

# Folkestone

## **ASX ANNOUNCEMENT**

12 November 2013

### **FOLKESTONE COMMENCES STAGE 1 AT MILLERS ROAD, ALTONA NORTH AND ANNOUNCES NEW INCOME FUND**

Folkestone Limited (ASX:FLK) is pleased to announce the commencement of Stage 1 of the Millers Road, Altona North development and the sale of the development to a new unlisted fund – the Folkestone Real Estate Income Fund at Altona North (“the Fund”).

The 21,500 square metre large format retail centre (“the Centre”) will be anchored by Bunnings and includes Officeworks, together with JB HiFi, Repco, PETstock and petVet. Folkestone is also pleased to announce that it has entered into a contract of sale of 8,063sqm of land to Aldi Stores adjoining the Centre for a 1,600 square metre supermarket.

Folkestone’s Head of Real Estate Ben Dodwell said “We are delighted to be in a position to commence Stage 1 works and construct a large format retail centre anchored by leading tenants such as Bunnings, Officeworks and JB Hi-Fi Home. Altona North is undersupplied with quality large format and convenience retail and we believe the Centre will be well supported by the community”. The Centre is 99.6 per cent pre-committed. FDC Construction and Fitout will build the Centre.

Millers Road, Altona North is the last remaining project in the original Folkestone portfolio, prior to the recapitalisation and restructure of Folkestone in 2011. As foreshadowed in May 2013, when Folkestone assumed 100 per cent ownership of the project following the acquisition of AMP Capital’s 50 per cent interest, the Centre is to be acquired by a new Folkestone fund – the Folkestone Real Estate Income Fund at Altona North.

Managing Director Greg Paramor said “Stage 1 of Millers Road, Altona North demonstrates Folkestone’s ability to manufacture our own pipeline of quality product for our investor network and to generate recurring income streams from fund management fees for Folkestone”.

Folkestone Funds Management is seeking to raise \$16.35 million from investors. The Fund has a forecast annualised distribution yield of 8.5 per cent per annum in FY14 and FY15 with distributions to be paid quarterly. The Offer opens on 12 November and is scheduled to close on 9 December, 2013.

Mr Paramor said “This is the third in our real estate income fund series, and we believe the strong lease covenants, the weighted average lease expiry of 10.6 years, and the attractive yield will appeal to investors looking for long-term stable income from quality real estate assets”.

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For further information regarding this announcement please contact:

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## **About Folkestone**

Folkestone (ASX:FLK) is an ASX listed real estate funds 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.