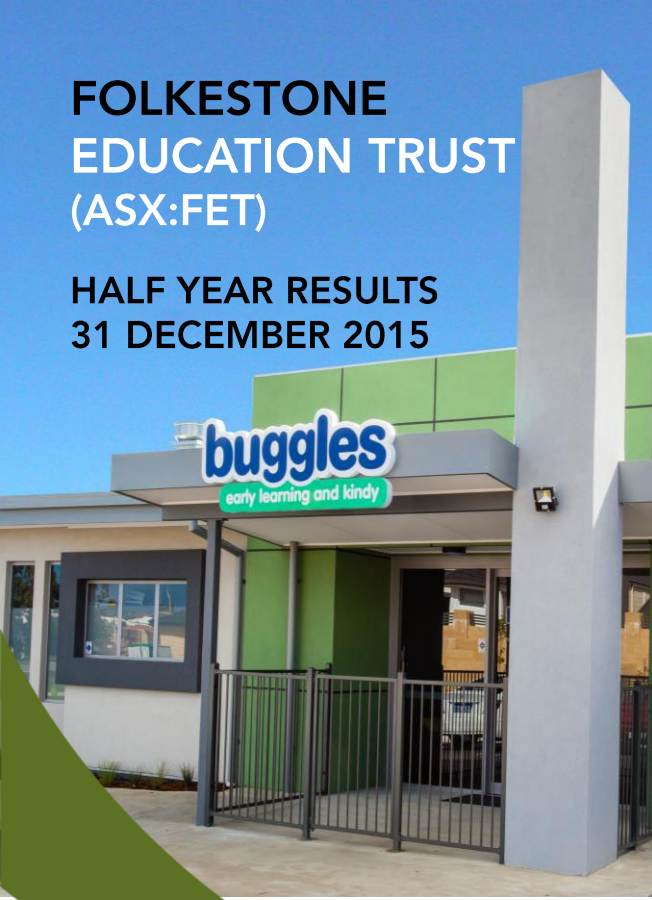


FOLKESTONE EDUCATION TRUST (ASX:FET)

HALF YEAR RESULTS
31 DECEMBER 2015



Folkestone
EDUCATION TRUST

Nick Anagnostou
Chief Executive Officer

Travis Butcher
Chief Financial Officer

- FET Investment Proposition
- Half Year Performance Review
- FET's Performance
- Financial Results
- Capital Management
- Strategy
- Asset Portfolio
- Portfolio Management
- Early Learning Market
- Next 6 Months
- Appendices
- Directory



FET INVESTMENT PROPOSITION

CHILDCARE ATTRIBUTES



PROPERTY ATTRIBUTES

Increasing participation rate and demand for childcare services

Government recognition of industry importance through increased funding

No substitute for formal childcare. Increasing industry standards

Imperative of childcare and resultant social and economic benefits

Strong industry conditions for operators

- ASX 300 A-REIT
- No. 1 A-REIT over 10 Years¹
- Predictable Income
- Quarterly Distributions
- 99.5% Occupancy
- Strong Operator Demand
- Zero Incentives
- Minimal CAPEX
- Net Effective Income
- 5 Year Notice Periods to Exercise Options
- High Alternate Use Values
- Geographic Diversity - Eastern Seaboard Weighting

Operator goodwill, dependent upon lease tenure, provides long WALE (7.8 years)

15 year initial lease terms, typically triple net leases with annual rent reviews

Predominantly residential underlying land use in high demand locations

Land rich nature provides a second value driver

Industry growth allows for real estate development profits

¹ UBS Australian REIT Month in Review – December 2015

HALF YEAR PERFORMANCE REVIEW

DEFINED STRATEGY DRIVES PERFORMANCE

\$59.5m Net Profit +13.8%	\$16.9m Dist. Income +29.0%	6.9 cpu EPU ¹ +7.8%	6.7 cpu Distribution +5.5%	\$2.00 NTA Per Unit +9.9%	11.0%⁵ Total Return
PORTFOLIO MANAGEMENT Systematic Portfolio Growth & Reweighting		ASSET MANAGEMENT Strategically Adding Value		CAPITAL MANAGEMENT Maximising Unitholder Value	
\$6.6m / 6.9% yield Divestments (settled)		7.8 Yrs / 99.5% WALE / Occupancy		4.5% pa (-0.1%) Cost of Debt	
~12% Margin on 3 Completed FY16 Developments		+\$41.5m² Increase in Valuations		27.6% (-1.9%) Gearing	
18 Development Sites and 3 Existing Centre Acquisitions committed		-100bps Yield Compression ³		51% Average Hedged Debt until FY20	
\$98.6m Acquisition/Development Pipeline		6.5% Rental increase on market reviews ⁴		Minimal Capex and Zero Incentives	

¹ Distributable income divided by the weighted average number of units on issue

² Independent and directors' valuations

³ Freehold independent childcare valuations, excluding directors' valuations

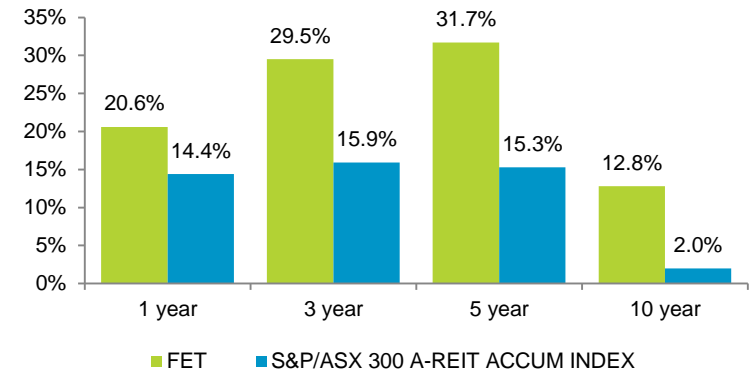
⁴ Australian market rent reviews only

⁵ For the six months to 31 December 2015

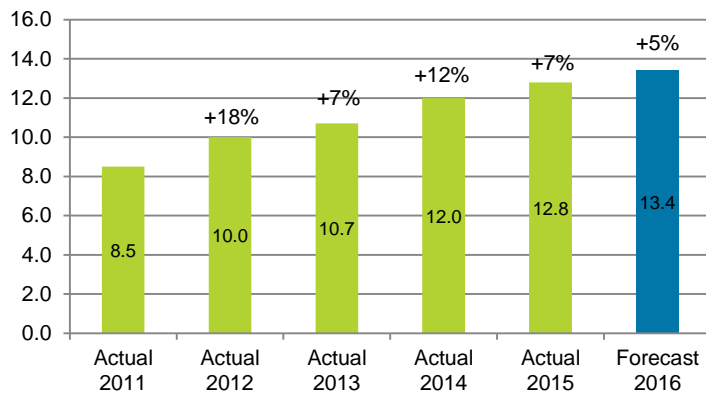
FET'S PERFORMANCE

- Continued performance driven by execution of a well-formulated and clear strategy
- FET has consistently outperformed the S&P/ASX300 A-REIT Accumulation Index across 1, 3, 5 and 10 year period
- FET ranked 5th over 1 year, 2nd over 3 and 5 years and 1st over 10 years¹
- Distribution growth – average 9.5% p.a. since 2011
- NTA growth - average 12.4% p.a. since 30 June 2011

