



360 Capital RE Limited

ABN 62 090 939 192

ALL CORRESPONDENCE TO:

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19 October 2012

**360 Capital Industrial Fund**

**ARSN: 099 680 252**

Dear Member,

- **September 2012 quarter distribution statement attached**
- **Improving property fundamentals support potential further distribution increases**
- **Update on Fund operations and asset disposals**

Please find attached your September 2012 quarter distribution, which has **increased 12.5% to 4.5 cpu per annum from 4.0 cpu per annum for the previous quarter** due to the continuing improvement in the underlying property portfolio and 360 Capital's active asset and fund management.

### **Voting Update**

As mentioned previously, Members rejected Denison/Forum/Garnaut's proposal with only 5% of Units on issue voted in support (excluding 10% controlled by Garnaut, an associate of Dennison/Forum). As a result, Denison/Forum/Garnaut has no basis to make any further proposals to Members.

**Only one proposal remains, being 360 Capitals' proposal to list the Fund.** To date, 72% of Units voted are IN FAVOUR of 360 Capital's listing proposal versus the 75% voting threshold. **If sufficient Units are voted in favour, we will initiate the listing process and potentially increase quarterly distributions based on the Fund's improving fundamentals.**

### **Your Responsible Entity recommends voting IN FAVOUR of 360 Capital's proposal.**

1. If you lodged your vote for Denison/Forum/Garnaut, you can now re-lodge your vote on the attached proxy form IN FAVOUR of 360 Capital's proposal.
2. If you have not voted, please lodge your vote IN FAVOUR on the attached proxy form.
3. If you've already lodged your vote IN FAVOUR, you don't need to take any further action.

### **Key Fund successes since 30 June 2012 under 360 Capital's active management are as follows:**

- In line with our stated strategy, we have reduced the Fund's LVR from 61.5% to 59.1% and improved the quality of the property portfolio following the sale of three non-core assets:
  - 241 Shell Harbour Road, Kemblawarra, NSW for \$8.2 million
  - 145-147 Archerfield Road, Richlands, Qld for \$18.5 million
  - 38 Westgate Street, Wacol, Qld for \$8.8 million
- Signed agreement to sell 28-32 Gauge Circuit, Canning Vale, WA before Christmas for \$10.5 million
- Leased a total of 15,991 sqm over the past four months to maintain the portfolio's high 98% occupancy and long WALE of 5.0 years.

I once again thank all Members for their continued patience. Please contact 1800 182 257 or visit us at [www.360capital.com.au](http://www.360capital.com.au) if you have any queries.

Yours faithfully,

Tony Pitt

**Managing Director, 360 Capital RE Limited**