360 Capital
Property Group

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**RG198 Announcement**
**360 Capital Industrial Fund**
**ARSN: 099 680 252**

Dear Member,

**RE: MEMBER UPDATE REGARDING DENISON/FORUM/GARNAUT MEETING**

360 Capital RE Limited advises that the meeting to consider the Denison/Forum/Garnaut proposal has been adjourned until 4 October 2012. In stark contrast to the farcical tactics employed by the Denison/Forum/Garnaut camp in relation to Friday's meeting, 360 Capital RE limited did not object to the adjournment.

From 360 Capital's view what is important is that investors have their say in respect of the matters before them and are not disenfranchised by a small minority who are attempting to frustrate the meetings for their own personal benefit.

Based on the proxies received by 360 Capital to date in respect of the Denison/Forum/Garnaut proposal, it is clear that it has very little support among members. To date, approximately 950 non associated members holding over 82 million units have lodged proxies against the Denison/Forum/Garnaut proposal and in favour of the 360 Capital proposal. Over 46% of the entire register has now lodged proxies against the Denison/Forum/Garnaut proposal.

We expect that in the next few days over 50% of the register will have rejected the Denison/Forum/Garnaut proposal meaning it is impossible for their proposal to succeed. Even including Garnaut clients and associates who have lodged proxies, the Denison/Forum/Garnaut proposal only has the support of 20% of proxy votes lodged to date.

Based on these numbers, it is clear that members have seen through the Denison/Forum/Garnaut proposal and are rejecting it. It is hoped that Denison/Forum/Garnaut will realise their proposal is doomed to fail and will withdraw their proposal and allow the Fund to focus on the more important matter of enhancing returns for members.

Over the weekend, 360 Capital advised Denison/Forum/Garnaut that it had no intention of trying to disrupt the members' meeting today, including employing similar tactics to that employed by Denison/Forum/Garnaut on Friday.

However, 360 Capital has put Denison/Forum/Garnaut on notice that it will do everything in its power to ensure that members have an appropriate opportunity to vote and that their vote is properly counted in accordance with all relevant legal requirements in connection with both meetings.

360 Capital RE Limited will continue to work with ASIC to ensure the meetings are properly held and members have their say.

Yours faithfully,

Tony Pitt
**Managing Director**
**360 Capital RE Limited**