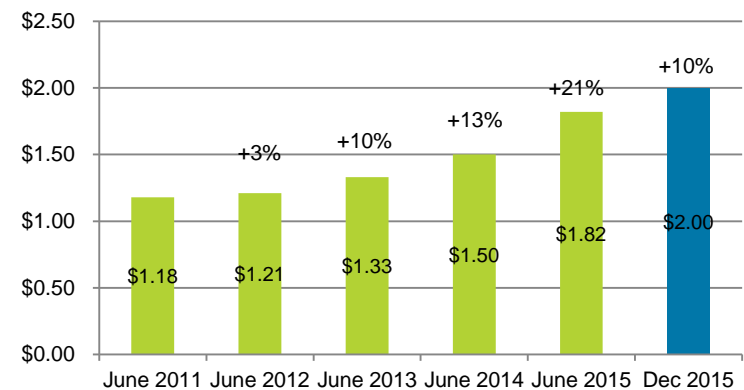
FET TOTAL RETURN PERFORMANCE VS S&P/ASX 300 A-REIT INDEX: TO 31 DECEMBER 2015



DISTRIBUTION GROWTH CPU: FY2011 - FY2016



NTA GROWTH \$ PER UNIT: 2011 – 2015



¹ UBS Australian REIT Month in Review – December 2015

FINANCIAL RESULTS



Recently Completed Centre – Monaghan Close, Baldivis, WA

FINANCIAL RESULTS - HALF YEAR TO 31 DECEMBER 2015

Key Financial Metrics

For the half year ended 31 December	2015	2014	% Change
Statutory Profit (\$m)	59.5	52.3	13.8
Distributable Income (\$m)	16.9	13.1	29.0
EPU ¹	6.9	6.4	7.8
Distribution (cpu)	6.7	6.35	5.5

As at	December 15	June 15	% Change
Total Assets (\$m)	708.7	654.5	8.3
Investment Properties (\$m)	677.1	627.3	7.9
Borrowings (\$m)	195.6	193.2	1.2
NTA per Unit (\$)	2.00	1.82	9.9
Gearing (%)	27.6	29.5	(1.9)

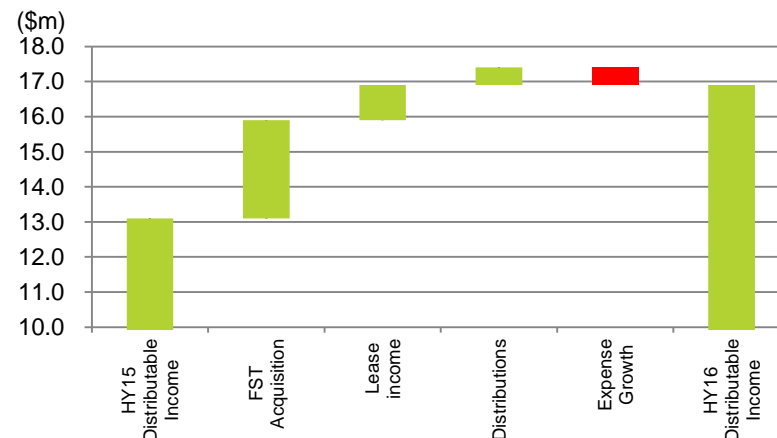
Further details and commentary is included in the Appendices

¹ Distributable income divided by weighted average number of units

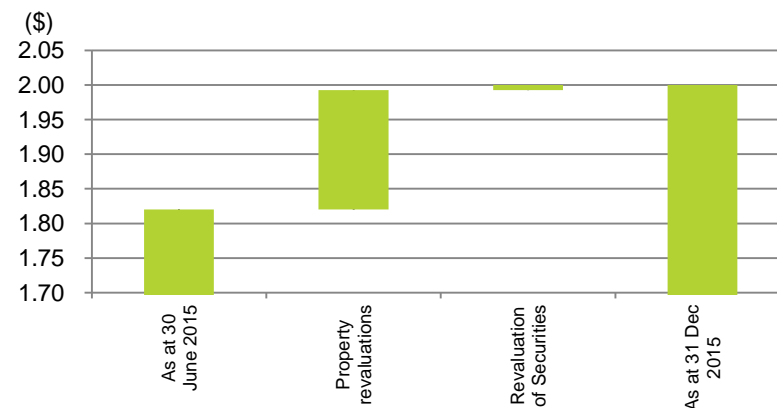
PROFIT & NTA CONTRIBUTIONS

- Improvement in HY16 distributable income due to:
 - FST transaction (completed January 2015) which contributed \$2.8 million
 - lease income increase of \$1.0 million due to:
 - 2.6% lease increase across the portfolio
 - acquisitions and development activity contributing an additional \$0.6 million
 - disposals through capital recycling has reduced lease income by \$0.4 million
 - distribution income of \$0.5 million from securities
 - expense growth consistent with increase in portfolio size and higher level of debt
- Growth in NTA per Unit of \$0.18 due to:
 - property revaluations of \$42.6 million or \$0.17 per Unit
 - security revaluations of \$2.7 million or \$0.01 per Unit

