



Tejon Ranch Company and IKEA Close 80-Acre Land Sale at Tejon Industrial Complex

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TEJON RANCH, Calif.--(BUSINESS WIRE)--Sept. 29, 2000--

- IKEA Enters Into the First Phase of its
- 1.8 Million-Square-Foot Western North American Distribution Facility
- IKEA To Create 300 New Jobs at Tejon Industrial Complex

Tejon Ranch Company (NYSE:TRC), announced today that it has closed its 80-acre land sale to IKEA at the Tejon Industrial Complex. IKEA is the world's largest home furnishings retailer and is currently undergoing significant expansion in the western United States.

With initial occupancy expected in the spring of 2001, construction of the initial phase of IKEA's Western North American Distribution Center is anticipated to commence in the near future. At full completion of its project, IKEA anticipates approximately 1.8 million square feet of warehouse space and the creation of 300 new jobs.

"Tejon Industrial Complex is the most strategic location for our Western North American Distribution needs," said Mike McDonald, President of IKEA Property, Inc. "By locating at the population center of California along Interstate 5, we can save time and money in our distribution business and offer our co-workers an outstanding quality of life in Kern County." IKEA will service markets from San Diego to Western Canada from this distribution complex.

Tejon Ranch President and CEO, Robert A. Stine said, "We made a commitment to earn IKEA's business based upon the quality of our location, available labor, and transportation logistics. IKEA's site selection validates our vision that Tejon Industrial Complex will become a major business and employment center for Kern County."

Located just north of the Los Angeles basin at the intersection of I-5 and Highway 99, Tejon Industrial Complex is designed to be a major center for distribution, warehousing and manufacturing with direct access to Los Angeles, Northern California and the Central Valley.

IKEA was represented in the transaction by Tony Beatty of NAI-BT Commercial Real Estate of Oakland, Calif. and Eric Powers of NAI Capital Commercial of Encino, Calif. Tejon Ranch Company was represented by Colliers Seeley Company of Los Angeles.

IKEA Background Information

A renowned international home furnishings retailer, IKEA has over 157 stores in 29 countries around the world with 15 stores in the United States and 7 in Canada. The Company was founded in 1943 in Sweden where its headquarters remain.

Tejon Ranch Company Background Information

Tejon Ranch Company is a diversified real estate development and agribusiness company owning 270,000 acres of land located in Los Angeles and Kern Counties. The Company is in the process of developing its land holdings along transportation corridors into master-planned business and residential communities.

This release includes forward-looking statements that are subject to many uncertainties and may turn out not to be accurate. These forward-looking statements are subject to factors beyond the control of Tejon Ranch Company, including market forces and the ability to obtain government permits. No assurance can be given that actual future events will be consistent with such forward-looking statements.

CONTACT: Amies Communications

949/863-1910

Rebecca Hall, ext. 15

rebecca@amies.com

Heather Sievers, ext. 23

heather@amies.com