative

DENVER (AP)—A purchase agreement for the sale of The Great Western Sugar Co. to a growers cooperative was signed here, it was announced Saturday.

The agreement was announced by Robert R. Owen, president of the Great Western Producers Cooperative, and Robert G. Everett, president of Great Western United Corp.

They said they anticipate a sale not later than Oct. 1, and both expressed belief that all prior conditions of the sale could be met before that date.

The sale price of $95.5 million includes the assumption of $37 million indebtedness of the sugar company.

Agreements also were signed that will provide financing for the transaction, Owens and Everett announced.

The announcement said the sale involves "consideration to GWU of approximately $58.5 million, based on the amount of the stockholders' equity at time of closing.

"The sugar company will pay the increase in net worth over this amount to GWU in cash prior to sale," the announcement said.

The cooperative made a down payment of $500,000, the spokesmen said. "Upon the closing GWU will receive additional cash amounting to approximately $15 million and the remainder of the purchase price in subordinated cooperative debt, including $15 million of 8 per cent capital notes to be purchased by sugar beet growers over the next five years and approximately $28 million of 10 per cent subordinated debentures, $5 million of which would be due in 1981 and $23 million of which would be due in 1993."

Everett said the agreement stipulates the growers would take over the existing debt of the sugar company, roughly $37 million, raising the total obligation to $95.5 million.

The sale must be approved by GWU's shareholders and debenture holders.