



DEBT FACILITIES INCREASED BY \$50 MILLION

Effective from 29 June 2017, the Folkestone Education Trust (“FET”) increased the facility limits of its bilateral banking facilities by \$50 million to \$317 million. The facilities are currently drawn to \$245 million, resulting in \$72 million remaining undrawn and available to fund FET’s development pipeline. The increase in facilities was provided equally by FET’s current lenders, Australia and New Zealand Banking Group Limited and Hongkong and Shanghai Banking Corporation Limited.

As part of the increase in the facility limit, FET also increased the maturity of debt facilities totalling \$133.5 million by one year, resulting in a weighted average debt maturity of 3.5 years as at 30 June 2017. Key covenants regarding LVR and ICR remain unchanged.

As part of FET’s interest rate management policy, additional hedging positions have been taken out to extend the hedging profile through to June 2022 and to supplement FET’s existing positions between FY18 and FY21. For FY18, \$172 million (70%) of the drawn debt is now hedged at an average rate of 2.8% per annum (excluding margin and line fee). The average hedging position over a five year period to June 2022 is 55% hedged at an average rate of 2.95% per annum on the same basis.

Based on the revised debt and hedging arrangements, it is forecast that FET’s cost of debt will be marginally reduced to approximately 4.2% per annum as at 30 June 2017.

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About Folkestone Education Trust

The Folkestone Education Trust (FET) is a listed real estate investment trust (A-REIT) that invests in early learning properties. FET’s website, www.educationtrust.folkestone.com.au provides information on FET, its Manager, announcements, current activities and historical information.

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 \$1.2 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