

360 Capital Office Fund

28 October 2015

Exchange of Unconditional Contracts to Sell 33 Allara Street, Canberra

360 Capital Investment Management Limited as Responsible Entity for the 360 Capital Office Fund (the Fund) (ASX: TOF) advises following the recent lease extension over the building until 15 December 2016, the Fund has exchanged unconditional contracts to sell 33 Allara Street, Canberra (Property) for \$29.0 million, \$1.0 million below the Property's 30 June 2015 book value.

Settlement is currently scheduled for 30 November 2015, with the net sale proceeds from the sale initially to be utilised to pay down the Fund's senior debt facility. As a result, the Fund's gearing will reduce to 18.7%, providing capacity to take advantage of appropriate reinvestment opportunities as they arise.

For a number of years, the Property has represented a significant leasing risk for the Fund and although 360 Capital has extended the lease twice, the tenant, Commonwealth of Australia (Department of Environment) has only entered into short term leases. It is understood the tenant will shortly commence vacating the Property, exposing the Fund to significant capex and re-leasing risk as well as placing potential pressure on the Property's valuation.

The Fund now has a very predictable cash flow across its three modern office assets which have a weighted average lease expiry of 5.4 years, occupancy of 98.3%, an average age of 3.3 years and no lease expiry until June 2017.

The Fund is now well positioned with a very strong balance sheet and defensive cash flows.

The Fund now forecasts FY16 EPU (assuming no acquisitions) to be at least 18.0cpu, with distributions unchanged at this stage at 17.0cpu.

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

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About 360 Capital Office Fund (ASX code TOF)

360 Capital Office Fund is the only ASX-listed office sector A-REIT focused on suburban A grade and CBD B grade rent collecting properties in Australia in the \$30 to \$100 million asset value range. The Fund has a diversified \$197 million portfolio of three quality assets, a weighted average lease expiry of 5.8 years, occupancy of 98.3%, gearing of approximately 17.6% and a forecast FY16 distribution of 17.0cpu. 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 with a co-investment stake of circa 30% 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 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 18 full time staff have significant property, funds and investment management experience. 360 Capital Group manages nine investment vehicles holding assets valued at over \$1.2 billion on behalf of over 10,500 investors and has over \$200 million worth of co-investments across the 360 Capital Group.