

Equity issues-further details

R.E.A.Hldgs PLC 14 February 2006 R.E.A. Holdings plc ("REA") Further details of proposed equity issues REA announced on 31 January 2006 that it had decided to seek additional equity capital and that, to this end, two transactions were contemplated: first, a placing of new ordinary shares of 25p each in the capital of REA ("REA ordinary shares") and, second, an open offer of new ordinary shares combined with a further placing of new REA ordinary shares. Formal agreement has now been reached to effect the first of these two contemplated transactions. Pursuant to this agreement, Mirabaud Securities Limited ("Mirabaud"), as agent of REA, has conditionally placed 1,372,000 new ordinary shares (the "first transaction shares") at a placing price of 260p per share to raise approximately £3.6 million (before expenses). The placing of the first transaction shares is conditional upon completion of the agreement of 23 January 2006 (the "settlement agreement") made between REA and certain of its subsidiaries and directors of the one part and Mr M E Zukerman and connected parties of the other part for the settlement of the actual and threatened litigation claims between them and for the acquisition by REA of all of the issued shares of its subsidiary, Makassar Investments Limited, not already owned by it. The issue of the first transaction shares is further conditional upon admission of the first transaction shares to the Official List of the Financial Services Authority and to trading on the London Stock Exchange's market for listed securities. Applications for such admissions will be made in due course. The first transaction shares will be allotted under authorities and powers granted to the directors of REA by resolution of REA shareholders passed at the annual general meeting of REA held on 15 June 2005. The first transaction shares will rank pari passu with the REA ordinary shares that are already in issue. It is expected that the issue of the first transaction shares will become effective on 22 February 2006. Further consideration has been given to the contemplated second transaction. It is proposed that REA should seek to raise up to £7.4 million (before expenses) by the issue of up to 2,828,000 new ordinary shares (the "second transaction shares") fully paid at a price of 260p per share. It is proposed that 1,402,043 of the second transaction shares be offered for subscription at 260p per share to holders of existing REA ordinary shares (including the first transaction shares) and warrants on the basis of one second transaction share for every 20 existing REA ordinary shares or warrants held at the record date for the open offer. It is further proposed that, concurrently, Mirabaud, on behalf of REA, will conditionally place 2,413,000 second transaction shares at the price of 260p per share. To the extent that the number of second transaction shares applied for under the open offer exceeds 415,000, the balance of shares applied for will be met by clawback of second transaction shares included in the second placing. Implementation of the contemplated second transaction will be dependent upon finalisation of the proposed arrangements and necessary documentation. Issue of the second transaction shares will then be conditional upon necessary shareholder approvals and admission of the second transaction shares to the Official List of the Financial Services Authority and to trading on the London Stock Exchange's market for listed securities. It is hoped that a circular containing full details of the proposed second transaction shares will be despatched to shareholders within six weeks and that the issue of the second transaction shares can then be completed within a further four weeks. Proposed placees of the second transaction shares have confirmed (on a basis that is not legally binding) their intention to accept placing commitments at 260p per share, subject to the intended clawback arrangements, in respect of all the 2,413,000 second transaction shares that it is proposed be placed. If the open offer proceeds as proposed, Emba Holdings Limited ("Emba") (which currently owns 9,468,781 REA ordinary shares and 41,420 warrants) would be entitled to subscribe pursuant to such open offer an aggregate of 475,510 second transaction shares. Emba has informed REA that its current intentions are that it will take up its entitlements under the proposed open offer to the extent of 414,799 second

transaction shares (representing substantially all of the 415,000 second transaction shares available for subscription under the open offer that have not been placed subject to clawback) and will not take up the balance of its entitlements under the open offer. This information is provided by RNS The company news service from the London Stock Exchange