



FOLKESTONE SHAREHOLDERS APPROVE ACQUISITION BY CHARTER HALL

Folkestone Limited ("Folkestone") announces that its shareholders ("Shareholders") have voted in favour of the proposed acquisition of Folkestone by Charter Hall Limited, part of the Charter Hall Group (ASX:CHC) by which Charter Hall Limited will acquire 100 per cent of the ordinary shares in Folkestone via a Scheme of Arrangement ("Scheme"). The meeting of Shareholders to consider the Scheme was held this morning at 11.30am (Sydney time) at the offices of Boardroom Limited at level 12, 225 George Street, Sydney NSW.

VOTING RESULTS

Folkestone advises that the resolution to approve the Scheme was passed by the requisite majorities of Shareholders, with:

- 98.89 per cent of Folkestone Shareholders present and voting (either in person or by proxy) in favour of the resolution; and
- 99.60 per cent of votes cast in favour of the resolution.

The poll report submitted by Folkestone's appointed Returning Officer is attached. The results of the poll are also summarised in the below table:

	Votes For	Votes Abstaining	Votes Against	Total
Votes	106,983,691	4,000	424,873	107,412,564
% of Votes	99.60	0.00	0.40	100
No of Shareholders	266	1	2	269

There were 148,368,964 of proxy votes exercisable and 107,412,564 of votes cast on the poll.



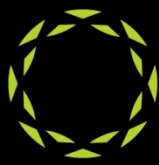
NEXT STEPS AND INDICATIVE TIMETABLE

Folkestone will now seek approval for the Scheme from the Federal Court of Australia (“**Court**”) at a hearing scheduled for 10.15am on 22 October 2018. If the Court approves the Scheme, Folkestone intends to lodge the orders of the Court with the Australian Securities and Investments Commission (“**ASIC**”) on 23 October 2018. Once this occurs, the Scheme will become effective and it is expected that Folkestone shares will be suspended from trading on the ASX from close of trading on 23 October 2018.

The indicative timetable for implementation of the Scheme remains as follows:

Date	Event
Monday, 22 October 2018	Second Court Hearing
Tuesday, 23 October 2018	Effective Date for Scheme - Court order lodged with ASIC and announcement to the ASX
Tuesday, 23 October 2018	Folkestone Shares Suspended from the ASX from close of trading
Friday, 26 October 2018	Record Date for Special Dividend for determining entitlements to the Special Dividend (“Special Dividend Record Date”)
Wednesday, 31 October 2018	Record Date for Scheme for determining entitlements to the Bidder Consideration (“Scheme Record Date”)
Wednesday, 7 November 2018	Scheme Implementation Date - Payment of Scheme Consideration including Special Dividend
Thursday, 8 November 2018	De-listing of FLK from the ASX

The above dates are indicative only and the actual times and dates will depend on a number of factors, including the Court approval process and the satisfaction or, where applicable, waiver of the conditions precedent in the Scheme Implementation Agreement. Any variation to the timetable will be publicly announced and posted on Folkestone’s website and on the ASX.



SCHEME CONSIDERATION

If the Scheme is implemented, Folkestone Shareholders who are registered as such on the Special Dividend Record Date and the Scheme Record Date will receive a total cash payment of \$1.39 ("Scheme Consideration") for each Folkestone share¹ that they own, which will comprise:

- a Charter Hall cash consideration of \$1.354 per share¹; and
- a Special Dividend² of \$0.036 per share¹.

For further information, 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 more than \$1.6 billion 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

1. As at the date of the announcement on 22 August 2018, there was 148,099,564 shares on issue and 3,268,128 unvested employee performance rights. In accordance with the terms of Executive Incentive Plan, the Board has determined that these performance rights will vest and as a result will receive the Scheme Consideration.
2. Folkestone has applied to the ATO for a class ruling in relation to the tax implications of the Scheme, including the availability of franking credits for the Special Dividend.

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**Folkestone Limited
Scheme Meeting
Wednesday, 17 October 2018
Voting Results**

The following information is provided in accordance with section 251AA(2) of the Corporations Act 2001 (Cth).

Resolution details		Instructions given to validly appointed proxies (as at proxy close)				Number of votes cast on the poll (where applicable)			Resolution Result
Resolution	Resolution Type	For	Against	Proxy's Discretion	Abstain	For	Against	Abstain*	Carried / Not Carried
1. To Approve The Scheme Implementation Agreement	Special	103,890,886 97.08%	424,873 0.40%	2,698,414 2.52%	4,000	106,983,691 99.60%	424,873 0.40%	4,000	Carried

* Votes cast by a person who abstains on an item are not counted in calculating the required majority on a poll.