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13 May 2015

RURAL EQUITIES LIMITED RESOLVES TO ACCEPT OFFER FOR TANDOU

Australian listed company Webster Limited (“Webster”) commenced a takeover bid for Tandou Limited (“Tandou”) in February 2015. The Webster offer is 1 Webster share for every 2.25 Tandou shares. The offer is conditional on Webster acquiring at least 50% of Tandou and Webster shareholders’ approval.

The offer was considered by an independent committee of the Rural Equities Limited (REL) board, chaired by REL Deputy Chairman, Rodger Finlay. On 12 May 2015 the committee unanimously resolved to accept the Webster offer in respect of the 12.5 million Tandou shares that REL currently holds.

Rodger Finlay commented “In resolving to accept the offer, REL will become a shareholder in an enlarged Webster Group which will be one of the largest water entitlement owners in Australia and a high quality producer of cotton, cereals and walnuts. The new organisation provides increased scale together with enhanced crop and geographic diversification.”

Based on the current Webster share price and exchange rate, the takeover offer values REL’s Tandou shares in excess of NZ\$3 million over REL’s book value.

Webster is one of Australia’s oldest companies and is being transformed into a substantial diversified agricultural and water company. It has a current market capitalisation of A\$250 million.

Webster, recently Australia’s exporter of the year, is the country’s largest vertically integrated producer of walnuts. Webster’s walnut orchards are located in New South Wales and Tasmania and produce over 90% of Australia’s walnut crop.

In December 2014 Webster acquired the high quality Kooba aggregation for A\$116 million. The Kooba assets include a substantial portfolio of water entitlements and in excess of 45,000 hectares, primarily located at Darlington Point, New South Wales.

The Tandou takeover bid is being made in conjunction with an A\$124 million proposed transaction by Webster to acquire Bengelang.

Bengerang is a large scale cotton farming operation located in New South Wales together with a substantial portfolio of water entitlements. The Tandou and Bengerang transactions are not interdependent.

Webster's major shareholders include interests associated with leading Australian businessman Chris Corrigan and the highly regarded Australian farmer David Robinson.

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