DISTRIBUTABLE INCOME: HY15 TO HY16



NTA PER UNIT: JUNE 2015 TO DECEMBER 2015



CAPITAL MANAGEMENT

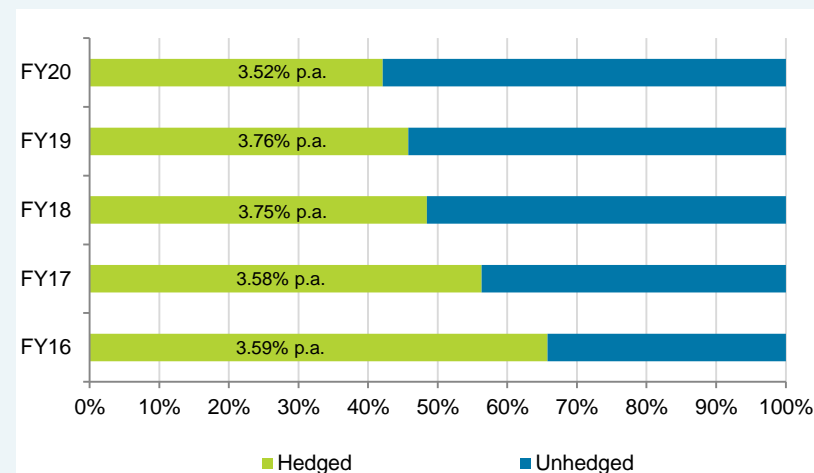


Existing Centre – Parraween Street, Cremorne, NSW

CAPITAL MANAGEMENT – DEBT & HEDGING

AS AT	DEC 2015	JUNE 2015
Debt Facilities Limit (\$m)	207.3	207.3
Debt Drawn Amount (\$m)	193.0	190.0
Overdraft Facilities (\$m)	12.0	12.0
Facilities Maturity	June / July 2017	June / July 2017
ICR (x)	4.7	4.6
Cost of Debt (% p.a.)	4.5	4.6
All-in Cost of Debt ¹ (% p.a.)	4.9	5.0
Average Interest Rate Hedged (%)	51	52
Average Hedged Rate (% p.a.)	3.64	3.64
Average Hedging Maturity (years)	2.3	2.8

HEDGING PROFILE: BASED ON DEBT OF \$193.0 MILLION AS AT 31 DECEMBER 2015



- \$20 million increase in facility limit in February 2016 resulting in undrawn facility of \$34.3 million to be utilised to fund the development pipeline and further acquisitions
- Seeking to extend maturity of the facility during the second half of FY16, including evaluation of longer maturity debt options
- As at 31 December 2015, \$125 million (65%) of the debt hedged at a fixed rate of 3.59% pa for FY16

¹ Includes amortisation of deferred borrowing costs

STRATEGY



Under Construction – Herald Street, Cheltenham, VIC

FET'S STRATEGY



STRATEGY

Enhance FET's Intellectual Property

- FET has invested heavily in demographic and industry analysis as a value creation tool
- Drives quality sites, designs and strong underlying fundamentals that childcare operators compete for

Leverage the Demographics

- Foresee or follow population & density growth
- Identify high success locations
- Challenge the opportunity and verify to internally developed criteria

Development Provides Value Enhancement

- Implement FET "best site, best lease, best operator" criteria
- Development pipeline growing. New developments drive earnings growth, asset quality & development profits

Recycle Capital

- Recycling generates profit, turnover and reduces obsolescence
- Sales provide capital for new developments at an arbitrage
- Sales ensure "best fit" for remaining portfolio

Disciplined Capital Management

- Maintain strong capital position / balance sheet flexibility
- Manage costs effectively

MEANS

Population & Jobs Growth Enhance Demand for Childcare Services

FET targets development sites within a ~20km radius of CBD and rapidly expanding growth areas

Inner Metro Opportunities

- **6 of the top 25*** fastest growing LGA's in inner metropolitan areas (within 20 kms of CBD)
- Young professionals and families, with higher incomes are wanting to live close to employment hubs (CBDs and inner city activity nodes)
- Conversion of former commercial sites to residential and medium density housing
- Scarcity of land and locational complexities in some inner metro locations are preventing the supply of childcare services from meeting demand

FET Strategy

- 9 of 18 current development sites within 20 kms of Melbourne and Sydney CBDs
- Continue to target new builds and conversions of existing buildings in inner metro locations

Growth Area Opportunities

- **17 of the 25*** fastest growing LGA's in outer metropolitan growth areas
- Greater emphasis on the provision of community infrastructure, including childcare, within masterplanned communities
- Younger families are drawn to growth areas due to the affordability of real estate
- Dual income families are increasingly required, correlating in higher demand for childcare services

FET Strategy

- 9 of 18 current development sites are within growth areas
- Continue to target new construction in locations with appropriate demographic and economic conditions

Source: Folkestone

*The two LGA's not positioned within growth areas or inner metro locations are in regional localities

