

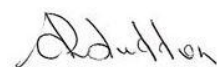
24 March 2015

Third Supplementary Bidder's Statement – Management Presentation

360 Capital Investment Management Limited (360 Capital) as responsible entity for the 360 Capital Industrial Fund (Bidder) refers to the off-market takeover bid (TIX Offer) which it has made for all the units in Australian Industrial REIT (ANI).

Enclosed is a copy of the management presentation dispatched today to ANI Unitholders in relation to the Third Supplementary Bidder's Statement dated 24 March 2015 in respect of the TIX Offer.

Yours sincerely,



Alan Sutton
Company Secretary
360 Capital Investment Management Limited

Enc.

More information on the TIX Offer can be found on the ASX's website at www.asx.com.au using the Fund's ASX code "TIX", on the Fund's website www.360capital.com.au, or by calling the TIX Offer Information Line on 1800 247 697 (callers in Australia) or +61 2 8024 1189 (callers outside Australia) between 8.30am and 5.30pm (Sydney time) on Business Days.

Alternatively, please contact:

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About 360 Capital Industrial Fund (ASX code TIX)

360 Capital Industrial Fund is an ASX-listed Fund focused on passive rent collecting from warehouse and logistics properties in Australia in the \$10.0 million plus range. The Fund has strong, defensive, income-focused investment fundamentals via a diversified \$544 million portfolio of 22 quality assets, a weighted average lease expiry of 5.8 years, occupancy of 99.9%, distributions tax deferred at approximately 50% to 60% and a forecast FY15 distribution of 20.0cpu. 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 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 21 full time staff have significant property, funds and investment management experience. 360 Capital Group manages nine investment vehicles holding assets valued at over \$1.1 billion on behalf of over 8,300 investors and has over \$177 million worth of co-investments across the 360 Capital Group.



360 Capital Industrial Fund (ASX:TIX)

Offer to acquire Australian Industrial REIT (ASX:ANI)







IMPROVED TIX OFFER & INCREASED CASH PAYMENT
BEST & FINAL OFFER IN THE ABSENCE OF A COMPETING PROPOSAL

ACCEPT NOW

24 March 2015

Best and final offer¹

Improved TIX Offer and Cash Payment

	Substantial increase in the offer to an Implied Value of \$2.54 ²
	Best and final TIX Offer – will not be increased in the absence of a competing proposal and now closes 15 April 2015
	TIX NTA increased by 14cpu ³ providing NTA accretion for ANI Unitholders
	FY16 distributions for ANI Unitholders increase to 20.3cpu ⁴ vs. ANI stand-alone 19.2cpu
	FY16 earnings for ANI Unitholders increase to 20.9cpu ⁴ vs. ANI stand-alone 20.4cpu
	Management fees reduced by up to 50% if 360 Capital ⁵ is appointed responsible entity

1. Best and final offer in the absence of a competing proposal
2. Implied value of the TIX Offer inclusive of the Cash Payment based on the closing price of TIX Units on 19 March 2015 of \$2.71 adjusted for the TIX March 2015 quarter distribution of 5.0662 cents per Unit
3. Revaluations of 13 TIX properties have increased portfolio value by \$17.5m to \$543.5m, a 3.3% increase to total portfolio value as at 31 December 2014. Refer ASX release 17 March 2013 and Third Supplementary Bidder's Statement
4. Assuming reinvestment of the Cash Payment of 10.0 cents per ANI Unit into the Combined Group at \$2.66 per unit (based on the closing price of TIX Units on 19 March 2015 of \$2.71 adjusted for the TIX March 2015 quarter distribution of 5.0662 cents per Unit)
5. An appropriately licenced entity within the 360 Group. The waiver only applies if TIX acquires less than 100% of ANI

Best and final offer¹

Improved TIX Offer, Cash Payment and Implied Value

	Original Proposal (per equivalent ANI Unit)		Improved Proposal (per equivalent ANI Unit)
TIX Offer	0.89 TIX Units	↑	0.90 TIX Units + 4.5 cents
360 Capital Cash Payment ²	3.0 cents	↑	10.0 cents
Implied Value ³	\$2.37 scrip + 3.0 cents = \$2.40	↑	\$2.40 scrip + 14.5 cents ⁴ = \$2.54

Notes

1. Best and final offer in the absence of a competing proposal
2. Subject to the satisfaction of the Cash Payment Condition
3. Implied value of the TIX Offer inclusive of the Cash Payment based on the closing price of TIX Units on 19 March 2015 of \$2.71 adjusted for the TIX March 2015 quarter distribution of 5.0662 cents per Unit
4. Cash Payment by 360 Capital plus cash component of TIX Offer

