

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if you are not so resident, another appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your registered holding of 7.5 per cent dollar notes 2012/14 issued by R.E.A. Holdings plc, please send this document and the accompanying form of acceptance and prospectus (comprised of a registration document and a summary and securities note) relating to the new 7.5 per cent dollar notes 2017 proposed to be created by R.E.A. Holdings plc to the purchaser or other transferee, or to the stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. However, these documents should not be forwarded or transmitted into Australia, Canada, Japan, the United States or any other jurisdiction where the making of the offer set out in this document in or into such jurisdiction would constitute a violation of the law of such jurisdiction.

Applications will be made to each of the Financial Services Authority and the London Stock Exchange for the new 7.5 per cent dollar notes 2017 proposed to be created by R.E.A. Holdings plc pursuant to the offer set out in this document to be admitted to, respectively, the Official List and trading on the Regulated Market of the London Stock Exchange. It is expected that such admissions will become effective, and that dealings in the new dollar notes issued will commence, on 19 November 2012.

This document should be read in conjunction with the accompanying form of acceptance and prospectus.

---

Offer by

## R.E.A. Holdings plc

(Incorporated in England and Wales under the Companies Act 2006 with registered number 671099)

to acquire all of the outstanding 7.5 per cent dollar notes 2012/2014 issued by R.E.A. Holdings plc in exchange for new 7.5 per cent dollar notes 2017 to be issued by R.E.A. Holdings plc

---

The offer contained in this document will remain open for acceptance until 15 November 2012. To be valid, forms of acceptance must be completed in accordance with the instructions printed thereon, signed and returned to Capita Registrars Corporate Actions at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to arrive by no later than 1.00 p.m. on 15 November 2012.

**The offer to holders of the 7.5 per cent dollar notes 2012/14 issued by R.E.A. Holdings plc (the "existing dollar notes") contained in this document has not been formulated or approved by The Law Debenture Trust Corporation p.l.c. as trustee of the existing dollar notes (the "trustee"). The trustee expresses no view as to whether holders of the existing dollar notes should accept or reject such offer and nothing in this document should be construed as a recommendation from the trustee to holders of the existing dollar notes to accept or reject the offer. The trustee is not responsible for the accuracy, completeness, validity or correctness of the statements made, documents referred to or opinions expressed in the accompanying document. Holders of the existing dollar notes should take their own advice on the merits and / or the consequences of accepting or rejecting the offer including any tax consequences.**

## CONTENTS

---

|   | <i>Page</i> |
|---|-------------|
| Expected timetable                                      | 2           |
| Definitions   | 3           |
| Part I: Letter from the chairman of R.E.A. Holdings plc | 5           |
| Part II: Further terms of the offer                     | 12          |
| Part III: Additional information                        | 15          |

## EXPECTED TIMETABLE

---

|  |                                  |
|--|----------------------------------|
| Latest time and date for receipt of completed forms of acceptance in connection with the offer   | 1.00 p.m. on<br>15 November 2012 |
| Admission of new dollar notes issued pursuant to the offer to the Official List and to trading on the London Stock Exchange effective, and offer unconditional | 8.00 a.m. on<br>19 November 2012 |
| CREST accounts credited in respect of new dollar notes issued pursuant to the offer  | 19 November 2012                 |
| Definitive share certificates despatched in respect of new dollar notes issued pursuant to the offer   | 3 December 2012                  |
| CREST accounts credited and cheques despatched in respect of the cash element of the consideration payable pursuant to the offer                               | 3 December 2012                  |

## DEFINITIONS

---

Unless the context otherwise requires, the following definitions apply throughout this document:

|                                |  |
|--------------------------------|--|
| <b>"board"</b>                 | the board of directors of R.E.A. Holdings plc  |
| <b>"Capita Registrars"</b>     | a trading name of Capita Registrars Limited  |
| <b>"company"</b>               | R.E.A. Holdings plc  |
| <b>"CPO"</b>                   | crude palm oil   |
| <b>"CREST"</b>                 | the computerised settlement system operated by Euroclear to facilitate the transfer of title to securities held in uncertificated form   |
| <b>"CREST Manual"</b>          | the manual published by Euroclear  |
| <b>"directors"</b>             | the directors of R.E.A. Holdings plc   |
| <b>"electronic acceptance"</b> | the inputting and settling of a TTE instruction which constitutes or is deemed to constitute an acceptance of the offer on the terms set out in this document  |
| <b>"Escrow Agent"</b>          | Capita Registrars in its capacity as a CREST receiving agent   |
| <b>"Euroclear"</b>             | Euroclear UK & Ireland Limited   |
| <b>"existing dollar notes"</b> | the \$45,000,000 nominal of 7.5 per cent dollar notes 2012/14 constituted pursuant to a trust deed dated 12 September 2005 made between the company as issuer and The Law Debenture Trust Corporation p.l.c. as trustee as supplemented by a first supplemental trust deed dated 10 February 2010, \$35,000,000 nominal of which notes are outstanding |
| <b>"form of acceptance"</b>    | the form of acceptance and transfer for use in connection with the offer by those holders of the existing dollar notes who hold their existing dollar notes in certificated form (that is, not in CREST), a copy of which form accompanies this document   |
| <b>"group"</b>                 | the company and its subsidiaries   |
| <b>"London Stock Exchange"</b> | London Stock Exchange plc  |
| <b>"new dollar notes"</b>      | the \$50,000,000 nominal of 7.5 per cent dollar notes 2017 proposed to be created by the company   |

|                                  |   |
|----------------------------------|---|
| <b>"offer"</b>                   | the offer by the company to holders of existing dollar notes set out in this document, pursuant to which holders of existing dollar notes are invited to exchange all or any part of their holdings of existing dollar notes for new dollar notes |
| <b>"Official List"</b>           | the list maintained by the Financial Services Authority in accordance with section 74(1) of the Financial Services and Markets Act 2000   |
| <b>"prospectus"</b>              | the prospectus published by the company in relation to the new dollar notes (comprised of a registration document and a summary and securities note both dated 25 October 2012, copies of which documents accompany this document)                |
| <b>"REA Kaltim"</b>              | PT REA Kaltim Plantations, the principal operating subsidiary of the company, incorporated with limited liability under the laws of the Republic of Indonesia   |
| <b>"restricted jurisdiction"</b> | any jurisdiction where the making of the offer in or into such jurisdiction would constitute a violation of the law of such jurisdiction  |

References to "dollars" or to "\$" are to the lawful currency of the United States of America. References to "sterling" or to "£" are to the lawful currency of the United Kingdom.

## **PART I - LETTER FROM THE CHAIRMAN OF R.E.A. HOLDINGS PLC**

---

### **R.E.A. Holdings plc**

*(Registered in England and Wales no 671099)*

*Registered office:*  
First Floor  
32-36 Great Portland Street  
London W1W 8QX

25 October 2012

*To the holders of 7.5 per cent dollar notes 2012/14 issued by R.E.A. Holdings plc*

Dear Sir or Madam

#### **Introduction**

The purpose of this letter is to set out an offer by the company to acquire all of the \$35,000,000 nominal of outstanding 7.5 per cent dollar notes 2012/14 issued by the company in exchange for new dollar notes to be created and issued by the company. The new dollar notes would have, in commercial terms, the same terms as the existing dollar notes save as regards the final redemption date.

The existing dollar notes were issued on terms that provided for their redemption in three equal annual instalments commencing 31 December 2012, but with the proviso that to the extent that existing dollar notes were purchased and cancelled by the company, the amount of existing dollar notes that the company would be obliged to redeem on any subsequent redemption date would be reduced by the nominal amount of existing 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 amount of existing dollar notes otherwise due to be redeemed in relation to that redemption date).

\$10,000,000 nominal of existing dollar notes have to date been purchased by the company and cancelled. Thus, the outstanding balance of the existing dollar notes is currently redeemable as to \$5,000,000 nominal on 31 December 2012 and, as to the balance of \$30,000,000 nominal, as to \$15,000,000 nominal on each of 31 December 2013 and 31 December 2014. Existing dollar notes acquired by the company pursuant to the offer will be cancelled which will result in adjustment of the timetable for redemption of the balance of the outstanding existing dollar notes in accordance with the foregoing provisions.

