

# Rural Funds Group (RFF)



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## ASX Release

30 May 2016

### Subject: FY16 and FY17 market guidance update

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Rural Funds Management (RFM) as responsible entity for the Rural Funds Group (RFF) provides the following forecasts for adjusted funds from operations (AFFO) per unit and distributions per unit (DPU):

	FY16	FY17
<b>AFFO</b>	9.20	12.36
<b>DPU</b>	8.93	9.64

The FY16 AFFO forecast is 3.97% lower mainly due to the timing of capital deployment relating to the Kerarbury and Tocabil almond developments, and costs incurred in increasing RFF's banking facility for future expansion. The almond developments are on schedule, and on budget for the remaining development period. The FY16 DPU forecast of 8.93 cents remains unchanged.

RFM is pleased to announce an FY17 AFFO forecast of 12.36 cents per unit, representing an increase over FY16 of 34.3%. This is primarily a result of the rent review of almond orchards leased to Select Harvests Limited (ASX: SHV), deployment of further capital for almond developments, including bringing forward 200 ha, and otherwise reflects plans for FY17.

The FY17 DPU of 9.64 cents represents an 8% increase compared to FY16, and is a direct result of the revised FY17 AFFO. This amount is expected to be payable quarterly, commencing the quarter ending September 2016. The revised DPU equates to a 78% payout ratio. Future distribution growth is expected to revert to the previously forecast 4% annual growth rate after FY17.

#### 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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