Best and final offer¹

Improved FY16 DPU, EPU, NTA and Gearing

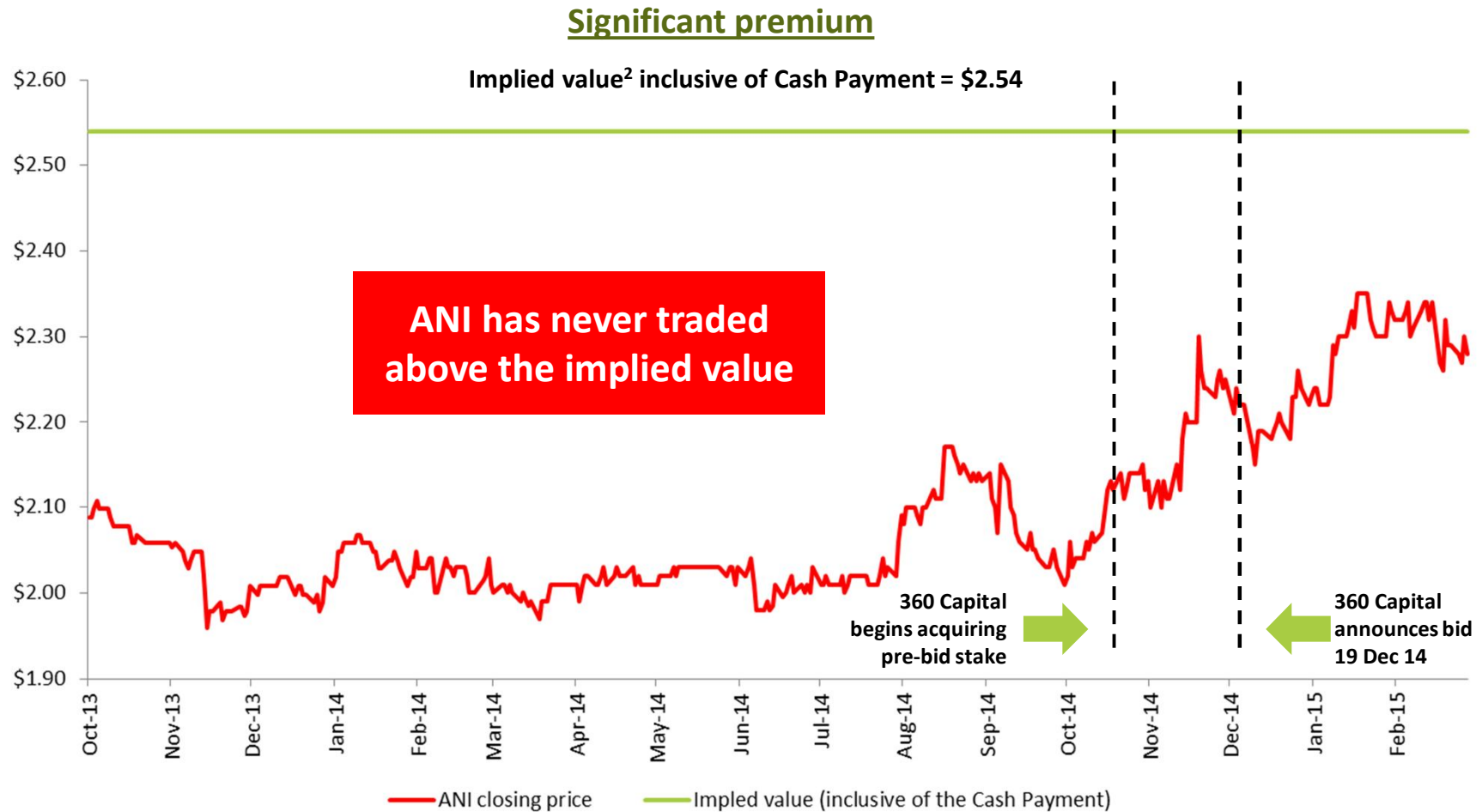
	ANI Standalone		Improved Proposal ² (per equivalent ANI Unit)
FY16 distributions	19.2cpu	↑ 5.7%	20.3cpu ³
FY16 earnings	20.4cpu	↑ 2.5%	20.9cpu ³
NTA per Unit	\$2.01 ⁴	↑ 5.5%	\$2.12
Gearing	36%	↑	40% ⁵ in line with ANI gearing policy

Notes

1. Best and final offer in the absence of a competing proposal
2. Assumes TIX acquires 100% of ANI
3. Assuming reinvestment of the Cash Payment of 10.0 cents per ANI Unit into the Combined Group at \$2.66 (based on the closing price of TIX Units on 19 March 2015 of \$2.71 adjusted for the TIX March 2015 quarter distribution of 5.0662 cents per Unit)
4. Target Statement NTA of \$2.06 per Unit less ANI transaction costs of \$4.4m
5. Post sale of Non-Core Assets – refer to section 5.5 of the Bidder's Statement