The new dollar notes would be redeemable in one instalment on 30 June 2017.

Enclosed with this document is a copy of the prospectus published by the company in relation to the new dollar notes (comprised of a registration document and a summary and securities note both dated 25 October 2012).

#### **Reasons for the offer**

The directors are proceeding with previously announced plans for the amalgamation of all of the group's Indonesian plantation subsidiaries into a single sub-group headed by REA Kaltim and, following that amalgamation, for a public offering of a minority shareholding in REA Kaltim combined with listing of REA Kaltim shares on the Indonesia Stock Exchange in Jakarta. At the same time, the group is continuing its planned extension planting

programme which brings with it a requirement for investment in additional estate buildings, vehicles and equipment.

Absent some unforeseen event that has a catastrophic negative impact on the group, the directors are confident that the company could effect redemption of the existing dollar notes in accordance with their current terms, whether from internal cash flows, by refinancing maturing notes or from the proceeds of the proposed public offering of a minority shareholding in REA Kaltim. If circumstances so required, planned capital expenditure could be reduced so as to increase internal cash flows.

However, the directors would prefer the group to retain a sufficient cash cushion to permit continuation of the planned extension planting programme in the event of a sustained downturn in CPO prices and/or a postponement of the proposed public offering of a minority shareholding in REA Kaltim. The offer and the proposed further issue of new dollar notes for cash, as referred to below, are proposed with this objective.

The offer will, in effect, give holders of existing dollar notes the opportunity themselves to refinance existing dollar notes. The terms of the offer have been formulated after discussions with certain substantial holders of existing dollar notes as to the basis upon which such holders would be willing to substitute holdings of longer dated dollar notes of the company for existing dollar notes. The directors have received informal and non-binding indications that such holders are likely to accept the offer in respect of a significant proportion of the outstanding existing dollar notes.

#### **Proposed cash placing of further new dollar notes**

As explained in more detail on page 14 of the summary and securities note which accompanies this document, at the same time as making the offer, the company is seeking to place, for cash at par, up to a further \$15,000,000 nominal of new dollar notes. The directors are comfortable that the continuing accretion of shareholder equity from retention of earnings means that the group can support such an addition to its current net indebtedness.

#### **The offer**

The company offers to acquire existing dollar notes in exchange for new dollar notes on the following basis:

|  |  |
|--|--|
| <b>for each \$100 nominal of existing dollar notes</b> | <b>\$100 nominal of new dollar notes</b>   |
|  | <b>plus</b>  |
|  | <b>\$0.25 in cash</b>  |
|  | <b>plus</b>  |
|  | <b>a further amount in cash equal to the interest accrued but unpaid on \$100 nominal of existing dollar notes as at the date on which the offer becomes unconditional</b> |

and so in proportion for any greater or lesser amount of existing dollar notes held, provided that fractional entitlements to less than \$1 will be rounded down to the nearest whole dollar.

The offer can be accepted in respect of all or any part of your holding of existing dollar notes. Holders of existing dollar notes who do not wish to accept the offer, whether in

whole or in part, are free to retain all or any of their existing dollar notes and the company will continue to honour the terms and conditions attaching to such notes.

Existing dollar notes acquired by the company pursuant to the offer will be cancelled and will not be available for re-issue or sale by the company.

### **Taxation**

Your attention is drawn to paragraph 2 of part 3 of this document, which includes comments of a general nature relating to the tax consequences of acceptance of the offer in relation to holders of existing dollar notes who are resident and (if individuals) ordinarily resident in the UK for tax purposes. Holders of existing dollar notes who are in any doubt as to their taxation position or who may be subject to tax in a jurisdiction other than the UK should consult their own professional adviser.

### **Summary of the terms and conditions attaching to the new dollar notes**

The terms and conditions attaching to the new dollar notes are the same as those attaching to the existing dollar notes, save as regards redemption and certain other minor amendments (i) to deal with the first payment of interest and (ii) to exclude terms that are no longer relevant. Accordingly, the new dollar notes will represent unsecured obligations of the company, bearing interest at the fixed rate of 7.5 per cent per annum. Interest will accrue on the new dollar notes from (but excluding) the date on which the offer becomes fully unconditional.

