

30 October 2014

**SALE OF FINAL DIRECT ASSET
PROFIT UPGRADE
DISTRIBUTION INCREASE**

360 Capital Group (ASX code: TGP) ('360 Capital' or 'Group') is pleased to announce it has entered into an unconditional contract to dispose of 20 Woniara Road, Hurstville, NSW ('Property') for a gross sale price of \$47.0 million. The sale price represents a 22.1% premium to the current carrying value of the asset of \$38.5 million.

Under the contract, the purchaser will also lease the entire building from the expiry of the ATO lease in February 2015 until settlement on 30 September 2015, with the sale price to be reduced by any rental payments under the lease.

This disposal of the Group's final direct asset completes the Group's transition to being a pure fund manager and investment group.

Earnings Forecasts

As a result of this transaction, the Group's forecast FY15 base operating earnings increase 9.1% to 6.0cps from 5.5cps and the Group is now forecasting operating earnings (including active earnings) of over 10.0cps, which is at the upper end of previous guidance of 8.6 - 11.0cps provided with the release of the Group's FY14 results.

Distribution forecasts and distribution policy

Following the disposal of the Property the Group is now a pure fund manager and investment group, and as such the Group's Board of Directors has elected put in place a formal distribution policy.

Forecast distributions for the Group will now be determined by reference to "base operating earnings" and the Board has determined to distribute between 80-100% of base operating earnings annually.

As a result, the Board has resolved in line with this distribution policy that the Group's FY15 distributions will increase 9.5% from 5.25cps to 5.75cps, reflecting a payout ratio of 95.8% of base operating earnings.

The Group paid a distribution of 1.31cps on 24 October 2014 for the quarter ending 30 September 2014. Distributions are now forecast to be 1.48cps per quarter for the balance of FY15.

It is expected that the FY15 distribution will be at least 65% tax deferred.

Active earnings will not be distributed but reinvested into the continuing growth of the business.

Group Cash Reserves

Prior to receiving any proceeds of the Property sale, the Group has cash reserves of approximately \$44.0 million.

The Group currently has no bank borrowings against the Property and as such the full net proceeds from the sale will be redeployed into the Group's funds management and co-investment activities in line with the its stated strategy.

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More information on the Group can be found on the ASX's website at www.asx.com.au using the Group's ASX code "TGP", on the Group'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

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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 eight investment vehicles holding assets valued at approximately \$1.0 billion on behalf of almost 10,000 investors and has \$125.9 million worth of co-investments across the 360 Capital Group platform.

ASX Release

360 Capital Group

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