ASSET PORTFOLIO

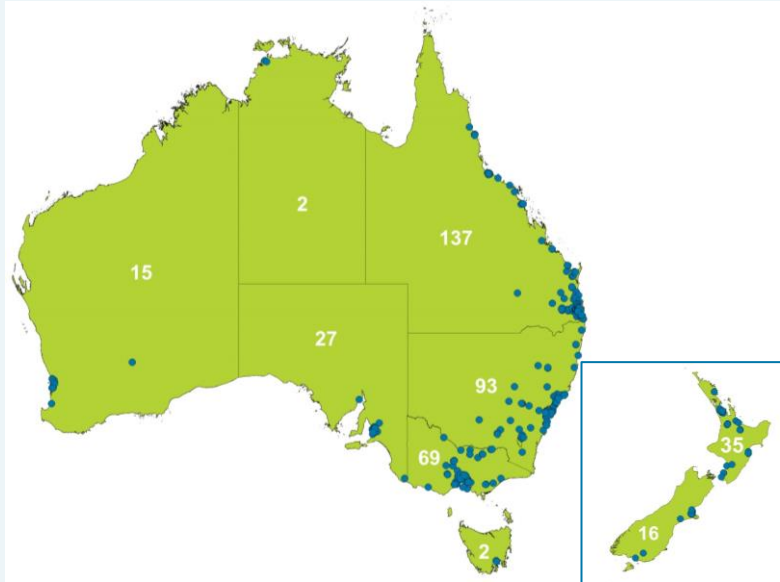


Recently Completed Centre – Stirling Highway, Nedlands, WA

REAL ESTATE PORTFOLIO - OVERVIEW

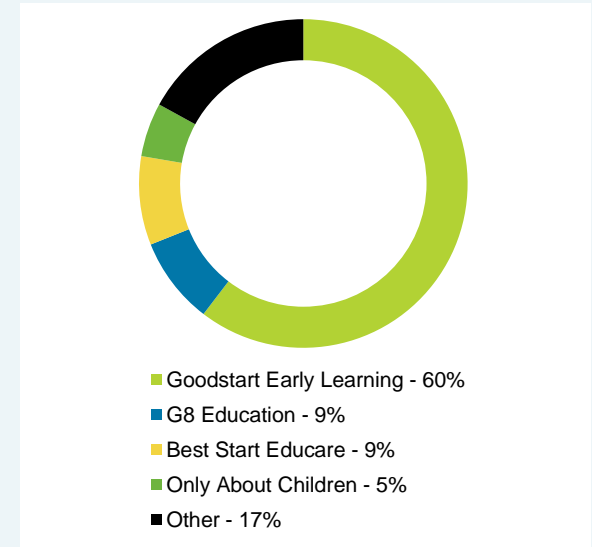
- 396 properties, triple net leases, net effective rents
- Land rich – 88.4 hectares of land (including 9.6 hectares in NZ)
- FET freehold investment value equivalent to \$747 per sq.m. of land in Australia and \$623 per sq.m. in New Zealand
- Enhanced tenant register – 28 tenants and growing. 99.5% portfolio occupancy
- WALE diminishment minimised from 7.9 years at June 2015 to 7.8 years through new leasing transactions and option take up success
- Business value of operators inherently linked to lease term

FET LOCATIONAL SPREAD



AS AT 31 DEC 2015	NO.	VALUE (\$M)	PASSING YIELD (%)
ACT/NSW	75	147.0	6.8
QLD	131	224.2	7.6
VIC	55	113.8	7.0
SA	20	25.2	8.1
WA	15	25.8	7.8
TAS/NT	4	6.8	7.6
New Zealand	51	59.8	7.3
Total Freehold	351	602.6	7.3
Leasehold	33	28.0	13.3
Total Operating	384	630.6	7.6
Developments	11	34.5	
Medical	1	10.7	6.6
Total	396	675.8	7.6

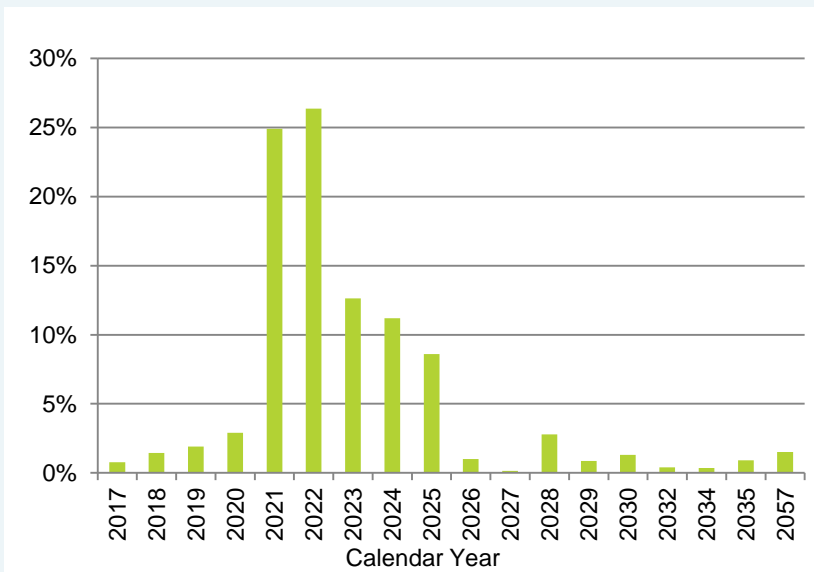
TENANT PROFILE BY % OF ANNUAL RENT: DEC 2015



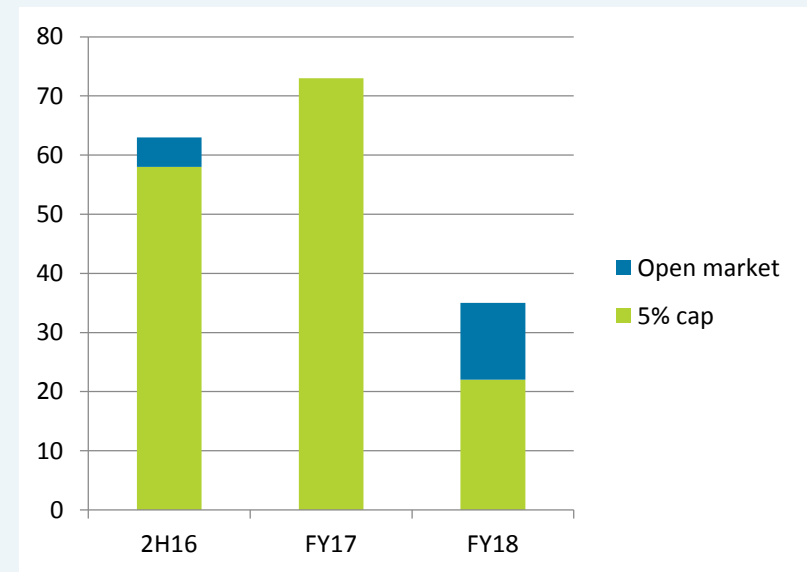
REAL ESTATE PORTFOLIO – ASSET MANAGEMENT

- 18 five year options renewed. This has extended the lease expiry for these assets from 2020 to 2025
- Market rent reviews were negotiated for 24 leases. 12 were subject to a maximum cap of 5%, of these 6 were New Zealand assets which achieved a 5% increase, with the remaining 6 assets in Australia achieving a 3.4% increase. The remaining 12 reviews (without a cap) achieved an 8.2% increase. Total increase achieved on market reviews for Australia was 6.5%
- Rental growth is expected to continue as demand outstrips supply in some locations

LEASE EXPIRY PROFILE (CALENDAR YEAR) BY % OF ANNUAL RENT: 2016 - 2057



**UPCOMING MARKET RENT REVIEWS
2HY 16 – FY 18**



REAL ESTATE PORTFOLIO – VALUATIONS

- Properties independently valued on a rolling 3 year basis, supplemented with Directors valuations
- 61 early learning properties independently valued increased by 12.3% over 30 June 2015 carrying values
- Passing yield of 7.1% achieved on freehold independent valuations, a 100 basis point improvement on the passing yield as at 30 June 2015
- Strong growth in eastern seaboard states with average yield on sales of 6.4% in CY15, a 70 basis point improvement on sales transacted in CY14
- Director valuations adopted for a further 289 properties to reflect parameters provided by independent valuations
- Subsequent to 31 December 2015, a further 20 independent valuations were completed, resulting in a 10.7% increase on the Directors valuations adopted at 31 December 2015

