

## NSX Release

4 December 2018

### **Subject: Revised profit guidance**

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Rural Funds Management Limited, as responsible entity and manager of RFM Poultry (RFP) advises that one of its Riverina sites, consisting of three farms, experienced a disease outbreak causing high bird mortalities.

RFP has chicken growing contracts for the relevant farms with the chicken processor Baiada, and these require that Baiada place day old chicks on RFP's farms at the commencement of each growing cycle and for RFP to grow these out to commercial weights. Each year there are on average five to six placements or batch cycles.

Baiada have advised that there will be a delay in the placement of the affected three farms until farm hygiene and biosecurity measures have been restored. RFM expects that this work will be completed within two weeks. The timing of the next placement of birds will be subject to Baiada's operational requirements.

During this period when birds are not placed, RFP will have a loss of revenue, with some offset for variable costs. For example, if the birds were not placed for 20 days, then the net financial impact would be loss of approximately \$186,000.

RFM has previously given guidance that RFP's profit for FY19 will be consistent with the previous year, that is, \$883,623 and \$640,627 before and after tax respectively. It is now expected that FY19 profit will be lower than this.

Subject to policy conditions, RFP is insured for claims arising from the loss of birds.

Under these circumstances, it is expected that distributions will be maintained.

**-ends-**

# RFM Poultry

NSX:  
RFP

Managed by:



**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](mailto:management@ruralfunds.com.au)

**W** [www.ruralfunds.com.au](http://www.ruralfunds.com.au)

## About RFM Poultry (RFP) ARSN 164 851 218

RFP is one of Australia's largest contract chicken growers producing approximately 30 million chickens every year. The chicken growing facilities that RFP operates are situated in Griffith, New South Wales and Lethbridge, Victoria. These facilities are leased from the Rural Funds Group, a listed entity that owns a suite of agricultural assets including poultry farms, almond orchards, vineyards, macadamia orchards, cattle and cotton assets. All chicken production is backed by long term grower contracts with two large processors. RFM is the responsible entity of RFP.

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For further information:

**David Bryant**

Managing Director  
Rural Funds Management  
T 02 6203 9700  
E [DBryant@ruralfunds.com.au](mailto:DBryant@ruralfunds.com.au)

For media enquiries:

**Stuart Waight**

Executive  
Rural Funds Management  
T 0419 126 689  
E [SWaight@ruralfunds.com.au](mailto:SWaight@ruralfunds.com.au)

For investor relations enquiries:

**James Powell**

General Manager – Investor Relations & Marketing  
Rural Funds Management  
T 0420 279 374  
E [JPowell@ruralfunds.com.au](mailto:JPowell@ruralfunds.com.au)

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