ASX Release | Media Release

360 Capital Property Group

360 Capital Industrial Fund

26 March 2013

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360 Capital Industrial Fund announces launch of $63.7 million fully underwritten Equity Raising

360 Capital Industrial Fund ('Fund' or ASX code 'TIX') today announces the successful completion of a placement to institutional investors ('Institutional Placement') of new fully paid ordinary Units ('New Units') to raise $12.3 million. The Fund has also today launched a 1-for-1.6 non-renounceable entitlement offer to raise further gross proceeds of $51.4 million ('Entitlement Offer') (collectively, the 'Equity Raising').

The offer price under the Equity Raising is $0.45 per New Unit ('Offer Price'), representing a 5.3% discount to the 30-day VWAP[1]; and a 6.5% discount to the pro forma net tangible assets per unit.

New Units issued under the Equity Raising will rank equally with existing Fund Units on issue from allotment and will be eligible for the forecast June 2013 quarter distribution of 1.125 cents per Unit ('cpu')[2]. The Offer Price and distribution guidance of 4.50cpu p.a. for FY2013 and FY2014 reflect a prospective distribution yield of 10.0%.

Moelis Australia Advisory Pty Ltd is acting as the Lead Manager, Bookrunner and Underwriter to the Equity Raising. The Equity Raising is fully underwritten.

Use of Proceeds

Proceeds from the Equity Raising will be used to simplify the Fund's balance sheet through the reduction of its borrowings, repaying $34.4 million of senior debt and fully repaying the $26.0 million of Unsecured Notes.

As a result of the Equity Raising and reduction in borrowings, the Fund's loan to value ratio ('LVR') is expected to reduce from 57.4% as at 31 December 2012 to 47.7% on a pro forma basis, thereby significantly increasing covenant headroom.

The Equity Raising is part of the Fund's deleveraging strategy which has been in place since December 2010, and is designed to reduce the Fund's risk profile and, together with the sale of non-core assets and high quality acquisitions, to reposition the Fund and maximise Unitholder returns.

360 Capital Property Group Managing Director, Mr Tony Pitt said: "This capital raising is an important step to improve balance sheet strength in order to continue the Fund's repositioning strategy and maximise Unitholder returns. We are pleased to see a number of new institutional investors enter the register, underscoring the attractiveness of the Fund, and investing alongside the existing 2,800 Unitholders who will have the opportunity to participate in the Entitlement Offer".

Institutional Placement

The Institutional Placement was conducted via an institutional bookbuild and will raise gross proceeds of approximately $12.3 million for the Fund. Settlement under the Institutional Placement is expected to be completed on Wednesday 10 April 2013, with New Units expected to be issued under the Institutional Placement, and able to be traded, on Thursday 11 April 2013. New Units issued under the Equity Raising will rank equally with existing Fund Units on issue from allotment and will be eligible for the forecast June 2013 quarter distribution of 1.125 cpu[2].

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[1] Volume weighted average price, adjusted for the March 2013 quarter distribution of 1.125 cpu.

[2] Full year forecast FY2013 and FY2014 distribution of 4.50 cents per Unit.

Level 8, 56 Pitt Street Sydney NSW 2000 | GPO Box 5483, Sydney NSW 2001 Australia
T +61 2 8405 8860 | Fax +61 2 9238 0354 | E investor.relations@360capital.com.au | W www.360capital.com.au

360 Capital RE Limited ABN 62 090 939 192 AFSL 223 739
As responsible entity of the 360 Capital Industrial Fund ARSN 099 680 252

Entitlement Offer

The Entitlement Offer will give eligible unitholders the opportunity to acquire 1 New Unit for every 1.6 existing Units held at 7.00pm AEST on Tuesday 9 April 2013 ('Entitlements').

The Entitlement Offer is fully underwritten and will raise approximately $51.4 million at the same Offer Price as the Institutional Placement. The Entitlement Offer is expected to open on Thursday 11 April 2013 and close at 5.00pm (AEST) on Friday 26 April 2013. Further details regarding the timetable for the Entitlement Offer are included in the Appendix to this announcement.

Eligible Unitholders will have the opportunity to apply for New Units in excess of their entitlements at the Offer Price ('Additional New Units') subject to a limit of 100,000 Additional New Units per Eligible Unitholder unless otherwise determined by the Responsible Entity, 360 Capital RE Limited, in its absolute discretion.

The Entitlement Offer is non-renounceable and Entitlements will not be tradeable on ASX or otherwise transferable. Unitholders who do not take up all, or any part, of their entitlements will not receive any payment or value in respect of those entitlements not taken up and their equity interest in the Fund will therefore be diluted.

New Units issued under the Entitlement Offer will rank equally with existing Fund Units on issue from allotment and will be eligible for the forecast June 2013 quarter distribution of 1.125 cpu[2].

It is the responsibility of Unitholders to inform themselves of the eligibility criteria for the exercise of their entitlements. Further details on eligibility criteria to exercise entitlements will be included in the Entitlement Offer Booklet to be lodged with ASX and sent to eligible unitholders on or about 11 April 2013.

Eligible unitholders are encouraged to carefully read the Entitlement Offer Booklet for further details relating to the Entitlement Offer. If Unitholders wish to obtain more information in the interim, please call the 360 Capital Information Line on 1800 182 257 (within Australia) or on +61 2 9290 9600 (from outside Australia) between the hours of 8.30am and 5.00pm Monday to Friday (AEST) (excluding public holidays).