INDEPENDENT VALUATIONS	NO. OF PROPERTIES VALUED	CARRYING VALUE (\$m)	MOVEMENT (%)	YIELD (%)
QLD	30	53.1	10.0	7.3
NSW/ACT	10	18.0	18.9	6.6
VIC	7	13.9	12.1	6.3
SA	7	9.7	16.7	8.1
WA	2	2.3	8.0	7.5
New Zealand	3	2.9	6.1	6.9
Total Freehold	59	99.9	12.2	7.1
Leasehold	2	1.0	18.0	13.8
TOTAL	61	100.9	12.3	7.2
DIRECTOR VALUATIONS*	NO. OF PROPERTIES VALUED	CARRYING VALUE (\$m)	MOVEMENT (%)	YIELD (%)
QLD	100	168.0	7.4	7.8
NSW/ACT	64	128.2	7.3	6.9
VIC	46	92.4	4.5	7.0
SA	13	15.5	10.2	8.1
WA	12	19.9	2.5	8.0
TAS/NT	4	6.8	4.3	7.6
New Zealand	48	56.9	7.9	7.3
TOTAL	287	487.7	6.7	7.3

* Excludes two vacant properties

PORTFOLIO – NON-CORE ASSETS

- Folkestone CIB Units and Melton Medical were acquired as part of the FST transaction in January 2015
- Both assets are performing well with some value adding opportunities currently underway

ASSET	VALUE (\$m)	% OF TOTAL ASSETS	DESCRIPTION
Folkestone CIB Units	8.7	1.2	15% ownership of a wholesale trust that owns 9 police stations and 2 courthouses leased to the Victorian government.
Melton Medical Centre	10.7	1.5	Medical centre located in Melton, Victoria leased to Primary Healthcare.
Arena REIT Units	18.5	2.6	4.5% interest in ARF which invests predominantly in early learning
TOTAL	37.9	5.3	

PORTFOLIO MANAGEMENT



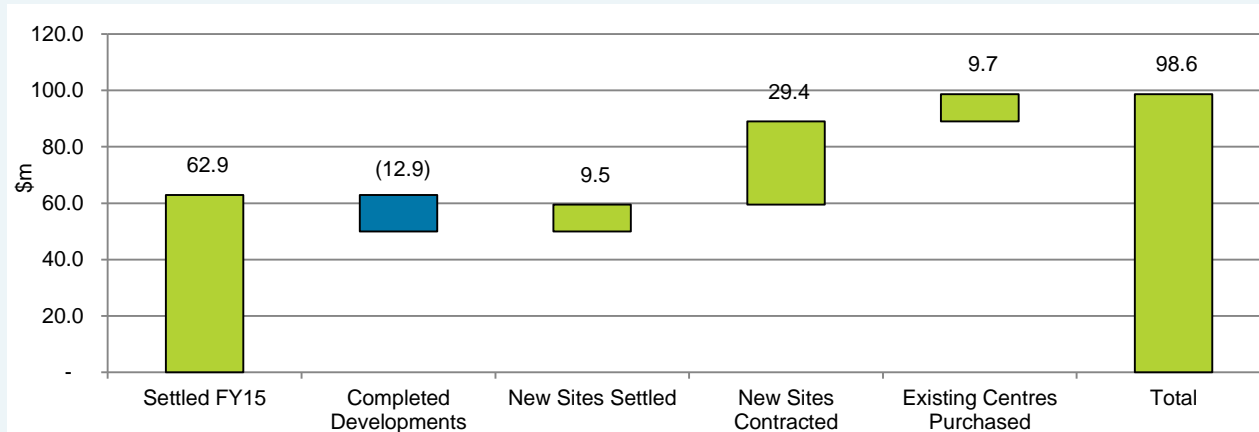
Under Construction - Toorak Road, Camberwell, VIC

CURRENT DEVELOPMENTS

FET PIPELINE

- Currently comprises 18 development sites at various stages of development. Focus exclusively on freehold sites
- During the HY16, developments at Epping and Armadale, VIC and Nedlands, WA were completed. Completion value of \$12.9 million and provided an aggregated margin of ~12%. Completed on time and on budget
- Two further development sites settled with an expected completion value of \$9.5 million in HY16
- Seven development sites are currently under contract with an estimated completion value of \$29.4 million
- Total development pipeline of 18 centres with a completion value of \$88.9 million
- One development site is no longer proceeding and is to be sold
- In addition FET has committed to the acquisition of 3 further existing centres for \$9.7 million bringing total activity to \$98.6 million

