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Folkestone Limited

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Folkestone's 2005 Preliminary Result

Folkestone Limited advises that its unaudited after tax profit for FY 2005 will be about \$950k. This is in line with the profit guidance issued on 04 May 2005 to the ASX.

Directors confirm that, subject to audit of the final results, the final dividend will be maintained at 3.5 cents per share. This will result in total dividends of 6 cents per share fully franked, which is the same as last year's ordinary dividend.

Planning delays and adverse market conditions impacted on two of the company's larger projects and were the main factors in the reduced profit. This will also affect the FY 2006 results. Despite this, the outlook (in terms of the historical accounting standards) for FY 2006 is for a significant improvement, with the Port Melbourne projects coming on stream.

The results for FY 2006 will be subject to the application of a new accounting regime (IFRS). The impact of the IFRS will increase volatility due to the timing of profit recognition, although total profits realised over time will not be affected. Further guidance of the impact of IFRS for FY 2006 will be provided with the 2005 Annual Accounts.

The contribution from Access Constructions is in line with expectations and the synergies resulting from this acquisition are positive.

For further information:

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