The Entitlement Offer Booklet may be also be accessed at www.360capital.com.au once available.

Recommencement of trading

The Responsible Entity expects ASX to lift the trading halt and for Fund Units to recommence trading on ASX from market open today.

For more information, please contact:

Tony Pitt
Managing Director
360 Capital Property Group
+61 2 8405 8860

Ben James
Head of Property
360 Capital Property Group
+61 2 8405 8871

Ben Butler
Fund Manager
360 Capital Industrial Fund
+61 2 8405 8672

Tim Spencer
Head of Investor Relations
360 Capital Property Group
+61 2 8405 8872

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Appendix A

Event	Date
Trading halt	Monday 25 March 2013
Lift trading halt and ASX announcement to launch Entitlement Offer	Tuesday 26 March 2013
Ex-Date of Entitlement Offer	Wednesday, 3 April 2013
Record Date for the Entitlement Offer (7pm AEST)	Tuesday 9 April 2013
Settlement under the Institutional Placement	Wednesday, 10 April 2013
Entitlement Offer opens	Thursday, 11 April 2013
Allotment and trading of New Units issued under the Institutional Placement	Thursday, 11 April 2013
Entitlement Offer closes (5pm AEST)	Friday, 26 April 2013
New Units quoted on a deferred settlement basis	Monday, 29 April 2013
Settlement of New Units issued under the Entitlement Offer and Placement Shortfall	Friday, 3 May 2013
Allotment of New Units issued under the Entitlement Offer and Placement Shortfall and dispatch of holding statements	Monday, 6 May 2013
Normal trading of New Units issued under the Entitlement Offer and Placement Shortfall	Tuesday, 7 May 2013

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About 360 Capital

360 Capital is a property investment and funds management group concentrating on strategic investment and active investment management of property assets. The company was formed in 2006 and has been actively investing in direct property assets, property securities and various corporate real estate acquisitions within Australian real estate markets on a private equity basis. The company's 15 full time staff located in Sydney have significant property, funds and investment management experience. As at 31 December 2012, 360 Capital managed 11 investment vehicles holding assets valued at more than $850 million on behalf of over 9,000 investors.

Issued by
This announcement has been prepared by 360 Capital RE Limited (Responsible Entity) as responsible entity for the 360 Capital Industrial Fund (the Fund) in connection with a placement to institutional investors (Institutional Placement) and a non-renounceable entitlement offer (Entitlement Offer) of Units in the Fund (New Units). The Entitlement Offer is being made without the release of a prospectus or product disclosure statement, in accordance with section 1012DAA of the Corporations Act 2001 (Cth). Prospective investors should have regard to the Fund's periodic and continuous disclosure announcements to ASX in addition to this and any other announcement made in connection with the Entitlement Offer.

Disclaimer
This announcement contains summary information about the Fund and its activities and has been prepared in accordance with information available to the Responsible Entity as at 26 March 2013. The information in the announcement has been prepared in good faith and with due care but no representation or warranty, express or implied, is provided in relation to the currency, accuracy, reliability or completeness of this information. The announcement should be read in conjunction with the Fund's other periodic and continuous disclosure announcements to ASX in addition to this and any other announcement made in connection with the Entitlement Offer.

Not financial product advice
The information contained in this announcement is not financial product advice. This announcement and the associated offer documentation have been prepared without reference to your investment objectives, financial situation and particular needs. It is important you read this announcement and the accompanying offer documentation in their entirety, together with the Fund's periodic and continuous disclosure announcements to ASX, before making a decision whether to invest. If you are in any doubt, you should consult your broker or financial or other professional adviser.

Investment risk
An investment in the Fund's Units is subject to investment and other known and unknown risks, some of which are beyond the control of the Fund. The Responsible Entity and the Fund do not guarantee any particular rate of return or the performance of the Fund. Persons should have regard to the risks outlined in the announcement and the associated offer documentation.

Not an offer
This announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any Units and neither this announcement nor anything contained in it will form the basis of any contract or commitment.

Financial information
All financial and operational information contained in the announcement and the associated offer documentation is stated as at the date of this announcement, unless otherwise specified. Currency amounts are in Australian dollars.

Entitlement Offer restrictions
The Entitlement Offer will be conducted in accordance with the requirements of the laws of Australia. No New Units are being offered to any person whose registered address is outside Australia or New Zealand. No action has been taken to register New Units or otherwise permit a public offering of New Units in any jurisdiction outside of Australia or New Zealand. This announcement and the related offer documents do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of the announcement and associated offer documentation in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of it who are not in Australia or New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Governing law
This announcement, the Entitlement Offer and any contracts made in connection with the acceptance of the Entitlement Offer are governed by the laws of NSW, Australia. Each person who applies for New Units submits to the jurisdiction of the courts of NSW.

Forward looking statements
This announcement and the associated offer documentation contain forward looking statements which are subject to known and unknown risks, uncertainties and other factors that could cause the actual results, performance or achievements of the Fund to vary materially from those expressed or implied in such forward looking statements. Some of the risk factors that impact on forward looking statements are set out in the Risks section of the associated offer documentation.

Past performance
Past performance is not a reliable indicator of future performance.