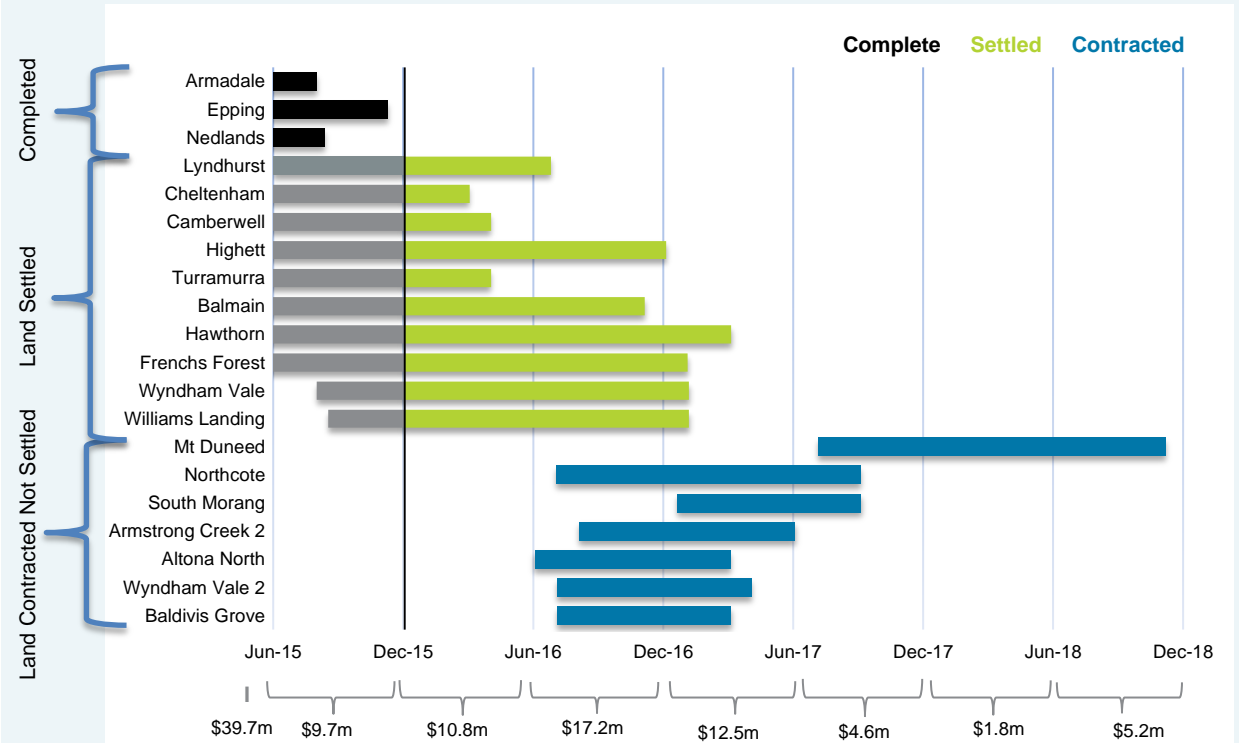
TOTAL DEVELOPMENT SITES PIPELINE – EXPECTED COMPLETION VALUE TO 31 DEC 2015



CURRENT DEVELOPMENTS

- Contracts were settled for new developments at Wyndham Vale and Williams Landing, VIC, with an expected completion value of \$9.5 million
- FET has committed to 7 further development sites in Mt Duneed, Northcote, South Morang, Armstrong Creek (No.2), Altona North, Wyndham Vale (No.2) all in VIC and Baldivis Grove (WA)
- Three centres are expected to be completed by June 30, 2016
- Development sites with a completion value in excess of \$20 million are currently in negotiation
- Each development site typically provides FET with a return on development funds deployed throughout the development period

DEVELOPMENT PIPELINE COST TO COMPLETE: 2014 – 2018



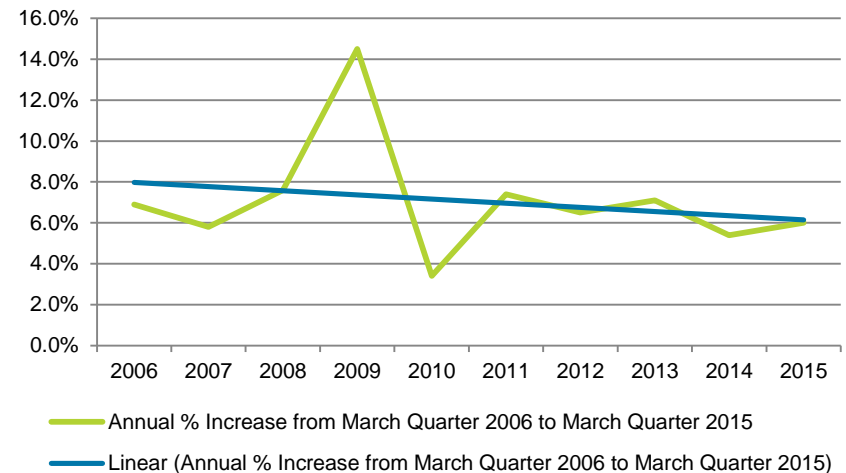
EARLY LEARNING MARKET



Operator Environment

- Business multiples remain buoyant, driven by strong demand for centres/businesses
- Approximately 6,656 long day care centres (LDC) in Australia¹, an increase of 3.2% since the March 2014 quarter
- Goodstart Early Learning have a 9.7%² market share and G8 Education a 6.8%³ market share
- For the March 2015 quarter, children utilising approved childcare was up 7.4 per between 2006 and 2015¹
- Daily fees increased on an average of 7.0% p.a. for the period from the March quarter 2006 to the March quarter 2015¹
- Overall, centre trading performance has increased on previous years as per data provided by FET tenants
- Announced in 2013⁴, new educator ratios apply from 1st January 2016 under the National Quality Framework, with the largest changes in staffing requirements for children aged 2-3 years in NSW, QLD and SA

AVERAGE AND ANNUAL % CHANGE TO LDC FEES: MARCH QUARTER 2006 TO MARCH QUARTER 2015



Source: Department of Education and Training Administrative Data

¹ As at March 2015 Department of Education and Training Administrative Data

² Goodstart June 2015 Annual Report

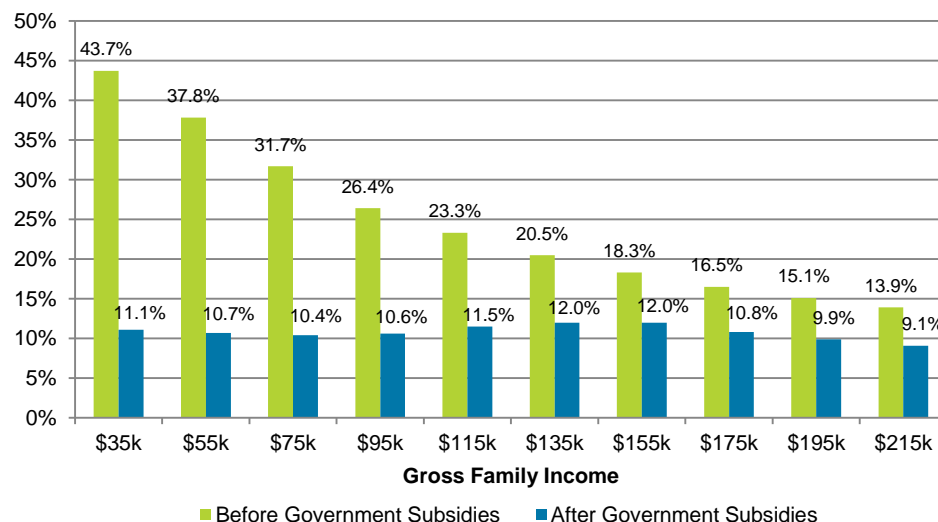
³ G8 June 2015 Annual Report

⁴ National Quality Framework

CHILDCARE PROVIDING ECONOMIC BENEFIT

- An additional \$3.5 billion funding package announced as part of the 2015-16 Federal Budget for the early learning sector
- This funding will increase, with projected government expenditure by 2021-22 of \$11.1 billion
- Out of pocket costs for childcare are expected to fall, particularly for families on incomes below \$120,000 per annum
- This is expected to drive the female workforce participation rate which will positively contribute to Australia's economic growth
- Modelling completed by PwC in 2016 project long term net savings to Government of \$4.7 billion by 2050
- This funding and positive impact to Australia's economy provide a strong foundation for the childcare sector

OUT-OF-POCKET COSTS FOR 1 CHILD IN LDC BEFORE & AFTER GOVERNMENT SUBSIDIES: MARCH QUARTER 2015



Source: Department of Education and Training Administrative Data

Increased workforce participation

Contribution to economic growth (GDP)

Long term net savings to Government



29,000

Estimated additional FTEs entering the workforce in 2050

Note: This includes the additional hours of work provided by those already in the workforce plus those who would join the workforce, converted into FTEs.



