

# **M. P. EVANS GROUP PLC**

## **("THE GROUP")**

## **PURCHASE OF MINORITY INTERESTS**

M.P. Evans Group PLC, a producer of sustainable Indonesian palm oil, is pleased to announce that it has completed the purchase of the 5% minority holding in the majority (70% by Group-owned planted hectarage) of its Indonesian subsidiary trading companies.

The acquisition has been made by the Group's wholly owned subsidiary, P.T. Evans Indonesia, and encompasses the 5% shareholdings in the Group's estates at Kota Bangun, the Pangkatan group, Bumi Mas, Musi Rawas and Simpang Kiri held by Praba Madhavan P.A. Madhavan. Following the transaction, the only remaining location in which there is a minority interest is the Group's estate at Bangka where the Group has a 10% minority partner.

The total cost of the purchase was US\$14.0 million, based on an agreed price of US\$9,000 per planted hectare, adjusted for other assets and liabilities in the relevant subsidiary companies and was funded from the Group's existing cash resources. The Group's minority partner has used the majority of the proceeds to repay an outstanding US\$8.0 million loan from the Group and, as a result, the net cash outflow to the Group resulting from the transaction was US\$6.0 million.

The transaction serves to increase the Group's effective ownership by just over 1,700 hectares, or 4%, in its high-quality planted areas, and will be earnings enhancing. Following the transaction, the Group continues to have a strong balance sheet with low levels of outstanding debt, enabling it to continue to review opportunities for further growth.

M.P. Evans Group PLC chairman, Peter Hadsley-Chaplin, commented on the transaction: "This acquisition is yet another step forward in the Group's strategy, securing 100% ownership in almost all our estates to the benefit of all Group shareholders. Robust yields and strong extraction rates from these properties will continue to support the Group's priority to deliver progressive returns. We are most grateful to Praba Madhavan for his support to the Group as our local partner in Indonesia in recent years and wish him well for the future."

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