

Rural Funds Group (RFF)



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ASX Release

Subject: Acquisition of macadamia orchards

Rural Funds Management Limited (RFM), as responsible entity and manager of the Rural Funds Group (ASX: RFF) advises that Rural Funds Management Limited has negotiated an option for RFM or its nominee to acquire three mature macadamia orchards. The orchards are located near Bundaberg in Queensland and comprise 259 hectares of macadamias.

Two of the orchards are encumbered by a tax effective managed investment scheme and the purchase of the orchards is conditional on growers in the scheme appointing RFM as responsible entity of the scheme, at a meeting to be held on Wednesday, 24 February 2016. The existing responsible entity has agreed to retire. Provided RFM is appointed responsible entity of the scheme, RFM intends to exercise the option and nominate RFF as purchaser of the three orchards.

The purchase of the orchards will initially be debt funded and increase RFF's assets under management by approximately \$8.6m. RFF's distributions will remain consistent with previous market guidance.

About Rural Funds Group (RFF)

RFF owns a diversified portfolio of high quality Australian agricultural assets. RFF's investment objective is to generate a stable income stream derived from leasing its assets to suitable counterparts and capital growth through any appreciation in the value of those assets. RFF is a stapled security, incorporating Rural Funds Trust (ARSN 112 951 578) and RF Active (ARSN 168 740 805), trading under the ASX code 'RFF'. Rural Funds Management Ltd (RFM) is the responsible entity of RFF.

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