

12 February 2009

## **FOLKESTONE ANNOUNCES RESULT FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

Folkestone Limited (ASX:FLK) today announced an operating profit after tax (before inventory writedowns and significant one-off items) for the half year ended 31 December 2008 of \$1.907m compared to \$1.883m for the corresponding period in 2007.

The result for the half year has been impacted by provisions made against the carrying value of inventories relating to our projects at toyotagreen Port Melbourne and 300 Millers Road Altona and a favourable one-off settlement of the copyright infringement claim by Access Constructions.

The net loss after tax for the six months ending 31 December 2008 is \$181 thousand compared to a net profit after tax of \$1.883 million in the corresponding period in 2007. This represents basic earnings per share of (0.58) cents, compared with 6.14 cents in the corresponding period in 2007.

Economic conditions have deteriorated rapidly over recent months with significant improvement not expected until the 2010 calendar year. The continued volatility in financial and property markets make it very difficult to predict full year earnings.

Financial markets continue to suffer from a severe lack of liquidity. In light of the current economic conditions and their continuing impact on property markets for the foreseeable future, the Folkestone Board is focussed on managing its capital resources to ensure its current stable of assets are positioned to take full advantage of any favourable change in market conditions.

Consequently, the Board has resolved to not pay an interim dividend.

### **For further information regarding this announcement please contact:**

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### **ABOUT FOLKESTONE**

Folkestone is a Melbourne based developer of industrial, commercial and residential property. It listed on the Australian Stock Exchange as an independent company in 2000. It operates through two divisions; Folkestone Developments and Access Constructions. These operations create value throughout the development process, from land acquisition, through planning and approvals, financing, construction, marketing and sales.

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