\$7.9bn

Estimated contribution to Australia's Gross Domestic Product in 2050

Note: real GDP



\$4.7bn

Net savings to the Government by 2050

Note: Net present value terms using a 5% discount rate

Source: Economic impacts of the proposed Child Care Subsidy, PWC, February 2016

**NEXT 6
MONTHS**



ACCOUNTABILITY



TARGET

CULTURE OF CONTINUAL IMPROVEMENT

- Continue to deliver on FET's growth strategy to provide distribution and capital growth & improved asset quality

PORTFOLIO MANAGEMENT

- Source accretive acquisitions that adhere to the strategy
- Disposal of a small number of non-core centres into a strong investor market

ASSET MANAGEMENT

- Active lease management of market reviews and option take-ups, seek value add opportunities

CAPITAL MANAGEMENT

- Continue to actively manage costs, debt duration and hedging profile

DISTRIBUTION FORECAST

- FY16 estimated distribution of 13.4 cpu reconfirmed (6.7 cpu paid to date)



APPENDICES



Existing Centre – Balgowlah Road, Fairlight, NSW

INCOME STATEMENT

- Statutory profit of \$59.5 million, up 13.8% on pcp:
 - distributable income of \$16.9 million, an increase of 29.0% on pcp
 - FST transaction (completed January 2015) contributed \$2.8 million to distributable income
 - lease income increase of \$1.0 million (excluding FST) due to:
 - 2.6% lease increase across the portfolio
 - acquisitions and development activity contributing an additional \$0.6 million
 - disposals through capital recycling has reduced lease income by \$0.4 million
 - other income includes distributions from securities of \$0.7 million
 - expense increases of \$2.3 million due to FST transaction and growth in portfolio
 - yield compression and rental growth combine to contribute \$42.6 million in property revaluations
- Distribution of 6.7 cpu, up 5.5% on pcp, representing a pay-out ratio of 97% for HY16

INCOME STATEMENT FOR THE HALF YEAR ENDED	DEC 2015 (\$m)	DEC 2014 (\$m)
Lease income	25.8	21.2
Property outgoings	4.0	3.2
Other income	0.7	-
Total operating income	30.5	24.4
Finance costs	5.0	4.3
Property outgoings	5.9	4.8
Responsible entity's remuneration	1.9	1.4
Other expenses	0.8	0.8
Total operating expenses	13.6	11.3
Distributable income	16.9	13.1
Net revaluation increment of properties	42.6	41.4
MTM adjustments of hedging positions	(0.5)	(2.2)
Gain on sale of investment properties	0.5	0.6
Merger costs	-	(0.6)
Statutory profit¹	59.5	52.3
EPU ² (cpu)	6.9	6.4
Distribution (cpu)	6.7	6.35

¹ Excludes a gain of \$2.7 million (HY15: nil) in relation to fair value adjustments of securities

² Distributable income divided by the weighted average number of units on issue

BALANCE SHEET

- Strong balance sheet:
 - property revaluations of \$42.6 million driven by yield compression and annual rent escalation
 - property acquisitions of 1 completed centre and 2 development sites and construction payments totalling \$13.3 million
 - property disposals of \$6.0 million (carrying value at 30 June 2015) in relation to the settlement of 3 properties resulting in a \$0.5 million profit
 - securities include investment in listed Arena REIT of \$18.5 million and unlisted FCIB of \$8.7 million
- NTA per unit increased 9.9% to \$2.00 per unit on pcg
- Gearing reduced to 27.6%

BALANCE SHEET AS AT	DEC 2015 (\$m)	JUN 2015 (\$m)
Cash	1.1	1.0
Investment properties – to be sold	4.6	6.0
Investment properties – improved properties ¹	638.0	585.5
Investment properties – development sites	34.5	35.4
Securities	27.1	24.4
Other assets	3.4	2.2
Total assets	708.7	654.5
Trade and other payables	5.6	3.8
Distribution payable	8.4	8.1
Borrowings ²	195.1	192.3
Derivative instruments	5.8	5.3
Total liabilities	214.9	209.5
Net assets	493.8	445.0
No of units	246.7	245.2
NTA per unit (\$)	2.00	1.82
Gearing³ (%)	27.6	29.5

¹ Includes \$1.3 million (30 June 15: \$0.3 million) of transaction costs in relation to properties not settled

² Borrowings as at 31 December 2015 include loans of \$193.0 million and overdraft of \$2.6 million, less unamortised transaction costs of \$0.5 million

³ Gearing is calculated by borrowings and bank overdraft / total assets

MARKET PLACE

- Further evidence of the acceptance of childcare as a legitimate asset class with more than \$400 million in market transactions (excl. FET) over the last 4 years
- Driven by strong industry performance, recognition of the imperative of childcare and confidence provided by the government's increasing support
- Yield compression continued during the half year ending 31 December 2015, with further tightening expected for the full year ending 30 June 2016
- Investor interest in the real estate extends toward the potential upside in the underlying land component as well as the income yield
- Net effective¹ nature of income stream a major attraction to investors
- Childcare as an asset class has distinct advantages over small retail and commercial assets with respect to lease term, incentives, longevity of businesses, and versatility driven by alternate use prospects.

