

## ASX Release

22 August 2017

### **Subject: RFF financial results reflect continued growth**

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Rural Funds Management Ltd (RFM), as responsible entity and manager for the Rural Funds Group (RFF), is pleased to announce RFF's FY17 financial results.

Highlights of the financial results as compared to the previous corresponding period include:

- Adjusted funds from operations (AFFO) per unit of 12.51 cents, up 35%
- Distributions per unit (DPU) of 9.64 cents, up 8%
- Adjusted total assets of \$588m, up 44%
- Gearing of 29%, down 8%
- FY18 forecast DPU of 10.03 cents up 4.0%, in line with DPU growth target

The increase of adjusted total assets by \$180m was primarily a result of \$52m of planned capital expenditure relating to the development of almond orchards, and acquisitions of \$114m of cattle and cotton assets, and high security water entitlements. In addition, RFF benefitted from property revaluations totalling \$20m largely relating to the established almond orchards and vineyards.

New acquisitions and capital expenditure were primarily funded through two Entitlement Offers undertaken during the period raising a total of \$140m.

FY17 generated AFFO growth of 78% over the previous period (AFFO per unit growth of 35%), mainly attributable to acquisitions, development capex and a market rent review within the almond sector.

In line with the strategic objectives of increasing distributions, improving investor liquidity and lowering operating costs per unit, the fund recorded its third consecutive year of growth. RFM has identified further opportunity to expand the fund, particularly in the cattle and cotton sectors. These sectors offer growth potential relating to improvements in productivity and value. RFF has existing balance sheet capacity to fund acquisitions with gearing at 29% at 30 June.

RFF forecasts to have a low payout ratio of 80% and one of the longest weighted average lease expiries in the sector of 13.2 years. Forecast distributions are in-line with the DPU growth target of 4% p.a. at 10.03 cents per unit for FY18.

# Rural Funds Group | ASX: RFF

Managed by:  
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## 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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