

Circ re. sterling notes

RNS Number : 9840Q
R.E.A.Hldgs PLC
12 August 2010

9.5 per cent guaranteed sterling notes 2015/2017 issued by R.E.A. Finance B.V.

REA Finance B.V. ("REAF"), a wholly owned subsidiary of R.E.A. Holdings plc ("REAH"), is today despatching to holders of the 9.5 per cent guaranteed sterling notes 2015/17 issued by REAF (the "sterling notes") a notice convening a meeting of sterling note holders to be held at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands on 9 September 2010 at 12.00 noon to consider, and if thought fit approve, resolutions to effect a reorganisation of the sterling notes. The notice of meeting is accompanied by an explanatory circular from REAH.

Pursuant to the reorganisation, it is proposed that the security in relation to the sterling notes be restructured, including in particular by (i) the assignment by REAF to R.E.A. Services Limited ("REAS") (another wholly owned subsidiary of REAH) of all rights that REAF has in relation to loans to two Indonesian subsidiaries of REAH (the "Indonesian debtor subsidiary loans") and (ii) the addition of REAS as a guarantor of the sterling notes (in addition to REAH), with the obligations of REAS in respect of such guarantee being secured by charges over a designated bank account and over the loans assigned to it. This would involve, *inter alia*, certain amendments to the trust deed.

It is also proposed that following the restructuring certain amendments be made to the terms of the Indonesian debtor subsidiary loans, primarily to simplify the same, and that a further change be made to the conditions attaching to the sterling notes in relation to hedging contracts.

Historically, interest payments made to REAF on the Indonesian debtor subsidiary loans have been subject to Indonesian withholding tax at the rate of 10 per cent but following changes in Indonesian tax regulations effective from 1 January 2010 that rate has increased to 20 per cent. If the proposals are implemented, the rate Indonesian withholding tax on the restructured Indonesian debtor subsidiary loans, which would then be owed to REAS rather than to REAF, should revert to 10 per cent.

Copies of the notice of meeting and accompanying explanatory circular have been submitted to, and will shortly be available for inspection at, the UK Listing Authority's Document Viewing Facility at:

Financial Services Authority,
25 The North Colonnade,
Canary Wharf,
London,
E14 5HS

Telephone: (0)20 7676 1000

Copies of the notice of meeting and accompanying explanatory circular will also be available from the REAH website at www.rea.co.uk.

This information is provided by RNS
The company news service from the London Stock Exchange

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