

Further re 15% acquisition by DSN in REA Kaltim

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R.E.A.Hldgs PLC
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R.E.A. Holdings plc ("REA")

Further re completion of 15% acquisition by PT Dharma Satya Nusantara Tbk in PT REA Kaltim Plantations

REA is pleased to announce that the agreements between the group and PT Dharma Satya Nusantara Tbk ("**DSN**") have now received regulatory approval and were completed on 2 December 2016. As a result, subsidiaries of DSN have acquired, by a combination of subscription for new shares and acquisition of existing shares, a 15 per cent equity interest in PT REA Kaltim Plantations (REA Kaltim).

The overall consideration payable for the interest acquired amounts to the equivalent of \$15 million in cash, with up to a further \$850,000 payable depending upon the recovery by REA Kaltim of certain overpaid tax amounts prior to 1 January 2018.

Concurrently with this acquisition, a subsidiary of DSN has also provided dollar and sterling loans to REA Kaltim of, respectively, \$10 million and £3.9 million on terms mirroring the terms of existing dollar and sterling loans from the company to REA Kaltim. Discussions are continuing between the group and DSN regarding further proposed loans by subsidiaries of DSN to subsidiaries of REA Kaltim.

Temporary advances previously made by subsidiaries of DSN to REA Kaltim pending completion of the agreements between DSN and the group have been repaid with repayment effected by set off against the amounts that became payable by subsidiaries of DSN to REA Kaltim by way of subscription of shares and provision of loans pursuant to such agreements.

Rothschild is acting as financial adviser to REA in connection with DSN's investment in REA Kaltim.

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