

31 August 2005

## **RURAL EQUITIES LIMITED STRONG ANNUAL RESULT**

The Directors of Rural Equities Limited (REL) are pleased to announce an after tax surplus of \$18.6 million for the year to 30 June 2005. This compares with \$16.7 million for the eleven months to 30 June 2004.

The surplus includes the consolidated results of the New Zealand Rural Property Trust ("the Trust") which is 52.4% owned by REL.

Chairman Sir Selwyn Cushing stated this was another pleasing result, particularly the surplus achieved by the Trust which resulted primarily from the increase in the value of properties owned as well as the contribution from directly managed farms and income from farm rentals.

REL completed a successful rights issue during the year which resulted in the issue of 7,412,663 new shares at \$1.00. This assisted with the purchase of the additional 20.5% of the total units on issue in the Trust.

In line with the current dividend policy Directors have decided that no dividend will be paid this year.

Farm product prices are expected to remain at similar levels to last year. The Directors expect the rural economy in the year ahead to be stable and look forward with continued optimism.

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