

Roberts and Ruralco Agree On Merger Terms

Joint Announcement Roberts Ltd and Ruralco Holdings Ltd

The non - executive directors of both Roberts Ltd (RBS) and Ruralco Holdings Ltd (RHL) met to review the merger proposal announced by both parties last week. As a result of this review agreement has now been reached and the RHL board will now recommend to its shareholders that there be a merger on the following basis:

1. That the holders of RHL shares would receive 3 RBS shares for every 5 RHL shares held with the RBS shares issued pursuant to the proposed scheme to rank pari passu except for participation in RBS's final dividend for the year ended 30 June 2005 likely to be paid in early October 2005.
2. That the board comprise 9 members, 4 chosen from existing RHL non executive directors, 4 chosen from existing RBS directors plus a managing director.
3. That Mr. Miles Hampton, the current managing director of RBS is appointed managing director of the merged group.
4. That Mr. Richard England the current chairman of RHL be appointed chairman.
5. That Mr. Andrew Kemp AM the current chairman of RBS be appointed deputy chairman.
6. That the head office of the merged group be in Hobart, Tasmania. In recognition of the value of the CRT member group it has been agreed that the head office of RHL's CRT member group would remain at Girraween, New South Wales.
7. RHL advises that it intends to pay an interim dividend at the rate of 5 cents per share, fully franked, with full particulars of this dividend to be given when RHL announces its results for the half year ended 31 March 2005.
8. RHL further advises that it intends to pay a special fully franked dividend of 25 cents per share which will be paid on final approval by the court of the proposed scheme of arrangement.

Richard England the Chairman of RHL emphasizes the strategic fit between the two companies and stated that the agreed merger terms were in the best interests of all RBS and RHL shareholders. Andrew Kemp the Chairman of RBS concurred with these comments and further stated that in his opinion the recommended transaction should be earnings accretive for both RBS and RHL shareholders.

As both Companies are publicly listed it is proposed that only limited due diligence will be necessary and that the scheme of arrangement was the most inclusive means of effecting the proposed merger. Shareholders of both companies will be advised of the proposed timetable for the transaction in the not too distant future.

Further Information:

Richard England
Chairman
Ruralco Holdings Ltd
0419 806 674

Andrew Kemp
Chairman
Roberts Ltd
0419 666 077