

Folkestone

ASX ANNOUNCEMENT

2 April, 2014

FOLKESTONE FUND SETTLES ACQUISITION OF OXLEY NEIGHBOURHOOD SHOPPING CENTRE

Folkestone's (ASX:FLK) real estate funds management subsidiary, Folkestone Funds Management, announced today, the Folkestone Real Estate Income Fund at Oxley ("Fund") has settled the acquisition of The Station Oxley, a 7,094 square metre neighbourhood shopping centre.

"We are delighted to have acquired The Station, Oxley for our fourth real estate income fund given its excellent location and long-term leases with secure covenants to Woolworths and the Queensland Government," said Folkestone's Managing Director, Mr Greg Paramor.

"The commencing annualised forecast distribution of 8.0 per cent per annum in FY14 and FY15, offers investors a very attractive premium of 550 basis points to the current cash rate" he added.

Folkestone Limited has underwritten \$18.33 million of the \$20.55 million of equity as part of the Fund offer to assist with the acquisition. Since the release of the Product Disclosure Statement dated 21 March 2014, Folkestone has already raised and allotted \$2.22 million. This underwriting commitment will be reduced as new investors subscribe for units in the Fund. The Fund offer is scheduled to close on 9 May, 2014 or earlier if the total equity is raised prior to this date.

For further information regarding this announcement please contact:

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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 \$735 million under management, offers listed and unlisted funds to private clients, high net worth individuals and institutional investors with its on balance sheet activities focus on value-add and opportunistic real estate developments. For further information visit www.folkestone.com.au.