

Further issue of dollar notes

R.E.A.Hldgs PLC 29 June 2006 R.E.A. Holdings plc ("REA") Proposed further issue of 7.5 per cent dollar notes 2012/14 ("dollar notes") REA announces that it has entered into an agreement with KBC Securities N.V. ("KBC") whereby KBC has agreed to use its reasonable endeavours to procure places for up to \$4,100,000 nominal of dollar notes at an issue price of 92.5 per cent of par, payable in full on subscription. The redemption yield at the issue price on 3 July 2006 will be 9.1 per cent. The dollar notes now proposed to be issued (the "latest dollar notes") will form part of a total proposed issue of \$30,000,000 of dollar notes which are constituted pursuant to a trust deed dated 12 September 2005 and made between R.E.A. Holdings plc and The Law Debenture Trust Corporation plc. \$23,972,281 nominal of dollar notes are already in issue. Of these, \$4,972,281 nominal were issued pursuant to a reorganisation of the company's former 4 per cent convertible loan stock 2012 that became wholly unconditional on 12 September 2005 and the balance of \$19,000,000 nominal was issued on 21 February 2006 as consideration for the acquisition by the company of a minority interest in its subsidiary, Makassar Investments Limited. The latest dollar notes will upon issue rank pari passu in all respects with the dollar notes already in issue. As such, they will be unsecured obligations of REA, will bear interest at 7.5 per cent per annum payable half yearly on 30 June and 31 December (and as respects interest payable on 31 December 2006 calculated as if it accrued from 1 July 2006) and will be redeemable by three equal annual instalments commencing 31 December 2012 (subject to reduction where dollar notes have been previously purchased by REA and cancelled in which event the amount of dollar notes that REA will be obliged to redeem on any given redemption date will be reduced by the nominal amount of dollar notes purchased and cancelled prior to that redemption date save in so far as such notes were purchased and cancelled prior to a previous redemption date and taken into account in reducing the note redemption requirement in relation to that previous redemption date). On the basis that all of the latest dollar notes available for issue are duly issued, the proceeds of issue are estimated to amount to \$3.70 million net of estimated expenses (including a 2 per cent placing commission payable to KBC Securities N.V.) of \$92,000. It is intended that the net proceeds of the issue will be applied in reducing group indebtedness to banks in Indonesia. Application has been made for the latest dollar notes to be admitted to the Official List of the Financial Services Authority and to trading on the London Stock Exchange's market for listed securities. It is expected that such admissions will become effective and that dealings in these dollar notes will commence on 4 July 2006. The latest dollar notes will be issued on the basis of the base prospectus published by REA on 17 August 2005, the supplementary prospectus published by REA on 15 February 2006 and a document setting out final terms of issue which REA is now publishing. Copies of these documents have been or are being submitted to the UK Listing Authority, and will be available for inspection at the UK Listing Authority's Document Viewing Facility, which is situated at: Financial Services Authority, 25 The North Colonnade, Canary Wharf, London, E14 5HS Telephone: 020 7676 1000 Copies may also be inspected at the offices of REA at 3rd Floor, 40-42 Osnaurgh Street, London NW1 3ND and in electronic form on the website maintained by REA at www.rea.co.uk. This information is provided by RNS The company news service from the London Stock Exchange