Best and final offer¹

Significant premium for ANI Unitholders



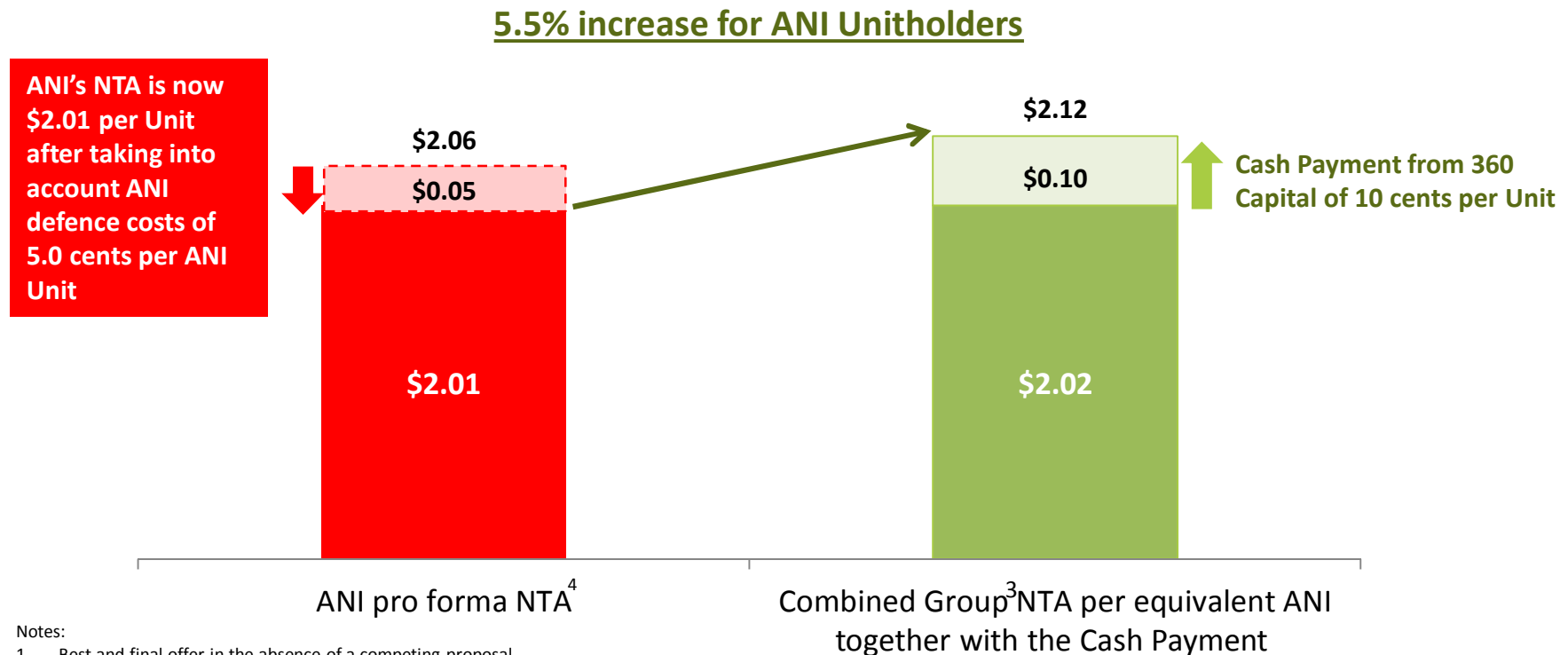
Notes

1. Best and final offer in the absence of a competing proposal
2. Implied value of the TIX Offer inclusive of the Cash Payment based on the closing price of TIX Units on 19 March 2015 of \$2.71 adjusted for the TIX March 2015 quarter distribution of 5.0662 cents per Unit

Best and final offer¹

Accretive to ANI NTA per Unit

- Following revaluations², TIX NTA increased by 14 cents per unit, providing NTA accretion for ANI Unitholders³
- Fife Funds has spent 5 cents per Unit of ANI funds to defend ANI and management rights