To the extent not previously purchased by the company and cancelled, the new dollar notes will be redeemed at par in one instalment on 30 June 2017.

The full terms and conditions attaching to the new dollar notes are set out part 4 of the accompanying summary and securities note, forming part of the prospectus.

### **Conditions**

The offer is conditional upon acceptances being received by not later than 1.00 p.m. on 15 November 2012 (or such later time(s) and/or date(s) as the company may decide, being not later than 1.00 p.m. on 20 December 2012) in respect of not less than \$10,000,000 nominal of existing dollar notes (or such lesser amount as the company may decide, provided that this condition will not be satisfied unless the company will have in issue, at the time that the offer becomes unconditional (both as to acceptances and as to the admissions referred to below), at least \$10,000,000 nominal of new dollar notes (whether issued pursuant to the offer or the offer in conjunction with the placing referred to under "Proposed cash placing of further new dollar notes" above)).

The offer is also conditional upon admission of the new dollar notes allotted pursuant to the offer and the placing to the Official List and to trading on the London Stock Exchange's main market for listed securities and such admissions becoming effective on or before 5.00 p.m. on 21 December 2012.

### **Overseas holders of existing dollar notes**

The making of the offer to persons who are citizens, residents or nationals of countries other than the United Kingdom may be affected by the laws of those other countries. Holders of existing dollar notes not resident in the United Kingdom should inform themselves about and observe all applicable legal requirements. It is the responsibility of each holder of existing dollar notes wishing to accept the offer to satisfy himself as to the full observance of the laws of any relevant jurisdiction.

This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to sell or subscribe for, the new dollar notes in any jurisdiction where such an offer or solicitation is unlawful.

The new dollar notes have not been, and will not be, registered under the US Securities Act or any relevant securities laws of any state, district or other jurisdiction of Australia, Canada, Japan or the United States or any other restricted jurisdiction and no regulatory clearances in respect of the new dollar notes have been, or will be, applied for in any jurisdiction other than the United Kingdom. Accordingly, save to the extent that an exemption under the relevant securities laws is applicable, the offer is not being made, and the new dollar notes may not be acquired by or subsequently offered, sold, resold, delivered or distributed, directly or indirectly, in or into Australia, Canada, Japan, the United States or any other restricted jurisdiction or to, or for the account or benefit of, any person resident in Australia, Canada, Japan, the United States or any other restricted jurisdiction.

**If you are a citizen, resident or national of a country other than the United Kingdom and you are in any doubt about your position, you should consult an appropriate adviser.**

### **Commissions**

The company has appointed KBC Securities N.V. ("**KBC**") and Guy Butler Limited ("**Guy Butler**") to provide general assistance to the company in connection with the offer. In consideration of such services, the company has agreed to pay KBC and Guy Butler an aggregate fee equal to 1.5 per cent of the nominal value of the existing dollar note in respect of which valid acceptances of the offer are received, subject to the offer becoming fully unconditional.

### **Procedure for acceptance of the offer**

This section should be read in conjunction with Part II of this document and with the notes on the form of acceptance which are deemed to form part of the terms of the offer.

Holders of existing dollar notes in **certificated form** (that is, not in CREST) may only accept the offer in respect of such notes by completing, signing and returning a form of acceptance in accordance with the procedure set out in paragraph (a) below.

Holders of existing dollar notes in **uncertificated form** (that is, in CREST) may only accept the offer in respect of such notes by TTE instruction in accordance with the procedure set out in paragraph (b) below. If you hold existing dollar notes in uncertificated form under different member account IDs, you should send, or procure to be sent, a separate TTE instruction for each member account ID.

You should note that if you hold existing dollar notes in both certificated and uncertificated form, you should complete a form of acceptance for the notes held in certificated form in accordance with paragraph (a) below and the notes held in uncertificated form should be dealt with in accordance with paragraph (b) below.

If your existing dollar notes are in the course of being converted from uncertificated to certificated form, or from certificated to uncertificated form, you are urged to ensure that the conversion procedures are implemented in sufficient time to enable acceptance of the offer to be effected in accordance with the appropriate procedures set out below.

