

20 August 2007

**Folkestone Limited**

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## **FOLKESTONE REPORTS RECORD PROFIT**

Folkestone Limited (ASX:FLK) is pleased to announce that the company has achieved a record profit for the year ended 30 June 2007 of \$4.3m which reflects an earnings per share of 14.2 cents compared with \$1.8m and an EPS of 6.1 cents the previous year.

The directors have declared a final dividend of 4 cents per share and a special dividend of 1.5 cents per share in recognition of the very strong performance. This makes a total return of 8 cents per share compared to 6 cents per share last year. Both the final and special dividend will be paid on 2 October 2007 and will have a record date of 18 September 2007.

### **Highlights for the year**

The highlights for the year under review were:

- Acquisition of 52 ha of industrial land at Altona in September 2006 and subsequent sale in June 2007.
- Acquisition of 320 ha of future industrial land at Mickleham
- Acquisition of 1.1 ha of residential infill land at Clifton Hill
- Strong contribution from Access Constructions

In commenting on the 2007 result, Folkestone's CEO, Oscar Guglielmi said,

"This is a very pleasing result following a year of repositioning and implementation of the company's growth strategy which is designed to boost recurring income and to reduce earnings volatility. The company is actively seeking additional parcels of land that will deliver a diversified portfolio of projects."

The 2007 profit result was materially impacted by the contribution from the sale of the Altona property in June 2007.

In commenting on the Altona sale, Mr Guglielmi said,

"We are pleased that our strategy of identifying strategic parcels of land was proved sound. This property was one of the last remaining large parcels of industrial land in Altona and the strong demand enabled Folkestone to realise its investment objectives earlier than anticipated."

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## **FOLKESTONE REPORTS RECORD PROFIT continued**

Access Constructions post-tax contribution of \$2.3m was similar to the profit recorded last year and they remain a steady profit contributor to the overall results of the group. Access's forward workbook at 30 June 2007 was \$41m and we expect another solid performance in the coming year.

### **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.