



Tejon Ranch Company Announces Terms of Rights Offering

Dec 11, 2000

TEJON RANCH, Calif.--(BUSINESS WIRE)--Dec. 11, 2000--Tejon Ranch Co. (NYSE:TRC) announced today that the price at which shares will be offered pursuant to its previously announced rights offering to stockholders will be \$19 per share and that each stockholder will receive a right to purchase .123 shares for each share of common stock held as of the December 11, 2000, record date.

Tejon also announced that the mailing of offering materials to stockholders is expected to begin by Wednesday, December 13, 2000, and that the subscription period will expire on January 8, 2001, instead of January 5, 2001 as previously planned.

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. 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 Company L.P. to purchase additional shares at the same price offered to the stockholders in the rights offering to the extent that the gross proceeds from the rights offering are less than \$30 million.

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

The net proceeds of the offering will be used primarily to provide additional working capital to fund further development of Tejon's 350-acre industrial, warehouse and distribution project known as Tejon Industrial Complex and to fund constraints and feasibility analyses, preliminary and detailed planning and applications for entitlements for a proposed master-planned mountain community which, if developed as envisioned, would involve 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.

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

For more complete information about Tejon and the rights offering stockholders and holders of rights can obtain a prospectus by contacting Tejon's Stockholder Relations Department at 661/248-3000 or by mail to 4436 Lebec Road, Lebec, CA 93243.

Tejon Ranch Co. is a diversified real estate development and agri-business 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.

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