If you have any questions as regards the procedure for acceptance of the offer, please telephone the company's registrars, Capita Registrars, Corporate Actions, on 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399. Calls to the Capita Registrars 0871 664 0321 number are charged at 10p per minute (including VAT) plus any extra costs charged by the relevant service provider. Calls to the Capita Registrars +44 20



8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones. Calls may be recorded and monitored randomly for security and training purposes. Capita Registrars will not provide advice on the merits of the offer, nor give any financial, legal or tax advice in relation thereto.

(a) Existing dollar notes in certificated form (that is, not in CREST)

You will find enclosed with this document a form of acceptance for use in connection with the offer. To accept the offer, you must complete boxes 2 and 3 on page 3 of the form of acceptance and, if applicable, boxes 5 and/or 6. You should also sign box 4. In the case of joint registered holders, all joint registered holders must sign.

The completed form of acceptance should be returned to Capita Registrars at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to arrive by no later than 1.00 p.m. on 15 November 2012. A first class reply-paid envelope is enclosed for your convenience for documents lodged by post from within the United Kingdom.

The form of acceptance should be accompanied by the certificate(s) for the existing dollar notes in respect of which you are accepting the offer. If you have lost the certificate in respect of any of such existing dollar notes, the form of acceptance should be accompanied by a letter from you stating this and you should also apply to Capita Registrars for a duplicate certificate. You may be required to give an appropriate indemnity before the company will provide you with a duplicate certificate, but on receipt of it, it should be forwarded to Capita Registrars at the address given above as soon as possible.

No acknowledgement of receipt of documents will be given.

All documents sent by holders of existing dollar notes or their appointed agents will be sent at the risk of the relevant noteholder.

(b) Existing dollar notes in uncertificated form (that is, in CREST)

To accept the offer, you should send (or if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE instruction to Euroclear which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to the other information that is required for a TTE instruction to settle in CREST, the following details:

- the nominal amount of the existing dollar notes in respect of which you wish to accept the offer and which are to be transferred to an escrow balance;
- your member account ID;
- your participant ID;
- the participant ID of the Escrow Agent, namely Capita Registrars in its capacity as a CREST receiving agent - this is RA10;
- the member account ID of the Escrow Agent for the offer in its basic form - this is 27783REA;
- the intended settlement date - this should be as soon as possible and in any event no later than 1.00 p.m. on 15 November 2012;
- the corporate action number for the offer - this is allocated by Euroclear and can be found by viewing the relevant existing dollar notes corporate action details in CREST;

- the ISIN number for the existing dollar notes - this is GB00B0FRLM43;
- input with standard delivery priority of 80; and
- contact name and telephone number inserted in the shared note field.

If you are a CREST sponsored member, you should refer to your CREST sponsor. Only your CREST sponsor will be able to send the TTE instruction to Euroclear in relation to your existing dollar notes.

The input and settlement of a TTE instruction in accordance with this paragraph (b) will constitute an acceptance of the offer in respect of the number of existing dollar notes so transferred to escrow.

You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE instruction relating to your existing dollar notes to settle prior to 1.00 p.m. on 15 November 2012. In particular, you should note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational). You should therefore ensure that you time the input of any TTE instructions accordingly.

You are recommended to refer to the CREST Manual for further information on the CREST Procedures outlined above.

A form of acceptance which is received in respect of existing dollar notes held in uncertificated form will not constitute a valid acceptance and will be disregarded.

### **Settlement and dealings**

Settlement of the consideration to which holders of existing dollar notes are entitled under the offer will be effected, in the case of acceptances received, complete in all respects, by the date on which the offer becomes unconditional, within 14 days of such date.

It is expected that the issue of the new dollar notes to holders of existing dollar notes who accept the offer and from whom acceptances are received, complete in all respects, by 1.00 p.m. on 15 November 2012, will become unconditional, and that dealings in the new dollar notes so issued, for normal settlement, will commence on 19 November 2012. The company will announce the results of the offer by notification to the Regulatory News Service of the London Stock Exchange and it is expected that such announcement will be made on 16 November 2012.

The new dollar notes will be transferable by written instrument in any usual or common form.