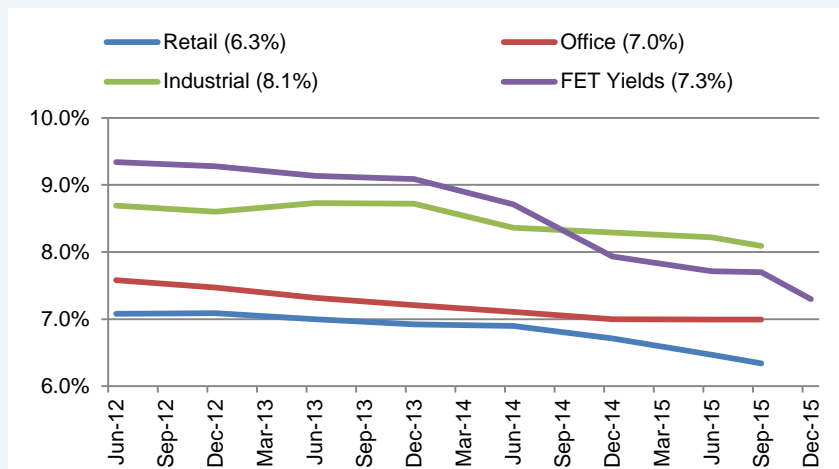
¹ No tenant incentives

CHILDCARE CENTRE SALES YIELDS: CY14 & CY15

	NO. SALES	CY14 YIELD (%)	NO. SALES	CY15 YIELD (%)	CHANGE (BPS)
VIC	20	7.5	11	6.4	-110
NSW	28	6.7	9	5.9	-80
QLD	11	7.3	11	7.1	-20
Total	59	7.1	31	6.4	-70

Source: Valuers and Marketing Agents

FET PASSING YIELD VS ALTERNATE SECTORS: 2012 - 2015



- FET yields based on freehold properties held since 2012
- MSCI IPD yield data only available to quarter ending September 2015

Source: MSCI IPD, Folkestone

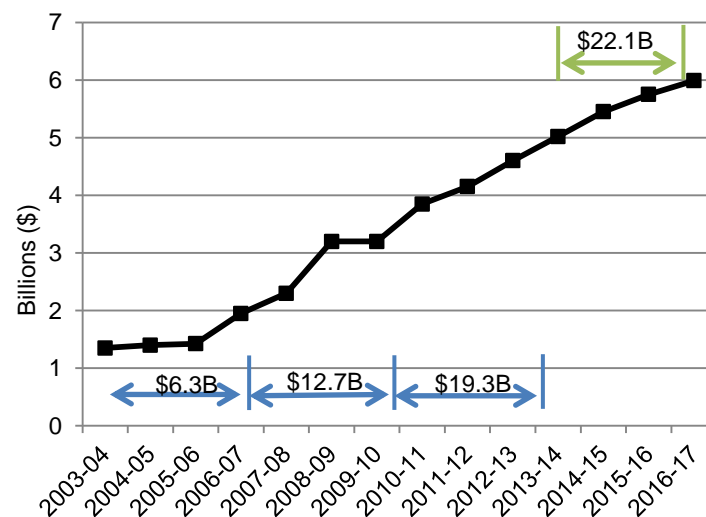
GOVERNMENT FUNDING CHANGES

- Effective from 1 July 2017, an enhanced childcare funding regime will be implemented, with the existing system to remain largely unaltered until that time. The package is part of the 2015 budget measures
- Increased funding of \$3.5 billion to be committed by the Government to the childcare industry over the next 4 years, with the majority of the funding increase to be available from July 2017
- A simplified and new single means-tested Childcare subsidy, to be paid directly to the operators, will replace the existing Childcare Benefit, Rebate and Jobs and other childcare assistance programs
- The new system will see an increase in funding particularly for lower income families earning up to \$65,000 who will receive funding support for 85% of the childcare cost per child, or a designated benchmark price, whichever is lower. That will reduce to 50% for families with incomes of \$170,000 and above
- Benchmark pricing in 2017 dollar terms to be \$127 per day, recognising fee growth of approximately 17.5% to 2014 fee levels over the next three years. Indexation past 2017 to be reintroduced. The rate is substantially higher than that recommended by the Productivity Commission in 2014
- Removal of the existing subsidy cap of \$7,500 per child per annum for the majority of parents. The existing funding cap provided by the existing childcare rebate will be removed for all families with an income below \$185,000, thereby allowing for increased quantum of the financial assistance beyond the existing cap, determined by usage. For those who earn beyond \$185,000, a cap will remain however it has been increased to \$10,000 per child per annum, thereby largely maintaining any existing entitlement

WHAT DOES THIS MEAN FOR CHILDCARE?

The package will provide FET's operators with the potential to increase occupancy levels through increased demand created by greater accessibility and by limiting pressure on fees for the vast majority of parents.

GOVERNMENT FUNDING INCREASING: 2003-04 TO 2016-17



Source: MyChild

FET KEY STATISTICS

	1H14	FY14	1H15	FY15	1H16
NTA (\$)	1.40	1.50	1.69	1.82	2.00
NTA GROWTH (ANNUALISED) (%)	10.6	14.2	27.6	15.3	21.4
WEIGHTED AVERAGE CAPITALISATION RATE (%)	9.2	9.0	8.3	8.0	7.6
WEIGHTED AVERAGE LEASE EXPIRY (YEARS)	8.3	8.0	8.4	7.9	7.8
% OF LEASE INCOME EXPIRING IN NEXT 5 YRS (%)	3.2	3.4	5.1	5.6	7.0
LIKE-FOR-LIKE RENTAL GROWTH (%)	2.3	2.6	2.5	2.4	2.6
MAJOR CUSTOMER % OF INCOME (GOODSTART) (%)	60	59	58	63	60
GEOGRAPHIC SPREAD (% CHILDCARE RENTAL INCOME)					
NSW/ACT	27.5	28.9	29.5	26.2	26.0
QLD	30.9	30.6	30.6	37.5	36.4
VIC	21.0	19.9	18.5	16.9	17.8
WA	2.9	2.8	3.3	3.7	4.1
SA	6.4	6.5	6.8	6.0	5.8
TAS/NT	0.6	0.6	0.6	1.1	1.0
NZ	10.7	10.7	10.5	8.6	8.9
MARKET RENT REVIEWS					
COMPLETED NUMBER	3	8	0	54	24
WEIGHTED AVERAGE RENTAL GROWTH (%)	5.8	6.1	N/A	4.3	6.5 ¹
CAPITAL MANAGEMENT					
GEARING (%)	30.8	31.7	30.2	29.5	27.6
WEIGHTED AVERAGE COST OF DEBT (%)	5.8	5.1	5.1	4.6	4.5
WEIGHTED AVERAGE DEBT MATURITY (YEARS)	2.1	2.9	2.4	1.9	1.4
INTEREST COVER RATIO (X)	4.1	4.6	4.2	4.6	4.7

¹ Australian Properties Only
Source: Company Data

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