

# Circ re. sterling notes

R.E.A.Hldgs PLC 15 June 2007 9.5 per cent guaranteed sterling notes 2015/2017 REA Finance B.V. ("REAF"), a wholly owned subsidiary of R.E.A. Holdings plc ("REAH"), has today despatched 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 the registered office of REAF in Amsterdam on 10 July 2007 to consider resolutions to approve certain proposed amendments to the terms of the trust deed constituting the sterling notes and to the terms of a loan agreement (the "loan agreement") between REAF, PT REA Kaltim Plantations ("REA Kaltim") (another subsidiary of REAH) and REAH relating to loans that form the principal security for the notes. The notice of meeting is accompanied by an explanatory circular from REAH. The proposed amendments to the trust deed are (a) to confirm that indebtedness owed by REA Kaltim to REAH which arises under certain shortfall payment arrangements included in the loan agreement does not constitute "indebtedness in the nature of borrowings" incurred by REA Kaltim for the relevant purposes of the trust deed and (b) to provide that meetings of holders of sterling notes be held in Amsterdam or in such other place as the trustee and REAF may agree (rather than in London or in such other place as the trustee and REAF may agree, as is currently provided in the trust deed). The proposed amendments to the loan agreement are designed (a) to reflect the fact that the original proposals as regards the issue of the sterling notes are now unconditional, that certain loan balances originally owed by REA Kaltim to REAH have been assigned to REAF and consolidated, and that the proceeds of issue of the sterling notes have now been on-lent by REAF to REA Kaltim and, more materially, to provide that: (i) REA Kaltim pay interest on the loans of the proceeds of issue of the sterling notes on the basis of the full nominal amount of the sterling notes (namely £22 million in aggregate), rather than just the actual proceeds of issue (being less than £22 million, due to the discounts at which the sterling notes were issued); (ii) such loans be re-paid by REA Kaltim in the amounts booked, namely the full nominal amount of the sterling notes, rather than just the actual monies on-lent; and (iii) interest payments made by REA Kaltim to REAF be made shortly ahead of the interest payments to be made by REAF to the holders of the sterling notes, semi-annually rather than quarterly. 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 This information is provided by RNS The company news service from the London Stock Exchange