

20 December 2013

**360 CAPITAL GROUP (TGP)
360 CAPITAL OFFICE FUND ANNOUNCES
\$133.5M OF ACQUISITIONS AND
PROPOSED NEW YEAR IPO AND ASX LISTING**

360 Capital Group (360 Capital) is pleased to update the market today following an announcement by the 360 Capital Office Fund (Office Fund) regarding the acquisition of two modern office properties and its proposed ASX listing via an IPO raising in the New Year.

360 Capital Office Fund, has entered into conditional contracts to purchase two modern office buildings being 154 Melbourne Street, South Brisbane and 438-517 Kingsford Smith Drive, Hamilton, Brisbane for a combined purchase price of \$133.5 million.

Settlement of the acquisitions is scheduled to occur upon completion of the proposed capital raising and ASX-listing of the Office Fund in the New Year. The Office Fund is currently an unlisted fund owning two existing office assets with a total value of \$99.5 million, namely 52-60 Burwood Parade, Burwood, Sydney, NSW and 33 Allara Street, Canberra CBD, ACT.

Upon completion of the acquisitions and the IPO, the Office Fund will have gross assets of approximately \$233.0 million spread across four assets, a WALE of 4.4 years, gearing of circa 36% and a new debt facility to replace its subordinated debt positions.

360 Capital Office Fund Manager, James Storey said “The Office Fund will focus on well-located “A Grade” suburban office and good “B Grade” CBD office assets within mainland Australia with an investment focus on security of income. The Office Fund is expected to continue to capitalise on opportunities within these markets, further diversifying its portfolio and providing Unitholders with a stable 8.5% distribution paid on a quarterly basis with the advantage of liquidity via its ASX listing.”

Positive impact on 360 Capital

In line with its co-investment philosophy, 360 Capital has committed to invest \$30.0 million in the Office Fund’s IPO and expects to own just under 20% of the Office Fund upon completion of the IPO.

360 Capital does not need to raise further capital to fund this co-investment as it expects to receive approximately \$29 million in cash from the repayment of the Lawson Loan (a subordinated loan to the Office Fund that 360 Capital purchased in November 2013 for \$22.5 million), as well as receiving approximately \$2.1 million in accrued fees and Office Fund units valued at \$1.8 million from other subordinated positions.

360 Capital’s Managing Director, Tony Pitt said, “The listing of the Office Fund is one of the key drivers for 360 Capital in FY14 and complements 360 Capital’s existing ASX-listed Industrial Fund (ASX code: TIX). The acquisitions announced today, along with the Office Fund’s existing portfolio, reposition the Office Fund for growth as one of only a few pure office sector A-REITs.”

360 Capital Group

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Details of Office Fund acquisitions

The two new acquisitions by the Office Fund are:

154 Melbourne Street, South Brisbane, Qld.

An 11,277sqm office building completed in 2009, fully leased, with a weighted average lease expiry (WALE) of 3.6 years and 60% of the building leased to the Queensland State Government. The property has a 5.0 star NABERS rating and was purchased off market from a private investor for \$71.5 million, representing a yield of 8.35%.

438-517 Kingsford Smith Drive, Hamilton, Brisbane, Qld.

A new 9,328sqm office building with ground floor retail tenancies completed in 2013 with a WALE of 9.1 years. The property is 66% leased to ASX-listed companies, including Woolworths, and serves as Head Office for the operations of Domino's and Devine. The property has a 4.5 star NABERS rating and recently won the Queensland UDIA Award for best commercial development for 2013. The property is being purchased from Leighton Properties/Devine for \$62.0 million representing a yield of 8.25%.

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About 360 Capital Group (ASX code TGP)

360 Capital is an ASX-listed, property investment and funds management group concentrating on strategic investment and active investment management of property assets. The company actively invests 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 18 full time staff located in Sydney have significant property, funds and investment management experience. 360 Capital manages 10 investment vehicles holding assets valued at more than \$845 million on behalf of approximately 9,000 investors, has over \$90 million worth of co-investments across the 360 Capital platform and owns two direct assets valued at approximately \$50 million.

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