

Moby Vessel Swap With DFDS Canceled as Lenders Deny Consent

2019-10-29 17:33:08.671 GMT

By Antonio Vanuzzo

(Bloomberg) -- Moby SpA's planned asset swap with DFDS A/S, a key transaction to boost the finances of the Italian ferry company, was canceled on Tuesday after lenders didn't agree on releasing mortgages backed by vessels.

Moby failed to deliver two ships to the Danish shipping operator because UniCredit SpA, acting as security agent for Moby's secured financing, didn't consent to the transaction, the company said in a statement on Tuesday.

"Moby believes that Unicredit was contractually obliged to provide consent," it said in the statement, adding that it "intends to raise this issue formally with Unicredit."

Under a deal signed in September, DFDS agreed to exchange two vessels for two newer Moby ships. The transaction would have generated a capital gain for Moby. Holders of 300 million euros (\$333 million) worth of bonds tried to stop the swap asking a Milan court to declare the company insolvent. The court rejected the request earlier this month.

Read More: Hedge Funds Seek Italian Ferry Group Insolvency to Protect Bonds

A spokeswoman for DFDS said the company will still evaluate all options with regards to the deal. A spokesman for Unicredit declined to comment.