

RFM Poultry | NSX: RFP

Managed by:
 Rural
Funds
Management

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NSX Release

6 February 2019

Subject: Operational and financial update

Rural Funds Management Limited (RFM), as responsible entity and manager of RFM Poultry (RFP) announced on 20 December 2018 that Baiada requested repair and maintenance (R&M) items be completed prior to the next placement of birds on three farms. RFM has now received confirmation that birds will be placed mid-February.

As a result, the earnings for FY19 will be impacted by lower grower fees and increased R&M costs. RFM expects the FY19 financial result to be an after-tax loss of approximately (\$0.32m).

Whilst much of the R&M works completed in FY19 are one-off items, ongoing and increased R&M expenditure will continue to impact future years earnings, albeit to a lesser extent. Considering these circumstances, the management fees paid to RFM will be halved for FY19.

RFP's operating performance is subject to continued volatility and the financial guidance in this release is subject to numerous assumptions that may positively or negatively impact financial performance.

The December 2018 distribution was 2.6022 cents fully franked. Given the financial performance of the fund, it has been determined to decrease the two remaining FY19 distributions by 50% to 1.3011 cents fully franked.

A further update will be included in the HY19 financial results which are scheduled for release on Wednesday, 27 February 2019. A webinar will be held at 11:00AM AEDT on this date. To register please follow the link below.

<https://attendee.gotowebinar.com/register/511130366567157259>

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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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