

*Press Release***DIVIDEND DECLARATION AND SHARE CONSOLIDATION**

On February 25, 2005, Middlefield Mutual Funds Limited (the "Fund") declared a capital gains dividend of \$0.62 per share to Growth Class shareholders of record on that date, payable on February 28, 2005. The dividend has been automatically reinvested in additional shares of the Growth Class.

Also on February 28, 2005, the number of Growth Class shares outstanding immediately following the dividend payment has been consolidated such that the net asset value per Growth Class share outstanding after the dividend shall be equal to \$10.00.

It is important to note that the total value of a shareholder's investment will not change as a result of the dividend and subsequent share consolidation, due to the decrease in the number of shares now owned by each shareholder. Since the Fund is non-certificated, new share certificates will not be issued. To obtain the new number of shares now owned by each Growth Class shareholder, the pre-dividend number of shares held must be multiplied by 0.479359. Client account statements will be mailed to shareholders to reflect the new number of shares issued.

For further information visit our website at [www.middlefield.com](http://www.middlefield.com) or contact:

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