The new dollar notes will be issued in registered form and may be held in certificated or uncertificated form. New dollar notes may be delivered in uncertificated form to member CREST accounts where the holders of existing dollar notes to whom the new dollar notes have been allotted are CREST participants. However, notwithstanding any other provision set out in this document, the company reserves the right in its absolute discretion to issue new dollar notes to any such holder of existing dollar notes in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or any part of the facilities under/or systems operated by the company's registrars in connection with CREST.

It is expected that CREST accounts will be credited in respect of new dollar notes on 19 November 2012 and that certificates in respect of new dollar notes will be despatched by first class post on 3 December 2012. Pending despatch of certificates in respect of the

new dollar notes to be held in certificated form, transfers will be certified against the register of holders of the new dollar notes. No temporary documents of title will be issued and rights to the new dollar notes issued pursuant to the offer will not be renounceable.

Holders of existing dollar notes who are CREST sponsored members should note that they will not be sent any written communication by the company confirming the issue of new dollar notes pursuant to the offer.

It is further expected that cash entitlements under the offer will be credited to CREST accounts on 3 December 2012 or paid by cheque in US dollars drawn on an account of a branch of a United Kingdom clearing bank despatched on 3 December 2012, provided that the acceptances to which such entitlements relate are then complete in all respects. Cheques will be sent by post, crossed "account payee only" and drawn in favour of the relevant holder of existing dollar notes (or in the case of joint holders, the first named thereof).

Certificates in respect of new dollar notes and cheques in respect of the cash element of the consideration payable pursuant to the offer will be sent to the persons entitled thereto at the risk of such persons.

### **Further information**

Your attention is drawn to the further information contained in Parts II and III of this document and in the accompanying form of acceptance and prospectus.

In particular, the prospectus sets out in full the terms and conditions attaching to the new dollar notes and includes further information relating to the company.

Yours faithfully

**Richard Robinow**  
Chairman

## **PART II – FURTHER TERMS OF THE OFFER**

---

### **1. Acceptance period**

- 1.1 The offer is open for acceptance until 1.00 p.m. on 15 November 2012.
- 1.2 The company reserves the right to extend the offer beyond such time and/or date, provided that the offer will not be extended beyond 1.00 p.m. on 20 December 2012. Holders of existing dollar notes will be notified of any extension(s) to the offer in any such manner as the company may deem appropriate. The notification will state the next expiry time and date or may instead state that the offer will remain open until further notice.
- 1.3 All references in this document and in the form of acceptance to 15 November 2012 shall (except where the context otherwise requires) be deemed, if the expiry date of the offer is extended, to refer to the expiry date of the offer as so extended.

### **2. Acceptances to be irrevocable**

Acceptances of the offer are irrevocable.

### **3. General**

- 3.1 The terms contained in or deemed to be incorporated in the form of acceptance constitute part of the terms of the offer. The provisions of this Part II shall be deemed to be incorporated and form part of the form of acceptance and all electronic acceptances.
- 3.2 All references in this document and in the form of acceptance to time are to London time.
- 3.3 Any omission to despatch this document, the form of acceptance or the prospectus, or any other notice required to be given under the terms of the offer to, or any failure to receive the same by, any person to whom the offer is made or should be made shall not invalidate the offer in any way. The offer extends to any persons to whom this document is addressed but to whom the same or the prospectus or the form of acceptance are not despatched and such persons may obtain copies of those documents from the company secretary at the company's registered office at First Floor, 32-36 Great Portland Street, London W1W 8QX.
- 3.4 Notwithstanding any other provision of this document or the form of acceptance, the company reserves the right to treat as valid in whole or in part any acceptance of the offer received by Capita Registrars or otherwise on behalf of the company which is not entirely in order or in correct form or which is not accompanied by (as applicable) the relevant certificate(s) and/or other relevant document(s) or is received at any place or in any form or manner determined by the company otherwise than as set out in this document or in the form of acceptance. However, no settlement of the consideration under the offer will be made until after the acceptance is entirely in order and, in the case of existing dollar notes held in certificated form, the relevant certificate(s) or indemnities satisfactory to the company have been received by Capita Registrars.
- 3.5 If the offer does not become or is not declared unconditional in all respects:
  - (a) in respect of certificated shares, share certificate(s) will be returned by post (or such other method as the company may determine) within 14 days

of the offer lapsing, to the person or agent whose name and address is set out in Box 1 or, if applicable, in Box 5 and/or Box 6 of the form of acceptance or, if none is set out, to the first named holder at his or her registered address; and

