



FOLKESTONE ENTERS JOINT VENTURE TO ACQUIRE STRATEGIC SITE IN SYDNEY'S NORTH-WEST

Folkestone Limited (ASX: FLK) is pleased to announce that it has entered into a 50/50 joint venture ("JV") with the Lyon Group Australia, a leading Sydney developer, to develop a strategically located, mixed use site opposite one of the major train stations in Sydney's north-west.

FLK has agreed to contribute circa \$2.2 million in a series of payments to the JV to fund option agreements over two commercial buildings. Under the agreement, the JV will seek to consolidate a number of parcels of land to unlock a significant mixed-use development opportunity through a capital efficient structure.

In line with FLK's strategy of growing its funds management platform, FLK may establish two funds to introduce third party capital to the project via an:

- opportunity fund – to co-invest with FLK in its share of the JV up to the re-zoning or DA approval of the project; and
- development fund – to co-invest with FLK in its share of the JV in the development of the project.

Folkestone's Managing Director, Mr Greg Paramor said "The desire for local and off shore investment in high rise development opportunities in Sydney has been well documented. There is a limited supply of well located, strategic development sites that have contiguous land ownership and are capable of being developed, especially around transit oriented development (TOD) sites."

"The most effective response to urban sprawl is to increase urban densities and develop along transport corridors (particularly public transport corridors) which is in line with the NSW Government's Draft Metropolitan Strategy of seeking to cluster jobs, housing and services around transport nodes in targeted growth centres and corridors" said Mr Paramor.

"We are delighted to be partnering with the Lyon Group who have a 50 year track record in successful commercial and residential development in Sydney" said Mr Paramor.

Lyon Group's Managing Director, Mr Bruce Lyon said "Our Group has been a driving force in development throughout the north-west region of Sydney and we are delighted to have formed this initial joint venture with Folkestone. We also foresee a longer term strategic alliance combining the development expertise of the Lyon Group with the real estate and funds management expertise of Folkestone."



Folkestone

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 \$850 million 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

About Lyon Group

Established in 1955 by Bruce Lyon, Lyon Group Australia is one of Australia's most successful and leading property development and investment groups with major projects throughout Australia. The company has a successful track record in identifying opportunities in a wide range of property sectors. These range from master-planned communities and residential apartments to hotel and leisure related property. By collaborating with leading architects, interior designers and builders, Lyon Property Group creates developments that are industry leaders.

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