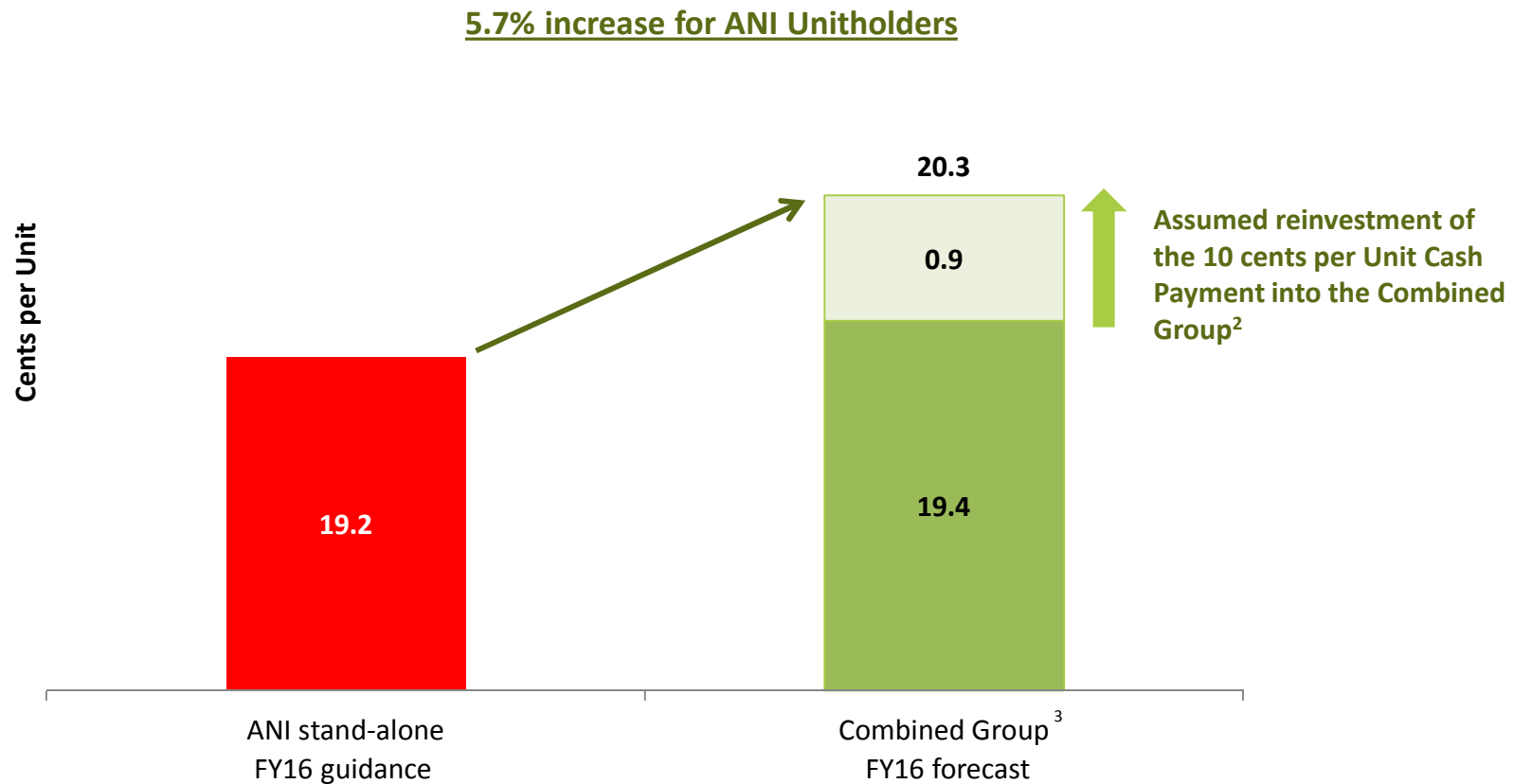


Notes:

1. Best and final offer in the absence of a competing proposal
2. Refer to TIX ASX announcement 17 March 2015 for details on valuations
3. Assuming TIX acquires 100% of ANI. Refer to Third Supplementary Bidder's Statement for other relevant assumptions
4. ANI pro forma stand-alone NTA per Unit includes a reduction for ANI transaction costs of \$4.4m

