N. B. HUNT And W. H. HUNT

DENVER POST DECEMBER 13 & 15, 1974

To the stockholders of

GREAT WESTERN UNITED CORPORATION

December 13, 1974

On November 14, 1974, we published our offer to purchase 910,000 shares of common stock of Great Western United Corporation ("Great Western") at $27.50 per share, net to the seller, in cash, subject to the terms and conditions set forth in our Offer to Purchase dated November 11, 1974, and in the related Letter of Transmittal. On December 9, 1974, we announced the extension of the Offer to December 16, 1974, at 5:00 P.M., Dallas, Texas time, and the purchase of the approximately 234,400 shares which had been validly tendered by that time. We also announced that shares tendered during this and any further period of extension, up to 910,000 shares, will be purchased on a first-come, first-served basis, and that if more than 910,000 shares are tendered by the expiration of the Offer or any extension thereof, and less than all such shares in excess of 910,000 shares are purchased, the shares in excess of 910,000 shares which are purchased will be purchased on a first-come, first-served basis.

In letters to you dated November 13, 1974, and December 4, 1974, the incumbent Board of Directors of Great Western set forth certain alleged "facts" and recommended that you not tender your shares. By way of reply, we think you should consider the following in determining for yourselves whether it is in your best interests to tender your shares:

(1) We believe the cash offer price of $27.50 per share to be entirely adequate. Reported sales prices on the New York Stock Exchange of Great Western common stock ranged in 1972 from a high in the 1st quarter of 19¼ to a low in the 4th quarter of 6⅞. Reported sales prices for 1973 ranged from a high in the 1st quarter of 8¼ to a low in the 4th quarter of 1½. Reported sales price in the first three quarters of 1974 (through August 23, 1974) ranged from a high of 9½ to a low of 4¾. On October 11, 1974, the day we first invested in Great Western, the price ranged from a high of 15¾ to a low of 13⅛. During the period October 11 through November 6, 1974, market prices for the common stock generally moved upward on each trading day, ranging on November 6 between a high of 24⅞ and a low of 22¾. On November 7, 1974, immediately following the initial announcement of our intention to make the Offer, the high and low prices ranged from 26⅛ to 26½, respectively. The reported sales prices for December 10, 1974, were a high of 27½ and a low of 27¾.

(2) Although reported New York spot raw refined sugar prices rose steadily from $36.20 per hundredweight on October 11, 1974, to $64.50 per hundredweight on November 20, 1974, since the latter date those prices have steadily declined each day, and on December 10, 1974, the price was $47.00 per hundredweight.

(3) It was also recently reported that the head of the Department of Agriculture's Sugar Division stated that retail sugar prices will begin dropping next year and may eventually fall to 20¢ a pound, or approximately ½ of the retail price on the day that statement was made.
(4) In its November 13, 1974, letter to you, the Board of Directors of Great Western used an average price for the Company's refined sugar for the next twelve months of approximately $53 per hundredweight (assuming that actual sales prices would approximate the then current prices for sugar contracts in the commodities future market for delivery through September 1975), in estimating earnings, based on this average, after taxes and preferred dividend requirements, of approximately $54 per share ($44 per share on a fully-diluted basis) for the twelve months. You were not advised that after we had announced our Offer, Great Western, according to testimony elicited in depositions taken by us in the Company's lawsuit against us, changed its formula for projecting its earnings. According to that testimony, on September 14, 1974, prior to our Offer, the Board of Directors of Great Western accepted a projection of earnings based upon an average price for sugar of approximately $24 per hundredweight, endorsing what was designated at that meeting as the JAK 2 formula. Also according to that testimony, the Board of Directors did not accept a higher projection based on sugar futures prices. Yet, after the announcement of our Offer, the earnings projection in the November 13, 1974 letter to you was based on sugar futures prices, the same method which had not been accepted by the Board of Directors several weeks earlier.

(5) It was also established in testimony elicited by us in the aforementioned lawsuit that in securing its bank line of credit in October 1974, Great Western submitted to its banks an estimate of profitability based upon an assumed price of sugar for the crop year ending September 1975, of $24 per hundredweight.

(6) On the basis of additional testimony received by us in that lawsuit, you should also know that prior to the meeting of the Board of Directors of Great Western which commenced November 10, 1974, incumbent management, with the assistance of a consulting firm, was asked to prepare new price and earnings projections, allegedly to evaluate our Offer. In connection with that undertaking, according to such testimony, a market official of Great Western advised the financial consultants by memorandum that "with today's ridiculous market conditions, it is almost impossible to make price predictions for tomorrow or next month, let alone coming years."

(7) In Great Western's lawsuit against us, the United States District Court for the Northern District of Texas on November 26, 1974, denied Great Western's Motion for Preliminary Injunction against our Offer, and on December 5, 1974, the United States Court of Appeals for the Fifth Circuit denied Great Western's Motion to prevent us from consummating any further purchases of Great Western common stock during the pendency of the appeal. We are not under any Court or other restraint from purchasing shares tendered to us.

(8) The December 4, 1974, letter to you from the incumbent Board of Directors of Great Western failed to mention that on November 21, 1974, we were asked (prior to the Court hearing on Great Western's Motion for a Preliminary Injunction) by counsel for Great Western to present a settlement proposal, because, we were told, Great Western's Board of Directors was so divided into factions that they were unable to agree upon any settlement proposal to make to us. Our settlement proposal, made in good faith and calling for us to increase our offer price by 50¢ per share, was turned down by your Board of Directors without any prior announcement to you—a fact also not mentioned in the management's December 4, 1974, letter. We had hoped that a settlement would avoid the heavy expense of litigation for both sides, and we offered therefore to pass on to tendering stockholders at least some of our anticipated savings by increasing the price we would pay to them.

(9) On December 9, 1974, Great Western reported that in the event we should take control of Great Western prior to the effective date of a distribution pursuant to any amended plan of recapitalization, we would have the power to terminate such proposed plan of recapitalization. We want you to know that we, as we assume all other stockholders of Great Western, would consider any plan of recapitalization on the basis of the facts and circumstances in effect from time to time. We have no predetermined attitude toward any plan of recapitalization and do not presently have available sufficient information upon which to make any judgment.

YOUR KIND ATTENTION TO THE FOREGOING IS APPRECIATED

Sincerely yours,

N. B. HUNT
W. H. HUNT