

360 Capital Industrial Fund

19 January 2015

Upgraded FY15 Earnings Guidance, Release of FY16 Earnings and Distribution Guidance and Capital Management Initiatives

Earnings and Distribution Guidance

360 Capital Industrial Fund (“Fund” or ASX code “TIX”) is pleased to announce as a result of 360 Capital’s recent leasing activities, completion of its non-core asset disposal program, recent accretive acquisitions and proactive capital management, **FY15 operating EPU guidance has increased by 5.0% to 21.2cpu from previous guidance of 20.2cpu.**

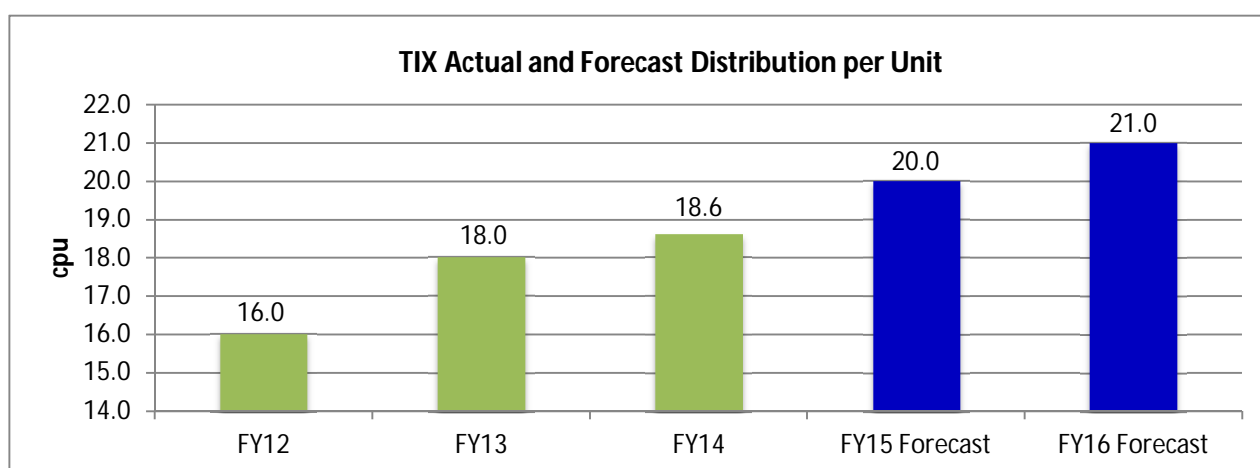
The Fund now comprises in excess of \$526.0m of assets and 360 Capital has maintained virtually 100% occupancy with a long weighted average lease expiry of 5.8 years in line with the Fund’s strategy of generating stable and very predictable cashflow from its diverse portfolio of properties and tenants.

Further, as a result of the Fund’s highly visible cashflow, the **Fund is pleased to announce FY16 operating EPU guidance of 22.0cpu, up 3.8% on the upgraded FY15 guidance.**

FY15 DPU guidance of 20.0cpu is unchanged following the recent upgrade from 19.2cpu.

In line with the Fund’s recent payout level and reflecting the minimal capital expenditure required within the portfolio, **the Fund is pleased to announce FY16 DPU guidance of 21.0cpu, up 5.0% on FY15 guidance of 20.0cpu.**

Since listing on the ASX in December 2012, 360 Capital has progressively increased yearly distributions per unit. Based on the past three years’ actual distributions and the Fund’s two year forecast distributions above for FY15 and FY16, the Fund will have delivered an average of 7.1% per annum distribution growth as follows:



The Fund expects to continue to provide operating earnings and distribution growth to Unitholders, driven by its well-spread lease expiry, fixed annual rental increases averaging 3.2% for the majority of leases, responsible management of its capital structure and the acquisition of high quality assets that not only complement the existing quality portfolio but contribute to providing strong and sustainable underlying cashflow going forward.

360 Capital Industrial Fund

Capital Management Initiatives

In line with the Fund's strategy of generating stable and very predictable cashflow, the Fund has extended the term and increased the level of hedged borrowings by entering into a new interest rate swap over \$210.0m of borrowings with NAB for 5 years expiring in January 2020, in place of its existing \$185.0m interest rate swap with NAB. The Fund's existing 3-year interest rate swap of \$20.0m taken out in December 2014 with NAB remains in place.

By re-setting the Fund's interest rate over the majority of the Fund's borrowings, the Fund has reduced its all-in interest cost to 4.0% and significantly extended the term of the Fund's fixed interest rate.

The Fund continues its strategy of having its Distribution Reinvestment Plan (DRP) fully underwritten. The DRP for the December 2014 quarter was underwritten by Merrill Lynch Equities (Australia) Limited and will raise approximately \$6.2m, with proceeds applied to reduce Fund borrowings.

360 Capital Group fully participated in the DRP with its co-investment in the Fund remaining at 12.0%.

HY15 Financial Results and Bidder's Statement

The Fund is expecting to release the financial results for the 6 months to 31 December 2014 on 30 January 2015. At the same time, the Fund will also release its Bidder's Statement in regards to the formal takeover offer the Fund has made for Australian Industrial REIT (ASX: ANI).

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

Ben Butler
Fund Manager
360 Capital Industrial Fund
+61 2 8405 5672

Ben James
Chief Investment Officer
360 Capital Group
+61 2 8405 8871

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

About 360 Capital Industrial Fund (ASX code TIX)

360 Capital Industrial Fund is an ASX-listed Fund focused on passive rent collecting from warehouse and logistics properties in Australia in the \$10.0 million plus range. The Fund has strong, defensive, income-focused investment fundamentals via a diversified \$526.6 million portfolio of 22 quality assets, a weighted average lease expiry of 5.8 years, occupancy of 99.9%, distributions tax deferred at approximately 50% to 60% and a forecast FY15 distribution of 20.0cpu. 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 to ensure ongoing alignment of interests with Unitholders.

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 Group 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 approximately \$950 million on behalf of over 8,300 investors, has over \$134.5 million worth of co-investments across the 360 Capital Group platform.
