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Folkestone Limited

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FOLKESTONE ANNOUNCES INTERIM PROFIT RESULT

Folkestone Limited (ASX: FLK) today announced a net profit after tax for the six months ended 31 December 2007 of \$1.883m compared with \$0.495m for the previous corresponding period. An interim dividend of 3 cents per share (2007: 2.5 cents) will be paid on 10 March 2008.

Folkestone's CEO, Mr Oscar Guglielmi, said,

"The result for the six months ended 31 December 2007 reflects the re-positioning of the company and follows the strong full year result achieved at 30 June 2007. The interim result also reflects the continued implementation of the company's growth strategy with recurring fee income now a key component of our earnings profile."

During the period under review, the company made a further acquisition at 300 Millers Road Altona, a 14.89 hectare site zoned Industrial 3 and offering immediate re-development potential for a range of options. The acquisition was made in joint venture with the AMP Capital Investors' Managed Select Property Portfolio Fund No.2. Further progress was also made with the company's other major developments at Mickleham (industrial re-zoning), Clifton Hill (residential) and toyotagreen (industrial/office/showroom).

Access Constructions continues to contribute consistent returns to the group. With a forward workbook at 31 December 2007 of approximately \$69 million, Access is on target to achieve similar turnover levels for the full year to that of last year.

For further information about this ASX/Media release please contact:

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About Folkestone Limited

Folkestone Limited is a Melbourne based developer of industrial, commercial and residential property. It listed on the Australian Stock Exchange as an independent company in 2000.

Folkestone Limited 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, constructions, marketing and sales. The company's objective at all times is to deliver high quality products that meet the needs of purchasers, owner/occupiers and tenants.

For further information about **Folkestone Limited** you can visit www.folkestone.com.au