

Rural Funds Group (RFF)



Rural Funds Management Ltd
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28 September 2015

ASX Release

Subject: Entitlement Offer – Cleansing Notice under section 1012DAA Corporations Act 2001 (Cth) – Rural Funds Group (ASX: RFF)

On 28 September 2015, Rural Funds Management Limited ABN 65 077 492 838 (**RFM**) (AFSL No. 226701) in its capacity as responsible entity of Rural Funds Trust ARSN 112 951 578 and RF Active ARSN 168 740 805 (collectively) Rural Funds Group (**RFF**) announced a A\$22.6 million equity raising through a 2 for 13 non-renounceable entitlement offer of 20,366,832 fully paid stapled securities in RFF (**New Units**) at \$1.10 per New Unit (**Entitlement Offer**).

The Entitlement Offer is fully underwritten by joint lead managers Wilson HTM Corporate Finance Ltd and Bell Potter Securities Ltd (**Underwriters**). RFM will offer the New Units for issue without disclosure to investors under section 1012DAA(7) *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by ASIC Class Order 08/35 (**CO 08/35**).

For the purposes of section 1012DAA(7) *Corporations Act*, RFM advises:

- (a) the New Units will be issued without a product disclosure statement;
- (b) this Notice is given under section 1012DAA(2)(f) *Corporations Act* as notionally modified by CO 08/35;
- (c) as a disclosing entity, RFM is subject to regular reporting and disclosure obligations;
- (d) as at the date of this Notice, RFM has complied with:
 - i. *the provisions of Chapter 2M Corporations Act as they apply to RFF; and*
 - ii. *section 674 Corporations Act as that section applies to RFF; and*
- (e) as at the date of this Notice, there is no excluded information of the type referred to in section 1012DAA(8) and 1012DAA(9) *Corporations Act* as notionally modified by CO 08/35 in relation to RFF; and
- (f) the potential effect that the Entitlement Offer will have on the control of RFF, and the consequences of that effect, is that, in the likely event that some unitholders do not take up their full entitlement, those unitholders' percentage holdings in RFF will be diluted by those other unitholders who take up some, all, or more than their entitlement.

The Underwriters will either place the shortfall to sub-underwriters or take up the shortfall themselves. Having regard to the number of New Units to be issued under the Entitlement Offer, even if a substantial shortfall eventuated, the Underwriters or sub-underwriters would not be in a position to exercise any substantive control in RFF, and therefore no material consequences are expected.

Signed



Andrea Lemmon
Company Secretary

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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