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## Interserve sweetens terms of rescue package as it looks to win over angry shareholders

Interserve PLC (LON:IRV) bosses have sweetened the terms of a rescue deal in a bid to end a stand-off between lenders and key shareholders.

The beleaguered contractor's lenders, which include RBS and HSBC, have agreed to swap £485m worth of debt for a 95% stake in the beleaguered contractor.

READ: US short seller throws spanner into Interserve's rescue plans  
That all but wipes out existing shareholders, but the 5% of the company they will be left with is better than the 2.5% they stood to receive under the initial deal.

The banks have also agreed to pump an extra £110m into the business through a new three-year loan facility, as well as pledging to write off £1 of debt for every £9 converted to equity.

Rescue package in 'best interests of all'

"The agreement of Deleveraging Plan terms with our lenders, bonding providers and Pension Trustee represents a significant milestone for Interserve," said chief executive Debbie White.

"Implementation of the Deleveraging Plan is in the best interest of all our stakeholders. The plan provides new liquidity and creates a strong balance sheet, which, alongside our Fit-for-Growth programme, will provide us with a competitive financial structure to continue to improve the business and deliver on our long-term strategy."

Interserve, which looks after government jobcentres and army bases, hopes the new offer will appease angry shareholders, including its largest investor - New York-based hedge fund Coltrane.

Shareholders to vote on 15 March

The £20m company needs at least 50% of shareholders to approve the rescue deal at a meeting next month.

It has been forced to act after a third of investors, including Coltrane, fiercely opposed the first deal, putting Interserve's recovery plan in jeopardy and risking a Carillion-style collapse.

Interserve's shares have plunged by almost 90% over the past year after it racked up huge debts expanding into areas in which it had little expertise, such as waste-to-energy plants and probation services.

Interserve shares dropped another 11% to 18.4p on Wednesday morning.

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Market Cap: £0.00

### Share Information

Code: IRV

Listing: LSE

Sector: **Business & education services**

Website: [www.interserveplc.co.uk](http://www.interserveplc.co.uk)

### Company Synopsis:

*Interserve Plc is a services, maintenance and building company. The Company provide services across the whole life of many types of buildings and infrastructure, such as hospitals, schools, offices, shopping centres, airports, industrial plant, bridges, waterworks or roads.*

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