



Yatu Lau Company Limited – 2007 Public Offer

Press Release

Yatu Lau Company Ltd (“Yatu Lau” or “the Company”) today announced a public offer of shares to take place over the month of November 2007.

At a function held at the Holiday Inn this morning, Yatu Lau Chairperson, Adi Koila Nailatikau, called the offer a milestone in the Company’s development, as it was the first time Yatu Lau was inviting the general public of Fiji to become shareholders. The function was attended by representatives from the capital and financial markets, business leaders, government officials and representatives from the vanua institutions.

Yatu Lau was established in 1972 by Ratu Sir Kamisese Mara as an investment vehicle for the people of Lau. Since then, the Company has grown from strength to strength. It now owns a substantial portfolio of commercial property and equity investments, and also boasts over 800 shareholders. Its property portfolio, worth over \$23m, includes Yatu Lau Arcade, Knolly Apartments, Studio 6 Motel, Total House and Dinem House, all located in or near the Suva CBD. In addition, the Company holds a portfolio of shares in both listed and private companies.

Adi Koila said one thing that Yatu Lau’s founding fathers never envisaged was that one day the Company would be opened up to non-Lauans. “We feel that it is time to share our success with the rest of the community. This was not a simple decision given our history as a Lauans-only company. However we believe that pooling resources with the wider community will help the Lauan people in turn, through the cross-pollination of ideas and in building the critical mass that is important to sustainable growth. It is this win-win situation that has guided us down this path” she said.

As a first step, the Company earlier this year created a new class of shares (B Class) and partnered with local investment banking firm, Kontiki Capital, to raise \$2m through a private placement. The bulk of the funds came from Kontiki’s managed funds, with the remainder from a small investment syndicate put together by Kontiki. The public offer is the next step in opening the B Class up to the wider public.

“The B Class of shares can be owned by anyone and does not carry voting rights. This is the only difference from the original A Class of shares” clarified Michael Makasiale, CEO of Yatu Lau. However to safeguard the rights of B Class shareholders, Mr Makasiale said they would shortly be adding a non-Lauan to the Board of Yatu Lau to represent the interests of B Class shareholders. “We have also given an undertaking to the Capital Markets Development Authority to promptly inform all shareholders of material events within the company. In doing this, we are also preparing ourselves for a listing on the South Pacific Stock Exchange which we will pursue next year” he said.

The Company aims to raise \$1.5 million through the issue of 500,000 A Class shares and 500,000 B Class shares. Shares are being offered at \$1.50 per share with the proviso that only Lauans may apply for the A Class shares. Anyone can apply for B Class shares. The public offer is being managed by Kontiki Capital.

The issue price of \$1.50 is a significant discount to the Company's current net tangible asset value per share of \$3.49. "For long we had generously issued new shares to Lauans at \$1.00. However with strong growth this was unsustainable. Hence a \$1.50 price was decided upon as an initial step in eventually allowing the share price to be driven by market forces. This is still a deep discount, which we feel appropriate given that this is the first time we are making an offer to the wider public" said Mr Makasiale.

The Company aims to provide a dividend return of at least 10c per share each year, in line with its dividend payout in recent years. This represents a dividend yield of 6.7% on the issue price of \$1.50.

Adi Koila said the Company's success was built on getting the basics right and a drive to constantly improve. "We have put in place a management and corporate governance structure to keep the Company focused. We have a highly qualified and active board, and a great management team. And it certainly helps that in the past 35 years, Yatu Lau has faced and overcome numerous challenges. Such experience is invaluable going forward" she said.

Commenting on the public offer, Kontiki Capital's Managing Director, Griffon Emose, said they were pleased to be associated with a trendsetter. "Provincial investment in Fiji has not generally been a success story and so it is refreshing to find a provincial company that has consistently bucked this trend. Yatu Lau offers a strong board and management and decades of valuable business experience. They are today a leading light, not just for indigenous investment, but for business in Fiji as a whole".

The public offer runs from 1 November to 30 November 2007. Interested investors should read the prospectus for the offer, available from:

- Yatu Lau Co Ltd - Yatu Lau Arcade, Rodwell Road, Suva (telephone: 330 5368);
- Kontiki Capital Ltd - Level 4 Plaza 1, FNPF Boulevard, 33 Ellery Street, Suva (telephone: 330 7284); or
- Any Fiji Development Bank branch.

Representatives from Yatu Lau and Kontiki Stockbroking are also available to answer your questions. Please contact:

- **Michael Makasiale** (Tel: 330 5368 / Mob: 992 3709 / Email: yatulaucoltd@connect.com.fj)
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