
FOLKESTONE TO INCREASE HOLDING IN FOLKESTONE EDUCATION TRUST FOLLOWING MERGER WITH FOLKESTONE SOCIAL INFRASTRUCTURE TRUST

Folkestone Limited (ASX: FLK) refers to the announcements made today by Folkestone Education Trust (ASX: FET) and Folkestone Social Infrastructure Trust (ASX: FST) in relation to a scheme merger that, if approved and implemented, would result in FST merging with FET.

Mr Greg Paramor, Folkestone's Managing Director said "Folkestone as the manager of FET and FST believes the transaction delivers significant value to both sets of Unitholders. Folkestone remains committed to the real estate social infrastructure sector and believes that the on-going provision of accommodation for the early learning sector provides a key benefit to the community."

"Since acquiring the management rights to the Austock Property Funds Management platform including FET and FST in 2012, Folkestone has worked hard to deliver on each Trust's objectives and to manage each Trust in the best interest of Unitholders. The announcement of today's transaction is the next stage in their evolution and creates a larger, more efficient Trust focused on investing in early learning properties."

In addition to the announcement of the scheme merger, Folkestone Real Estate Management Limited (FREML) as Responsible Entity for FST has announced that it has entered into a legally binding sale agreement to sell the 9,035,268 Units it holds in FET to FLK for a price of \$1.86 per unit amounting to a total consideration of \$16.8 million.

The price was determined based on a 30 day VWAP of FET Units at the time of the announcement of the scheme merger between FST and FET. The sale of units to FLK is subject to the approval of the scheme merger by FST Unitholders. The FST Unitholder meeting is expected to be held on 19 December 2014.

Following the acquisition of FST's unitholding in FET by FLK and the merger of FET and FST, FLK's holding in FET will increase from 1.2 per cent to 4.8 per cent.

Mr Paramor said "Folkestone's increased investment in FET further strengthens our alignment of interest with Unitholders."

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 over \$800 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