



## Tejon Ranch Co. Announces Plans for Rights Offering to Stockholders

Oct 31, 2000

TEJON RANCH, Calif.--(BUSINESS WIRE)--Oct. 31, 2000--Tejon Ranch Co. (NYSE:TRC) today announced that its board of directors has approved a rights offering in which stockholders will receive transferable rights to purchase additional shares of Tejon common stock at a modest discount from the market price at the time the offering commences.

The gross proceeds of the offering are expected to be approximately \$30 million, and the number of shares that each stockholder will be able to purchase will depend on the market price of Tejon's stock immediately before the offering commences.

The offering is expected to commence in early November or mid-December, depending on the time required to register the shares with the Securities and Exchange Commission, and will be made to stockholders of record on a date to be announced, which will precede the commencement of the offering by several days.

The shares will be listed on the New York Stock Exchange, and the rights are expected to trade on the exchange until the day before the expiration of the offering period, which is expected to be approximately 20 days. Stockholders who exercise their rights will also be able to subscribe for a pro rata portion of shares not subscribed for by other stockholders.

Tejon has entered into an agreement with Third Avenue Trust (acting on behalf of Third Avenue Value Fund, Third Avenue Small-Cap Value Fund and Third Avenue Real Estate Value Fund) and with a private investment fund managed by Carl Marks Management Co. L.P. to purchase additional shares at the same price offered to the stockholders in the rights offering to extent that the gross proceeds from the rights offering are less than \$30 million.

The Third Avenue Value funds presently hold approximately 26 percent of the outstanding shares of Tejon, and the Carl Marks Management Co. fund owns approximately 4 percent of the outstanding shares.

The net proceeds of the offering will be used primarily to provide additional working capital to fund further entitlement and development of Tejon's 350-acre industrial, warehouse and distribution facilities project known as Tejon Industrial Complex and a proposed, new, master-planned mountain community known as Tejon Mountain Village, which, if developed as contemplated, would involve several thousand home sites, a commercial component, a high-quality golf resort and substantial open space.

Both of these developments are subject to obtaining various governmental approvals and a number of other uncertainties and contingencies. Pending such use, the funds may be used to pay down Tejon's revolving credit lines.

Tejon reserves the right to modify, postpone or cancel the rights offering at any time prior to the closing of the sale of the shares in the offering.

This announcement shall not constitute an offer to sell or the solicitation of an offer to buy the rights or the underlying shares.

Tejon Ranch Co. 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 landholdings along transportation corridors into master-planned business and residential communities.

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