

ST LAURENCE UPS OFFER TO \$1.60; URGES RURAL EQUITIES
SHAREHOLDERS TO VOTE AGAINST H&G OFFER

St Laurence Equities Limited today increased the price it will pay for up to 19.9% of the shares in Rural Equities Limited (REL) from \$1.50 to \$1.60 per share.

“Increasing our price by ten cents per share reaffirms our long-term commitment to building a substantial stake in Rural Equities and acknowledges the underlying value we see in the company,” St Laurence Managing Director Kevin Podmore said.

Competing bidder H&G Limited is currently conducting a partial takeover offer for Rural Equities and last Friday raised its offer price from \$1.25 to \$1.50 per share to match St Laurence’s price.

“At \$1.60 per share, St Laurence’s price is once again significantly higher than the competing H&G partial takeover offer price,” Mr Podmore said.

“Furthermore, unlike the H&G offer, it is not conditional upon gaining shareholder approval and therefore provides shareholders with certainty”.

Mr Podmore noted that H&G yesterday said that they had received acceptances to date in excess of the required amount of shares needed to reach 50.1%.

“This means that any REL shareholder who accepts H&G’s offer will have a portion of their shares scaled back and therefore will still be left with a residual shareholding. This is because H&G’s takeover offer is limited to accepting exactly 50.1% in order for it to secure a controlling stake in the company.

“However, St Laurence will accept all shares offered by REL shareholders up to and until we reach the 19.9% threshold. All share offers are processed within three days with shareholders paid \$1.60 per share immediately thereafter with no brokerage payable.

Mr Podmore said that given the level of acceptances St Laurence had received to date, there is still uncertainty that H&G will be able to finalise their offer because of the condition attached to it.

“We have to date secured close to 10% of the shares in REL. We thank the shareholders who have sold their shares to us to date and note they will now also receive an extra ten cents per share pursuant to our escalation clause.

Background

St Laurence is an Australasian investment and finance company specialising in property bond issues, fixed interest debenture stock investments, managed funds and syndicated property investments.

Founded in 1994 by its Managing Director Kevin Podmore, St Laurence's mission is to provide investors with higher yields than bank deposits while minimising the risks normally associated with higher performing investments.

The company's rapid growth over the past ten years is the result of a disciplined and structured approach to the property and finance markets.

With offices in Wellington and Sydney, St Laurence manages more than \$550 million of assets for in excess of 12,000 investors.

St Laurence is owned by Wellington businessmen Kevin Podmore and Mike O'Sullivan who are both well known in the commercial sector.

Prior to setting up the company Kevin Podmore worked on economic consulting projects for The Treasury and some of New Zealand's largest private sector companies. Mike O'Sullivan has property management and valuation expertise and established property and valuation firm Rolle Associates.

St Laurence is now focused on growing its business in Australia where it opened an office in Sydney in 2001 and expanding its core business to include funds management.

Issued by Sorensen Group, tel. 09 307 1722, on behalf of St Laurence
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