Best and final offer¹

Increased forecast FY16 distributions

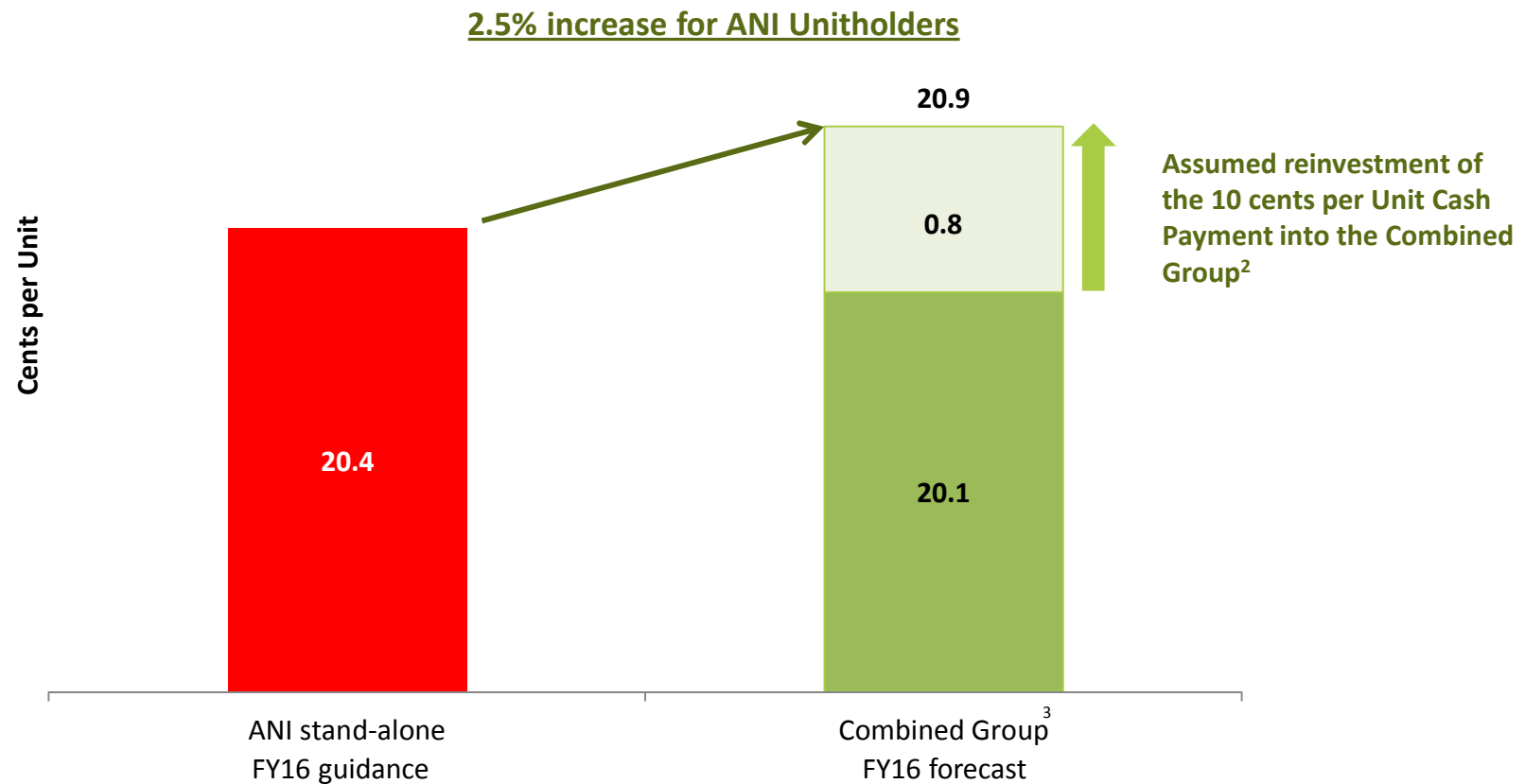


Notes

1. Best and final offer in the absence of a competing proposal
2. Cash Payment assumed to be reinvested in the Combined Group at \$2.66 per Unit (FY16 DPU yield of 8.11%) based on the closing price of TIX Units on 19 March 2015 of \$2.71 adjusted for the TIX March 2015 quarter distribution of 5.0662 cents per Unit
3. Per equivalent ANI Unit. Assumes 100% ownership of ANI. Refer to Third Supplementary Bidder's Statement and Bidder's Statement for other relevant assumptions

Best and final offer¹

Increased forecast FY16 earnings



Notes

1. Best and final offer in the absence of a competing proposal
2. Cash Payment assumed to be reinvested in the Combined Group at \$2.66 per Unit (FY16 EPU yield of 8.38%) based on the closing price of TIX Units on 19 March 2015 of \$2.71 adjusted for the TIX March 2015 quarter distribution of 5.0662 cents per Unit
3. Per equivalent ANI Unit. Assumes 100% ownership of ANI. Refer to Third Supplementary Bidder's Statement and Bidder's Statement for other relevant assumptions

Best and final offer¹

ANI Unitholder returns are at risk

- Research affiliated with ANI's appointed advisors forecasts an earnings drop in FY17
- Given ANI's lease expiry profile, what happens after FY16?



Global Research

10 February 2015

Highlights (A\$m)	-	-	06/14	06/15E	06/16E	06/17E
Net rental income	-	-	14	26	27	26
EBITDA	-	-	13	24	25	23
EPS (UBS, A\$)	-	-	0.127	0.195	0.208	0.188
DPS (A\$)	-	-	0.114	0.182	0.195	0.188
BVPS (basic, A\$)	-	-	1.928	1.999	2.076	2.142
NAV per share (UBS, A\$)	-	-	1.436	2.188	2.258	2.026



-10% earnings



Earnings Forecasts

Yr to June	12A	13A	14A	15E	16E	17E
EBITDA (\$m)	-	-	12.8	23.8	24.5	21.6
Rep NPAT (\$m)	-	-	9.9	18.7	19.4	16.4
Adj NPAT (\$m)	-	-	9.9	18.7	19.4	16.4
EPS (¢)	-	-	12.7	19.4	20.2	17.1
EPS Gth (%)	-	-	NM	53.1	3.8	(15.4)
PER (x)	-	-	18.5	12.1	11.6	13.8
PEG Ratio (x)	-	-	-	0.7	NM	-
DPS (¢)	-	-	11.4	18.2	19.0	17.4



