To All Stockholders of
Great Western United Corporation

December 4, 1974

Since our November 13 letter to you, certain important events concerning your company have occurred of which you should be aware. These events have reaffirmed to your Board of Directors the correctness of their decision that the offer by the Hunts is inadequate.

1. The Company's unaudited earnings for the five-month period ended October 31, 1974 were $28,325,000 after taxes and preferred dividend requirements or $31.44 per common share ($11.62 on a fully-diluted basis). Earnings for this period reflect the costs associated with last year's sugar production, whereas earnings for future months will reflect the anticipated higher costs of the current year's production.

2. Since the Hunt brothers' tender offer at $27.50 per share was announced on November 7, 1974, Great Western common stock has traded as high as $31.25 per share on the New York Stock Exchange and approximately 76,000 shares have traded at prices higher than the Hunts are offering.

3. The price at which Great Western Sugar is selling its refined sugar has increased by $12.00 per hundredweight since November 13 to $61.85. As was pointed out in our letter of November 13, a change of $1.00 in the average price per hundredweight of sugar for a twelve-month period will change the Company's net earnings after taxes by approximately $1.30 per share (approximately $1.10 on a fully-diluted basis) for the same period. Sugar futures prices, which had gone up since November 13, have recently been declining and are now slightly below the then-prevailing levels, and recent price reductions for refined sugar by certain east coast sugar refiners may expand into Great Western Sugar's market area, thereby causing a reduction from the current price level.

4. The Company has been actively considering an offer to purchase Great Western Cities for $8,000,000 in cash. In connection with this transaction, the inter-company debt owed by Great Western Cities to Great Western United (approximately $20,000,000 at November 30, 1974) would be cancelled. Assuming the Company accepts this offer on approximately these terms, a non-recurring loss of approximately $2.00 per share could be incurred. No assurance can be given that a sale on these terms can be consummated.

5. The Company has now fully complied with all sinking fund purchase requirements for the $1.88 preferred stock and has declared the next regular quarterly dividend due on the $1.88 preferred stock. In addition, the Executive Committee of the Board of Directors has authorized payment of all dividend arrearages on the $3.00 preferred stock, subject to compliance with certain legal requirements. Payment of these arrearages will free the Company from certain legal restrictions preventing payment of dividends on the common stock, although no decision as to any such payment has yet been made.

6. The Company has appealed the denial by a Federal judge in Dallas, Texas of its request for a preliminary injunction against the Hunt brothers' offer and has moved for an expedited appeal and an order restraining the Hunts from consummating any further purchases during the pendency of the appeal.

7. On November 22, 1974, Davis Cattle Co., Inc. filed an action against the Company and Great Western Sugar. The action seeks to proceed as a class action and alleges breach of the 1974 sugar beet contract between Great Western Sugar and various growers in violation of Section 10 of the Securities Exchange Act of 1934 in connection with the amount of the initial payment made by Great Western Sugar to the beet growers. The plaintiff seeks injunctive relief, restitution of monies received by the Company from Great Western Sugar since September 1, 1974, and damages of approximately $246,000,000 plus interest. The complaint relates primarily to the amount of the initial payment to growers, not to the total amount to be received by them for the market year pursuant to the sugar beet contract. The Company intends to vigorously defend the action, and you should know that under normal court procedures this matter would not normally be adjudicated until after the growers would have received the major part of the money owed them pursuant to the contract.
On November 21, W. H. Hunt met with a majority of your Board and offered to raise the Hunt offer to $20.00 per share if the Company would drop its lawsuit against the Hunts, turn over a stockholder list immediately, publicly support the Hunt offer, and, if all members of the Board would tender all their holdings of Company stock and submit their resignations to the Hunts. In addition, the Hunts wanted all long-term employment contracts with directors who are officers of the Company to be terminated (no such contracts exist), and the Board was to enter into what were described as "restrictive covenants", which were not clearly spelled out.

A majority of your Board of Directors recommended that you vote against the proposed sale to the growers' cooperative last September because they felt that the price was inadequate in light of the dramatic increase in sugar prices. Since that time prices of sugar have gone up far more than was anticipated and so has the Company's profit potential. Now the Hunt brothers, with their background of great wealth and experience in the commodities markets, are trying to buy control of your Company. Your Board again feels that the offering price is inadequate.*

Your Board also feels that their offer is inadequate because it is for less than all of the Company's outstanding stock. However, the determination as to whether or not to sell or tender shares is an individual decision for each stockholder and should be made in light of each stockholder's personal and business needs and investment objectives. Your Board of Directors feels it important that you be aware of the foregoing facts, in addition to those contained in our November 13 letter, in determining for yourself whether it is in your best interests to sell or tender your shares.

On behalf of the Board of Directors
Sincerely yours,

R. J. ADELMAN
Chairman of the Board and
Acting Chief Executive Officer

*One Board member, Mr. Sarkisian, who on November 11 stated that he felt the Hunt offer was inadequate, has indicated that he no longer believes so, for reasons which he is unprepared to state.