

ASX Release

13 July 2018

Subject: Successful Completion of Institutional Entitlement Offer

Rural Funds Management Limited ("**RFM**"), the responsible entity and manager of the Rural Funds Group ("**RFF**") advises the successful completion of the institutional component of its fully underwritten 3 for 10 accelerated non-renounceable entitlement offer ("**Institutional Entitlement Offer**") announced to the market on 12 July 2018, raising approximately \$42 million. The retail component of the entitlement offer ("**Retail Entitlement Offer**") will raise a further approximately \$108 million, taking the total size of the entitlement offer to \$149.5 million ("**Equity Raising**").

New units will be issued at a fixed price of \$1.95 per unit in RFF and will rank equally with existing units from allotment.

Proceeds from the Equity Raising will be used to fully fund two transactions in the cattle sector which were also announced on 12 July 2018, comprising:

1. An arrangement ("**JBS Agreements**") with JBS Australia ("**JBS**") which involves:
 - a. the acquisition and subsequent execution of a 10 year finance lease for JBS' five Australian feedlots ("**Feedlots**"); and
 - b. a 10 year limited guarantee ("**Guarantee**"), provided by RFF to a subsidiary of RFM, that will enable JBS to replace an existing arrangement for the supply of cattle to the Feedlots and grain fed business. The Guarantee is subject to RFF unitholder approval at the 10 August 2018 general meeting.
2. The purchase of a cattle property ("**Comanche**") announced on 17 May 2018.

The Equity Raising is fully underwritten by UBS AG, Australia Branch, Bell Potter Securities Ltd and Wilsons Corporate Finance Limited.

Institutional Entitlement Offer

The Institutional Entitlement Offer was well supported by existing unitholders, with approximately 84% take-up by eligible institutional unitholders. The shortfall under the

Institutional Entitlement Offer attracted strong demand with broad support from both existing unitholders and new investors. New units issued under the Institutional Entitlement Offer are expected to settle on Wednesday, 25 July 2018. Allotment and commencement of normal trading on the ASX of these new Units is expected to occur on Thursday, 26 July 2018.

Eligible retail unitholders also have the opportunity to apply and pay for their entitlements before 5.00pm (AEST) on Tuesday, 24 July 2018 to have new units allotted on the same day as units issued under the Institutional Entitlement Offer.

Retail Entitlement Offer

The Retail Entitlement Offer will open at 9.00am (AEST) on Wednesday, 18 July 2018 and close at 5.00pm (AEST) on Wednesday, 1 August 2018. Retail unitholders who hold units in RFF as at 7.00pm (AEST) on the record date of Monday, 16 July 2018 and have a registered address in Australia or New Zealand ("**Eligible Retail Unitholders**") will be invited to participate in the Retail Entitlement Offer at the same offer price, being \$1.95 and offer ratio, being 3 for 10 as the participants in the Institutional Entitlement Offer.

Further details on the Retail Entitlement Offer are set out in the booklet ("**Retail Offer Booklet**") that will be dispatched to Eligible Retail Unitholders on Wednesday, 18 July 2018. If you have any questions about the Retail Entitlement Offer, please do not hesitate to contact RFM Investor Services on 1800 026 665 (from within Australia) or +61 2 6203 9700 (from outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday during the Retail Offer Period

Units in RFF are expected to recommence trading on an ex-entitlement basis from market open today.

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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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