-15% earnings

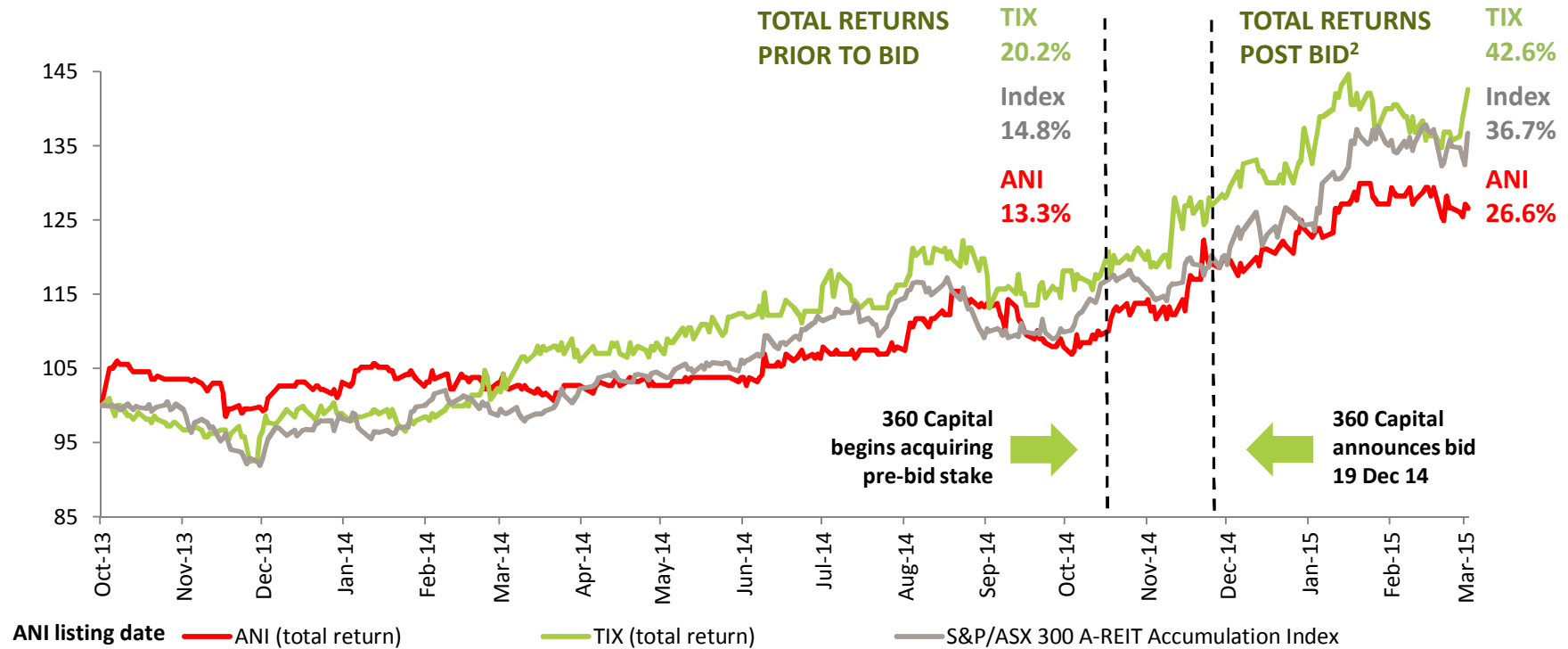
Notes

1. Best and final offer in the absence of a competing proposal

Best and final offer¹

TIX has clearly outperformed ANI

- Market clearly supports TIX's strategy
- ANI has consistently underperformed the Index
- How will ANI perform if the TIX Offer does not proceed?



Notes:

1. Best and final offer in the absence of a competing proposal
2. Total returns calculated as at 19 March 2015

Best and final offer¹

Conclusion

- **The improved TIX Offer and increased Cash Payment result in increased FY16 distributions, earnings and NTA per Unit compared to ANI stand-alone**
- You will receive an Implied Value² of \$2.54 for each ANI Unit comprising:
 - 0.90 TIX Units for each ANI Unit; and
 - total cash³ of 14.5 cents per ANI Unit.
- Improved TIX Offer is final and will not be increased in the absence of a competing proposal
- There is no other offer for all ANI Units on issue
 - ANI's closing price on 19 March 2015 of \$2.29 is an 9.8% discount to the Implied Value
- The relevant acceptance thresholds are:
 - at 30% we will waive all conditions to provide certainty about receiving the consideration
 - at 50% or when 360 Capital is appointed responsible entity you will be entitled to the Cash Payment
- The improved TIX Offer has been extended to 15 April 2015 to allow you to accept

Notes:

1. Best and final offer in the absence of a competing proposal
2. Implied value of the TIX Offer inclusive of the Cash Payment based on the closing price of TIX Units on 19 March 2015 of \$2.71 adjusted for the TIX March 2015 quarter distribution of 5.0662 cents per Unit
3. Cash Payment by 360 Capital (subject to the satisfaction of the Cash Payment Condition) plus cash component of TIX Offer

360 Capital as responsible entity of ANI

360 Capital as responsible entity of ANI

Fife Capital has clear conflicts of interest



- Fife Funds charges ANI Unitholders fees rather than co-investing alongside unitholders

	ANI strategy	TIX strategy
Property management	<ul style="list-style-type: none"> × Fully managed by Fife Capital for 3% of gross income × Are Fife Capital resources dedicated only to ANI? 	<ul style="list-style-type: none"> ✓ Outsourced to specialist property manager for 1.28% of gross income ✓ TIX dedicated investment manager deals directly with all tenants
Leasing fees	<ul style="list-style-type: none"> × Fife Capital is paid leasing fees in line with the PDS at market rates 	<ul style="list-style-type: none"> ✓ TIX does not pay 360 Capital any leasing fees
Property development payments	<ul style="list-style-type: none"> × ANI will pay Fife Capital for delivery of its pipeline × ANI must allow Fife Capital to be development manager in respect of all development projects 	<ul style="list-style-type: none"> ✓ 360 Capital does not undertake development ✓ 360 Capital takes no development fees from TIX ✓ TIX has a first right of refusal on Walker Corporation industrial development pipeline until June 2017 ✓ TIX free to work with all developers at arm's length
Property development pipeline	<ul style="list-style-type: none"> × ANI has an acquisition right, but is subject to an existing client mandate × Fife Capital states there is "an overlap" in the investment criteria for ANI and a client mandate 	<ul style="list-style-type: none"> ✓ TIX is 360 Capital's only industrial vehicle ✓ There are no conflicts or "overlaps"
Co-investment alongside unitholders	<ul style="list-style-type: none"> × Fife Capital owns a token 0.6% of ANI × Fife Capital derives its primary benefit by extracting fees from ANI Unitholders 	<ul style="list-style-type: none"> ✓ 360 Capital invests alongside unitholders ✓ 360 Capital invested \$27m or 12.9% in ANI ✓ 360 Capital invested \$38m or 12.0% in TIX ✓ 360 Capital derives its primary benefit from fund returns alongside unitholders

