

ASX Announcement

10 April 2013

FOLKESTONE ACQUIRES WOLLONGONG COMMERCIAL BUILDING FOR NEW INCOME FUND

- **Folkestone to launch its second real estate income fund**
- **79% of current income underpinned by Commonwealth and State Government tenants**
- **Folkestone's balance sheet to underwrite \$8.0 million to assist in the acquisition**

Folkestone's (ASX:FLK) real estate funds management subsidiary, Folkestone Funds Management Limited (FFM), announced today that it had exchanged contracts for the acquisition of 43 Burelli and 34 Stewart Streets, Wollongong (Asset) for the second in its series of real estate income funds.

The Asset is an A-Grade commercial office building in the heart of Wollongong's CBD. Constructed in 1988, the six level building has a ground floor with five levels of office accommodation together with parking for 90 vehicles. The Asset comprises a strong tenancy mix anchored by Commonwealth and State Government tenants who currently contribute 79 per cent of the Asset's income.

FFM will be seeking to raise \$14.5 million when the Offer, in respect of the Fund, is launched on or around 24 April 2013. The Offer is scheduled to close on 20 June to facilitate settlement of the acquisition on 26 June 2013.

Folkestone has underwritten \$8.0 million of the Offer to assist the Fund in acquiring the Asset. This is consistent with Folkestone's strategy to utilise its balance sheet to secure attractive investment opportunities for its funds management platform.

Folkestone's Managing Director, Mr Greg Paramor said, "we are delighted to be able to secure a quality property on a high yield, which is underpinned by Commonwealth and State Government tenants. We believe there continues to be strong demand from investors for quality yield investments."

The Asset is located on the southern side of Burelli Street extending south to Stewart Street, in the heart of the Wollongong CBD and is approximately 200 metres south-west from the Crown Street Mall and GPT's Wollongong Central retail centre which is currently undergoing a \$200 million refurbishment.

For further information regarding this announcement please contact:

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Folkestone

About Folkestone

Folkestone (ASX:FLK) is an ASX listed specialist fund manager, investor and developer providing real estate wealth solutions. Folkestone's on balance sheet activities focus on value-add and opportunistic real estate investments and its funds management platform, with approximately \$600 million under management, offers listed and unlisted funds to private clients, high net worth individuals and institutional investors.

Note: FFM will be the issuer of the units under the Offer and will make available a Product Disclosure Statement (PDS) for the product. Any person considering whether to invest should consider the PDS before making any decision about the product. When available, a copy of the PDS may be obtained from FFM by contacting us on (03) 8601 2668.