- (b) in respect of uncertificated shares, the Escrow Agent will, immediately upon the lapsing of the offer (or within such longer period, not exceeding 14 days after the offer lapsing, as the company may determine), give TTE instructions to Euroclear to transfer all relevant existing dollar notes held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the offer, to the original available balances of the original holders of the relevant existing dollar notes.

#### 4. **Forms of acceptance**

Each holder of existing dollar notes by whom, or on whose behalf, the form of acceptance is executed, irrevocably undertakes, warrants and agrees to and with the company (so as to bind the holder, his personal representatives, heirs, successors and assigns) that:

- (a) the execution of the form of acceptance constitutes an acceptance of the offer in respect of the nominal amount of existing dollar notes inserted or deemed to be inserted in box 3 of the form of acceptance on and subject to the terms and conditions set out or referred to in this document and the form of acceptance and that each such acceptance shall be irrevocable (unless and until the offer lapses);
- (b) the execution of the form of acceptance also constitutes a transfer to the company of the nominal amount of existing dollar notes inserted or deemed to be inserted in box 3 of the form of acceptance, conditional only as provided under "Conditions" in Part I of this document;
- (c) the existing dollar notes in respect of which the offer is accepted or deemed to be accepted are sold free from all liens, charges, equitable rights and encumbrances and together with all rights now or hereafter attaching thereto, including the right to receive and retain all interest payable in respect of the interest period commencing 1 July 2012;
- (d) the holder's acceptance of the offer has not resulted in and will not result in contravention of the securities law of any jurisdiction outside of the United Kingdom; and
- (e) the holder submits, in relation to all matters arising out of the offer and the form of acceptance, to the jurisdiction of the courts of England.

#### 5. **Electronic acceptance**

Each holder of existing dollar notes by whom, or on whose behalf, the electronic acceptance is made, irrevocably undertakes, warrants and agrees to and with the company (so as to bind the holder, his personal representatives, heirs, successors and assigns) that:

- (a) the electronic acceptance constitutes an acceptance of the offer in respect of the nominal amount of existing dollar notes the subject of the electronic acceptance on and subject to the terms and conditions set out or referred to in this document and that each such acceptance shall be irrevocable (unless and until the offer lapses);

- (b) the electronic acceptance also constitutes a transfer to the Escrow Agent of the nominal amount of existing dollar notes the subject of the electronic acceptance, conditional only as provided under "Conditions" in Part I of this document;
- (c) the existing dollar notes in respect of which the offer is accepted or deemed to be accepted are sold free from all liens, charges, equitable rights and encumbrances and together with all rights now or hereafter attaching thereto, including the right to receive and retain all interest payable in respect of the interest period commencing 1 July 2012;
- (d) the holder's acceptance of the offer has not resulted in and will not result in contravention of the securities law of any jurisdiction outside of the United Kingdom; and
- (e) the holder submits, in relation to all matters arising out of the offer and the electronic acceptance, to the jurisdiction of the courts of England.

6. **Governing law**

The offer and all acceptances thereof and elections made pursuant thereto shall be governed by and construed in accordance with English law.

## PART III – ADDITIONAL INFORMATION

---

### 1. **Responsibility**

The company accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the company (which has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

### 2. **Taxation**

#### 2.1 General

The comments below are of a general nature and are based upon the company's understanding of current UK tax laws and the practice of Her Majesty's Revenue and Customs ("**HMRC**") as of the date of this document. They do not purport to be a complete analysis of all tax considerations, relate only to the position of persons who hold existing dollar notes as an investment and are the absolute beneficial owners of existing dollar notes and may not apply to certain classes of persons such as dealers, persons who have acquired their existing dollar notes by reason of their employment or persons connected with the company for relevant tax purposes. Save as specifically mentioned, the comments apply only to holders of existing dollar notes who are resident and (if individuals) ordinarily resident in the UK for tax purposes. Holders of existing dollar notes who are in any doubt as to their taxation position or who may be subject to tax in a jurisdiction other than the UK should consult their own professional adviser.