360 Capital as responsible entity of ANI

- If 360 Capital is appointed responsible entity of ANI but TIX owns <100% of ANI:

Management structure	<ul style="list-style-type: none"> • ANI will have a dedicated responsible entity¹ for itself and no other 360 Capital fund • An independent Board with a majority of Directors that have no other Board representation within 360 Capital will be appointed • A dedicated ANI fund manager will be appointed
Management fees	<ul style="list-style-type: none"> • If 360 Capital¹ is appointed responsible entity of ANI, it will waive up to 50% of the current responsible entity fee charged to ANI by Fife Funds, with savings distributed to ANI Unitholders <ul style="list-style-type: none"> • Waiver based on a sliding scale depending on TIX's ownership in ANI as follows:

TIX ownership	Fee waived (%)	Fee waived (\$)	Fee waived (cents per ANI Unit) ²
30%	30%	\$580,500	0.6cpu
40%	40%	\$774,000	0.8cpu
50%	50%	\$967,500	1.0cpu

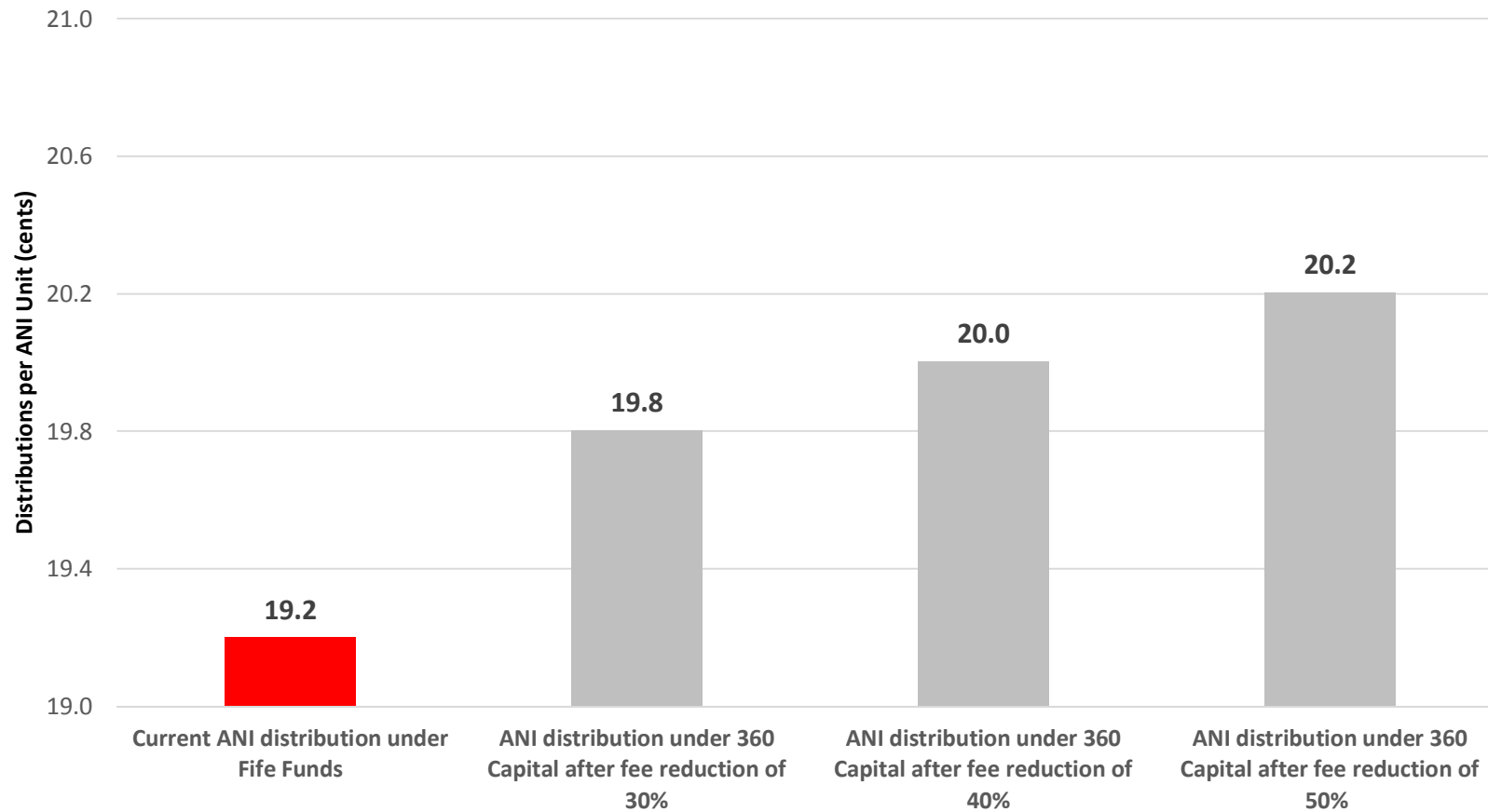
Notes

1. An appropriately licenced entity within the 360 Group
2. Refer slides 15 and 16 for forecast increases to ANI distributions and earnings per Unit

