

FOLKESTONE SUCCESSFULLY COMPLETES NON-RENOUNCEABLE RETAIL ENTITLEMENT OFFER

Folkestone Limited (ASX: FLK) is pleased to announce the successful completion of its fully underwritten 1 for 4 non-renounceable retail entitlement offer to eligible shareholders (Retail Entitlement Offer) at an offer price of \$0.20 per new share.

The Retail Entitlement Offer together with the Institutional Placement and Accelerated Institutional Entitlement Offer announced to ASX on 24 November 2014, raised a total of \$42 million with the net proceeds to be used to increase FLK's investment in the Folkestone Education Trust (ASX: FLK) and providing working capital to accelerate the growth of its pipeline of on-balance sheet development activities and funds management platform.

Under the Retail Entitlement Offer, FLK received valid applications for approximately 47.7 million new shares (\$9.5 million) from shareholders for entitlements, plus applications for additional new shares of approximately 8.2 million (\$1.6 million), in total representing approximately 84.2% of shares available under the Retail Entitlement Offer.

The Retail Entitlement Offer was fully underwritten by Moelis Australia Advisory Pty Ltd (Underwriter). In accordance with the terms of the underwriting agreement between Folkestone and the Underwriter, the resulting shortfall of approximately \$2.1 million will be either allotted to the sub-underwriters or taken up by the Underwriter.

Dispatch of holding statements and allotment of new shares issued under the Retail Entitlement Offer is scheduled to occur on Monday, 22 December 2014.

Commencement of normal trading in the new shares issued under the Retail Entitlement Offer is scheduled to commence on Friday, 19 December 2014.

The Directors of Folkestone are pleased with the level of support for the Retail Entitlement Offer which has been confirmed by the high participation level from shareholders. Greg Paramor, Folkestone's Managing Director, said "The willingness of shareholders to increase their holdings demonstrates strong support for the Company's future and underpins Management's strategy of growing Folkestone to the benefit of its shareholders".

GREG PARAMOR

Managing Director
02 8667 2800

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 \$850 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

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