Your attention is also drawn to part 5 of the accompanying summary and securities note, which sets out the UK tax treatment applicable to holders of the new dollar notes.

#### 2.2 UK individuals and other holders not within the charge to UK corporation tax

##### Receipt of new dollar notes

On the basis that the existing dollar notes and the new dollar notes are not denominated in sterling, they do not fall within the definition of qualifying corporate bond in section 117(1) of the Taxation and Chargeable Gains Act 1992 ("**TCGA**") and therefore are and will be non-qualifying corporate bonds. Accordingly, on the basis that the new dollar notes are offered in proportion to holdings of existing dollar notes, holders of the existing dollar notes who accept the offer (whether in respect of part or all of their holdings of existing dollar notes) and exchange their existing dollar notes for new dollar notes should be treated as having effected a conversion of securities within section 132 of the TCGA. Acceptance of the offer (whether in respect of part or all of a holding of existing dollar notes) should therefore be a reorganisation for the purposes of section 126 of the TCGA. Accordingly no disposal of existing dollar notes should arise on the exchange for the purposes of capital gains tax as imposed by the TCGA ("**capital gains tax**"). Instead, the new dollar notes will be treated as the same asset acquired at the same time and for the same value as the existing dollar notes for the purposes of capital gains tax and the base cost for the purposes of capital gains tax in the new dollar notes should be the same as that in the existing dollar notes.

#### Receipt of cash premium

The \$0.25 in cash receivable in relation to each \$100 nominal of existing dollar notes exchanged should be treated as a receipt of a capital sum for tax purposes. If the amount is treated by HMRC as a "small" premium within the meaning of section 133 of TCGA (on the basis that, in accordance with HMRC's current published interpretation of the meaning of "small" in this context, it is less than five per cent of the value of the converted securities immediately before the conversion), receipt of the premium will not represent a part disposal of existing dollar notes. Instead, it will be subtracted from the base cost in the new dollar notes and, as and when a holder of new dollar notes received pursuant to the offer disposes of new dollar notes, will be taken into account in calculating the noteholder's gain or loss for the purposes of capital gains tax on that disposal. If the premium is not treated as "small", noteholders will be treated as making a part disposal of their existing dollar notes and the gain or loss arising on that part disposal will be calculated by apportioning the noteholder's allowable expenditure between that part of the existing dollar notes disposed of for the purposes of capital gains tax and the new dollar notes retained, such apportionment to be calculated by the formula:

$$\frac{A}{A + B}$$

where A is the total premium received and B is the market value of the new dollar notes retained. The remainder of the noteholder's allowable expenditure will be attributed to the new dollar notes retained.

#### Receipt of cash in lieu of accrued interest

The payment of cash in lieu of accrued interest on the existing dollar notes should give rise to a charge to UK tax on income in the same manner as interest paid on the existing dollar notes in accordance with their terms.

### 2.3 UK corporation tax payers

Holders of existing dollar notes falling within the charge to UK corporation tax should be taxed in accordance with the provisions contained in part 5 of the Corporation Tax Act 2009 relating to the taxation of loan relationships. The effect of these provisions is that any profits and gains (including interest, premium and gains on the exchange of existing dollar notes for new dollar notes) in the hands of such holders will generally be charged to tax as income in the accounting period current as at the date of the exchange on a basis reflecting the treatment in the noteholders' statutory accounts. However, the loan relationship provisions apply to authorised unit trusts, open ended investment companies, investment trusts or venture capital trusts in modified form. In particular, profits of a capital nature are generally excluded in relation to such entities. Any capital profit arising to such entities in relation to the offer (including, for example, the payment of the premium) may therefore, according to the relevant accounting treatment, not be taxable in such taxpayers' hands.

### 2.4 UK stamp duty and stamp duty reserve tax

No UK stamp duty or stamp duty reserve tax should be payable on the exchange of existing dollar notes for the new dollar notes on the basis that both the existing dollar notes and the new dollar notes constitute loan capital within the meaning of section 78 of the Finance Act 1986.