

APPENDIX 4D

Half year report

Name of entity: **Rural Funds Group**

ARSN: **Rural Funds Group comprising Rural Funds Trust (ARSN 112 951 578)
RF Active (ARSN 168 740 805)**

For the half year ended: **31 December 2016**

Corresponding period: **31 December 2015**

Results for announcement to the market

	\$'000	Up/Down	% movement
Revenues from ordinary activities	19,642	Up	58%
Profit after income tax for the half year	17,159	Up	391%
Total comprehensive income attributable to unitholders for the half year	19,814	Up	302%
	Amount per security (cents)	Franked amount per security	Tax rate for franking credit
June 2016 distribution per security (record date 30 June 2016, paid 29 July 2016)	2.2325	Nil	N/A
September 2016 distribution per security (record date 30 September 2016, paid 28 October 2016)	2.4100	Nil	N/A
December 2016 distribution per security (record date 30 December 2016, paid 31 January 2017)	2.4100	Nil	N/A

Record date for determining entitlements for the December 2016 distribution	30 December 2016
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No amounts of foreign sourced dividends or distributions are included in the above distributions.

Net tangible assets per security

	31 December 2016	30 June 2016
Net tangible assets per unit (\$)	0.83	0.90

Adjusted Net asset value per security

	31 December 2016	30 June 2016
Adjusted Net asset value per unit including water entitlements held at market value (\$)	1.50	1.43

Details of associates

Name of entity:	RFM StockBank	Perth Markets Limited
Percentage holding:	33.50%	8.96%
Contribution to reporting entity's profit/(loss) from ordinary activities during the period	\$38,000	\$1,669,000

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the 31 December 2016 Consolidated Financial Statements and accompanying notes.

Dividend Reinvestment Plan

Rural Funds Group operates a distribution reinvestment plan in which all unitholders resident in Australia and New Zealand are eligible to participate at their election. The number of units received from a distribution is based on dividing the distribution (after deduction of taxes or any other payment or levy applicable) by the average of the daily volume weighted average price of units sold on the ASX in the 20 trading days before the record date less a discount of 1.5% on the calculated price.

Unitholders may change their participation in the plan at any time. However, in order to be valid and effective for a distribution payable, the election form to change participation must be submitted to the unit registry by the day after the nominated record date for that distribution.

Audit

This report is based on the consolidated financial statements that have been subject to an auditor's review by PricewaterhouseCoopers. There are no items of dispute with the auditor and the auditor's review is not subject to qualification.