

2 October 2012

360 Capital Industrial Fund

ARSN: 099 680 252

RG198 Announcement

360 Capital RE Limited

ABN 62 090 939 192

ALL CORRESPONDENCE TO:

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Dear Member,

- **Denison/ Forum/ Garnaut withdraws its proposal after being overwhelmingly rejected by Members**
- **Now only one proposal remains – 360 Capital’s proposal to list the Fund on the ASX**
- **360 Capital propose to adjourn the Member Meeting of 5 October 2012 until 12 October 2012**
- **360 Capital has referred conduct of Denison/ Forum/ Garnaut to ASIC**

On Friday Denison/Forum/Garnaut issued a statement withdrawing its proposal, with Members overwhelmingly **AGAINST** the Denison/Forum/Garnaut proposal. As at Friday, based on proxies lodged, Denison/Forum/Garnaut had the support of less than 15% of the register.

Members DO NOT want Denison/Forum/Garnaut in control of their Fund.

Now that 360 Capital’s proposal to list the Fund is the only one for Members to consider, 360 Capital is proposing to adjourn the meeting of 5 October 2012 to 12 October 2012 (Meeting) to:

1. Give Members time to lodge votes now Denison/ Forum/ Garnaut has withdrawn its proposal;
2. Allow those few Members who have voted against the listing proposal to reconsider their vote.

360 Capital understands the proposed further adjournment of the Meeting will be disappointing to some Members and we apologise for this.

However, this is an important decision and it is in the best interests of Members to be given every opportunity to vote. We now ask Denison/Forum/Garnaut to respect the democratic right of Members to consider the 360 Capital proposal to list in an orderly manner and cease trying to frustrate the Meeting for personal gain.

To date, proxies for 72% of Units voted are IN FAVOUR of 360 Capital’s proposal to list the Fund.

1. Voting threshold for 360 Capital’s proposal is 75% of all Units that vote
2. Members overwhelmingly want the Fund to list (other than Denison/ Forum/ Garnaut associates, very few members are against the proposal)
3. Members yet to vote need to resolve the future of their investment and the Fund and **vote IN FAVOUR of the 360 Capital listing proposal NOW**

What does listing the Fund with 360 Capital as Fund Manager provide Members?

1. A Fund Manager aligned with Members, with proven management performance
2. A Fund Manager with significant skills and experience in managing successful ASX-listed funds
3. An immediate and on-going ability to sell Units when Members choose to
4. On-going annual distributions 4.5 cent per Unit, with scope for further increases
5. Avoid the Exit Mechanism and the potential risk of the Fund winding up
6. Fees savings of \$7.1 million

360 Capital is committed to listing the Fund as it believes it’s in all Members’ best interests and this view is supported by Australia’s leading independent property research houses.

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What if listing is not approved now?

1. On-going confusion and uncertainty over the future of the Fund and Members' investments
2. Despite being overwhelmingly rejected by Members the first time, Denison/ Forum/ Garnaut has announced that if the 360 Capital proposal is not passed, it intends to convene yet another meeting to take control of the Fund.

IT'S TIME TO MOVE ON!

It is clear that Denison/Forum/Garnaut is confused and has no clear strategy for your Fund. After savaging 360 Capital's proposal to list the Fund with unfounded and misleading statements for the past two months, it appears that Denison/Forum/Garnaut's next proposal will involve listing the Fund (even though it has no experience in managing listed funds).....and when that proposal fails, as it undoubtedly will, what will it propose next? Will it ever stop?

It would appear that Denison/Forum/Garnaut is prepared to say or do anything in an attempt to gain control of your Fund.

Send Denison/ Forum/ Garnaut a clear message - ignore its unfounded claims and flawed proposals.

ASIC investigation

Whilst 360 Capital respects the rights of Members to be active in determining the future of their Fund, it is UNACCEPTABLE for the meeting process to be undermined and abused by conduct which is clearly misleading and deceptive and aimed at denying unit holders their democratic rights.

360 Capital has referred the conduct of Denison/Forum/Garnaut to ASIC and will provide ASIC with any assistance it requests.

Meeting Venue

The Members Meeting has been adjourned to 5 October 2012 at **10a.m. in the Yurra-Marra Room at The Grace Hotel, 77 York Street, Sydney, NSW, 2000.**

It is expected the meeting will be further adjourned to the same venue and time on 12 October 2012 (which will also become the new record date). 360 Capital believes it is important that Members have this prior notice of the proposed adjournment to avoid the inconvenience of attending the Meeting on 5 October 2012 only to see it adjourned.

To date over 1,000 members and their Advisors have gone to the effort of considering the 360 Capital listing proposal. I thank all Members interested for their continued patience. If you've already lodged your **vote IN FAVOUR** of 360 Capital's proposal, you don't need to take further action. For those Members who haven't voted or wish to **vote IN FAVOUR** of the 360 Capital proposal, a new proxy form is attached.

Yours faithfully,



Tony Pitt

**Managing Director,
360 Capital RE Limited**