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RURAL EQUITIES LIMITED – PROPERTY PORTFOLIO

In September 2011 the Directors of REL undertook a strategic review of the Group’s rural property portfolio to consider the structure, components and diversification of the portfolio recognising that the portfolio had been held largely unchanged for ten years. Following on from that review, the Directors advise that they have entered into unconditional contracts for the sale of Cedars and the remaining block of the Waimahaka property.

Following an approach from the property’s tenant, Cedars, a 237 hectare arable property in mid-Canterbury, has been sold with settlement scheduled for 28 June 2013. The tenant will continue to lease the property on existing terms and conditions until they complete settlement.

The sale of the remaining block of the Waimahaka property near the Manawatu Gorge has recently been completed. Settlement will be on 1 June 2013. The purchaser will lease the property until settlement.

Gross proceeds from the sale of these two properties will be \$7,980,000 which represents a gain of approximately \$475,000 over their 30 June 2011 independent market valuations.

Executive Chairman, David Cushing, said “the Directors are pleased with the strategic review undertaken which has enhanced the overall quality of the portfolio, released capital for the continuation of our capital expenditure programme and strengthened the Group’s balance sheet even further.”

Issued by : James Wright, Chief Operating Officer – Phone 06 – 870 4672