

# 360 Capital Office Fund

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20 January 2015

## **FY15 Earnings Guidance and Debt Management Initiatives**

The 360 Capital Office Fund ('Fund' or ASX code: 'TOF') is pleased to announce FY15 operating EPU guidance of 18.4cpu, above previous guidance of at least 17.0cpu provided at the release of the Fund's FY14 financial results.

This guidance increase has been driven by the recent accretive acquisition of Botanicca in Melbourne, the Fund's unit buy back and debt management initiatives.

The Fund's loan to value ratio (LVR) is expected to be approximately 31.3% (based on drawn debt of approximately \$68.8m) following the application of \$80.0m of net proceeds from the sale of Burwood, the settlement of the recent \$46.5m Botanicca acquisition and the \$9.1m unit buy back.

The Fund's debt facility was previously \$100.0m. As an interim measure in order to reduce facility fees, the Fund has elected to reduce its facility limit to \$80.0m and reset its interest rate hedge over \$70.0m of Fund borrowings for five years until January 2020, reducing its all-in borrowing cost to 4.1%.

As a result of the above debt management initiatives, the Fund's interest expense is expected to be reduced by approximately 0.8cpu p.a.

As these initiatives only impact part of FY15, all things being equal, it is expected the full positive impact of these initiatives will flow through into FY16.

The Fund's FY15 distribution guidance is unchanged at 17.0cpu.

The Fund is expected to release financial results for the six months ending 31 December 2014 to the market on 18 February 2015.

More information on the Fund can be found on the ASX's website at [www.asx.com.au](http://www.asx.com.au) using the Fund's ASX code "TOF", on the Fund's website [www.360capital.com.au](http://www.360capital.com.au) by calling the 360 Capital investor enquiry line on 1800 182 257, emailing [investor.relations@360capital.com.au](mailto:investor.relations@360capital.com.au) or contacting:

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### **About 360 Capital Office Fund (ASX code TOF)**

360 Capital Office Fund is the only ASX-listed office sector A-REIT focused on suburban A grade and CBD B grade rent collecting properties in Australia in the \$30 to \$100 million asset value range. The Fund has a diversified \$220 million portfolio of four quality assets, a weighted average lease expiry of 4.7 years, occupancy of 100.0%, LVR of approximately 31.3% and a forecast FY15 distribution of 17.0cpu. The Fund is externally managed by 360 Capital Group, a leading ASX-listed real estate investor and fund manager, that operates under a transparent fee structure and is the largest unitholder in the Fund with a co-investment stake of circa 28% to ensure ongoing alignment of interests with Unitholders.

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### **About 360 Capital Group (ASX code TGP)**

360 Capital Group 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. 360 Capital Group's 21 full time staff have significant property, funds and investment management experience. 360 Capital Group manages nine investment vehicles holding assets valued at over \$950 million on behalf of over 8,300 investors, has over \$134 million worth of co-investments across the 360 Capital Group platform.

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