

**FOLKESTONE FY17 EARNINGS AND DIVIDEND GUIDANCE**

Folkestone (ASX:FLK) has today provided an update on earnings guidance for the 2017 financial year. The company expects, subject to audit, to report a statutory net profit after tax of between \$13.1 million and \$13.5 million and a normalised net profit after tax<sup>1</sup> of between \$9.0 million to \$9.4 million for the year ending 30 June 2017. This compares to the statutory net profit after tax of \$5.5 million and a normalised net profit after tax of \$5.0 million in FY16.

Mr Greg Paramor, Folkestone's Managing Director said "we are extremely pleased with Folkestone's activities in FY17, with the advancement of several existing projects and the continued expansion of Folkestone's funds management platform and development pipeline."

The primary difference between the unaudited statutory net profit and normalised net profit is \$5.8 million (\$4.1 million post-tax) of the \$8.8 million total re-zoning fee received from the Wollert residential land subdivision project being treated as a one-off item. This was significantly greater than the \$3.0 million fee FLK initially forecast to receive when it secured the opportunity in December 2015. The higher than expect rezoning fee is attributable to the significant increase in the price of zoned residential land in Melbourne over this time.

"Looking forward we have a number of opportunities across the commercial, residential and social infrastructure sector all of which are under various stages of due diligence that will provide attractive investment opportunities for both Folkestone's balance sheet and investors in our funds" said Mr Paramor.

The ordinary final dividend for FY17, subject to audit, is expected to be 2.75 cents per share fully franked. This represents a 4.8 per cent increase on the current FY17 dividend guidance of 2.625 cent per share and a 10.0 per cent increase on the FY16 dividend. In addition to the ordinary final dividend, it is expected a special fully franked dividend of 0.5 cents per share will also be paid in recognition of the significantly higher revenue generated from the Wollert rezoning fee. The total forecast FY17 dividend of 3.25 cents per share represents a 30.0 per cent increase on the FY16 dividend. The FY17 dividend will be declared at the time of the release of the annual results on 24 August 2017 and will be paid in late September 2017.

For further information:

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**About Folkestone**

Folkestone (ASX:FLK) is an ASX listed real estate funds manager and developer providing real estate wealth solutions. Folkestone's funds management platform, with more than \$1.2 billion under management, offers listed and unlisted real estate funds to private clients and select institutional investors, while its on balance sheet activities focus on value-add and opportunistic (development) real estate investments. [www.folkestone.com.au](http://www.folkestone.com.au)

<sup>1</sup> The normalised figures are non-statutory amounts and in Folkestone's view better reflect the underlying operating performance of the business. Normalised net profit after tax is arrived at after adjusting the Group's statutory NPAT for significant one-off movements.