

Appendix 4D

Half-Year Report For the half-year ended 31 December 2014

1. Details of the reporting period and the previous corresponding period

Current period: 1 July 2014 to 31 December 2014
 Prior corresponding period: 1 July 2013 to 31 December 2013

2. Results for announcement to the market

Key Information				\$A'000 Current period	\$A'000 Previous corresponding period	
2.1	Revenues from ordinary activities	Up	756%	To	\$38,121	\$4,452
2.2	Profit from ordinary activities after tax attributable to members	Up	23%	To	\$1,959	\$1,596
2.3	Net profit for the period attributable to members	Up	23%	To	\$1,959	\$1,596

2.4 Dividends

The Board has resolved not to pay an interim dividend in respect of the half-year ended 31 December 2014 and no final dividend was paid for the year ended 30 June 2014.

2.5 Record date for determining entitlement to dividends

Not applicable

2.6 Brief explanation of the figures reported above

The net profit after tax attributable to members of the parent entity for the six months ended 31 December 2014 was \$2.0 million compared to a net profit after tax of \$1.6 million in the prior corresponding period.

The half year result includes the following material items:

- \$3.1 million of recurring fee income and cost recoveries generated from Folkestone's funds management platform;
- \$1.1 million of trust distributions received from Folkestone's unitholding in the Folkestone Education Trust (ASX:FET);
- \$0.9 million share of development profits from Folkestone's 50% interest in the Officer project joint venture; and
- \$0.5 million net contribution from the completion of the Stage 1 development, sale of land to Aldi and reversal of impairment on the stage 2 land being developed in joint venture with Wilmac Properties at the Millers Junction project at Altona North.

The increase in revenue from the prior corresponding period is as a result of the settlement of the Stage 1 development and Aldi site at the Millers Junction project at Millers Road, Altona North.

Please refer to the attached Half-Year Report for further information.

3. Net tangible asset backing per ordinary security

Security	Current period	Previous corresponding period
Ordinary shares	14.5c	11.4c

Shares on issue at reporting date	Current period	Previous corresponding period
Ordinary shares	735,043,807	521,758,762

Folkestone Limited successfully completed a \$42 million Equity Raising in December 2014 which included the following components:

- Allotment of 78,756,571 shares at 20.0 cents per share by way of a share placement to institutional investors on 4 December 2014;
- Allotment of 64,863,781 shares at 20.0 cents per share on 4 December 2014 as part of the institutional component of the pro-rata 1 for 4.00 entitlement offer; and
- Allotment of 66,379,648 shares at 20.0 cents per share on 19 December 2014 as part of the retail component of the pro-rata 1 for 4.00 entitlement offer.

4. Control gained or lost over entities in the period

	Ownership Interest	Date of gain of control
Folkestone Truganina Development Fund	100%	4 August 2014
Folkestone Hornsby Development Fund	100%	15 December 2014

5. Dividend details

Not applicable

6. Dividend or distribution reinvestment plan details

Not applicable

7. Details of associates and joint venture entities

Name	Ownership interest %	
	Current period	Previous corresponding Period
330 Princes Highway Pty Ltd	50%	50%
Noone St Clifton Hill Pty Ltd	50%	50%
Toga West Ryde Developments Pty Ltd	50%	50%
ID-FLK Dohertys Road Pty Ltd	80%	0%
ID-FLK Bayview Road Pty Ltd	50%	0%
Wilmac-FLK Millers Road Pty Ltd	51%	0%
Folkestone Lyon Hornsby Pty Ltd	50%	0%
Greenvalley Asset Property Trust	25%	25%

8. Applicable accounting standards for foreign entities

Not applicable



Folkestone

9. Statement if accounts are subject to modified opinion, emphasis of matter or other matter paragraph

The half-year report has been subject to review, and is not subject to review with a modified opinion, emphasis of matter or other matter paragraph.