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**FOLKESTONE ENTERS JOINT VENTURE TO ACQUIRE A STRATEGIC SITE IN SYDNEY'S NORTH-WEST**

Folkestone Limited (ASX: FLK) is pleased to announce that it has entered into a 50/50 joint venture with the Lyon Group Australia, a leading Sydney property developer, ("Folkestone Lyon JV") to acquire development rights over 59.7 hectares currently owned or under option by an entity associated with the Lyon Group in South Dural ("Folkestone Lyon Land").

The Folkestone Lyon Land forms a key component of the 240 hectare (590 acres) area known as South Dural. South Dural is strategically located between the rapidly growing suburbs of Glenhaven and Kellyville and the established areas of Castle Hill and Cherrybrook in Sydney's north-west. It is approximately 2.0 kilometres from the new Castle Hill railway station and 2.5 kilometres from the Cherrybrook railway station, both of which are key stations on the Sydney Metro Northwest rail line currently under construction.

The Folkestone Lyon JV is seeking the rezoning of South Dural, which includes the Folkestone Lyon Land to facilitate residential and mixed use development in an integrated manner under the NSW Government's Gateway Determination dated 4 March 2014. The Folkestone Lyon JV is working collaboratively with the South Dural Residents and Ratepayers Group as the Preferred Developer Proponent, Hornsby Shire Council and the NSW State Government to have South Dural rezoned.

Under the terms of the arrangement between Folkestone and the Lyon Group, the majority of the optioned land is not anticipated to settle until FY18. At the commencement of the JV, Folkestone has committed \$6.0 million in equity and loans to the JV and entities associated with the Lyon Group and will be required to commit further funds in FY17 and FY18 to fund its share of development expenditure and settlements.

Folkestone's Managing Director, Mr Greg Paramor said "the State Government's draft North Subregional Strategy sets out a target of 11,000 new dwellings and 9,000 new jobs in the Hornsby Shire by 2031. The rezoning of the South Dural land to residential will make an important contribution to meeting the dwelling target of the Hornsby Shire Council. It will also assist the NSW Government achieve its objective of accelerating the delivery of new housing in Sydney to meet the needs of a growing population, to satisfy a growing demand for different types of housing and improve housing affordability."

Lyon Group's Managing Director, Mr Bruce Lyon said "the Lyon Group has been a driving force in development throughout the north-west region of Sydney and we are delighted to form our second joint venture with Folkestone to bring about the rezoning and residential development of a major new suburb in Sydney's north-west. South Dural is the missing link between the Hills District and the Hornsby Shire, and with the opening of the Sydney Metro Northwest rail line in 2019, South Dural will provide key housing stock within a few kilometres from the Castle Hill and Cherrybrook stations."

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## FOR FURTHER INFORMATION

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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 \$917 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](http://www.folkestone.com.au)

#### **About Lyon Group**

Established in 1955 by Bruce Lyon, Lyon Group Australia is one of Australia's most successful and leading property development and investment groups with major projects throughout Australia. The company has a successful track record in identifying opportunities in a wide range of property sectors. These range from master-planned communities and residential apartments to hotel and leisure related property. By collaborating with leading architects, interior designers and builders, Lyon Property Group creates developments that are industry leaders.

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