

ASX Release

7 June 2017

Subject: Webinar invitation

Rural Funds Management Limited (RFM), as responsible entity and manager of Rural Funds Group (**RFF**), today announced that it will undertake a \$78.6 million fully underwritten Entitlement Offer. The Entitlement Offer provides the opportunity to enhance RFF's register whilst prioritising existing investors.

Webinar details

RFM Managing Director, David Bryant will host a webinar to detail the Entitlement Offer and transaction overview at 9.30am AEST, Thursday 8 June 2017. Participants can register via the following link:

<https://register.gotowebinar.com/register/8598557345232558849>

Transaction overview

The proceeds of the Entitlement Offer will be used to reduce gearing from 40.1% (31 Dec 2016) to 29.5%¹, following the debt funded acquisitions of a cotton property and high security water entitlements in December 2016. The reduction in gearing will allow capacity to build RFF's portfolio of quality assets. RFM is undertaking due diligence on an asset within the Australian cattle sector, which, if acquired, would be consistent with RFF's stated strategy of:

- increasing AFFO per unit, NAV and scale
- maintaining gearing with target range
- improving climate, sector and lessee diversification

The asset aligns with RFM's objective of acquiring investments which benefit from improvements in productivity.

¹ Gearing shown on a pro forma basis. For more information see slide 5 of the Investor Presentation lodged with the ASX on 7 June 2017.

Rural Funds Group | ASX: RFF



Rural Funds Management Ltd

ABN 65 077 492 838
AFSL 226701

Level 2, 2 King Street Deakin ACT 2600
Locked Bag 150 Kingston ACT 2604

P 02 6203 9700

F 02 6281 5077

E management@ruralfunds.com.au

W www.ruralfunds.com.au

Forecast AFFO for FY17 is unchanged, and guidance for FY18 is 12.5 CPU. Consistent with RFF's DPU growth target, forecast FY18 DPU is 10.0 cents, up 4%. Distributions are supported by a FY18 forecast payout ratio of 80% and a WALE of 13.3 years.

Questions regarding the webinar can be directed to RFM Investor Services via email investorservices@ruralfunds.com.au or telephone 1800 026 665.

-ends-

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.

For further information:

David Bryant
Managing Director
Rural Funds Management
T 02 6203 9700
E DBryant@ruralfunds.com.au

For media enquiries:

Stuart Waight
Chief Operating Officer
Rural Funds Management
T 0419 126 689
E SWaight@ruralfunds.com.au

For investor relations enquiries:

James Powell
Investor Relations & Distribution
Manager
Rural Funds Management
T 0420 279 374
E JPowell@ruralfunds.com.au