360 Capital as responsible entity of ANI

- 360 Capital will pass on all savings from management fee reductions to ANI Unitholders

Forecast FY16 distributions per ANI Unit under various ownership scenarios¹



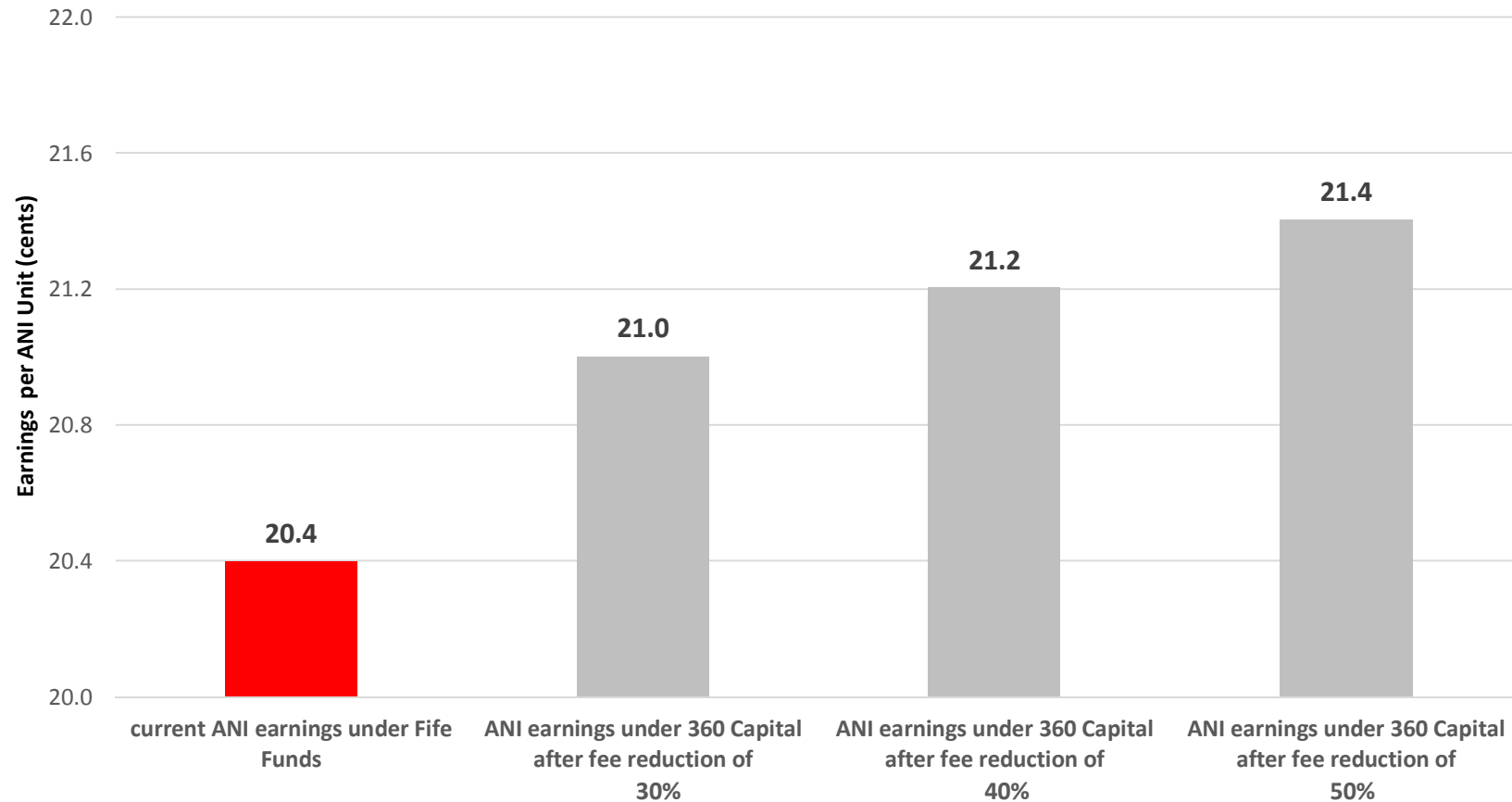
Notes

1. On the basis TIX acquires less than 100% of ANI

360 Capital as responsible entity of ANI

- 360 Capital will pass on all savings from management fee reductions to ANI Unitholders

Forecast FY16 earnings per ANI Unit under various ownership scenarios¹



Notes

1. On the basis TIX acquires less than 100% of ANI

Disclaimer

This presentation has been prepared by 360 Capital Investment Management Limited (ACN 133 363 185, AFSL 340304) ("360 CIML") as responsible entity of the 360 Capital Industrial Fund (ARSN 099 680 252) ('TIX' or the 'Fund') and relates to the off-market takeover bid (TIX Offer) made by TIX for all of the units in the Australian Industrial REIT ("ANI"). The presentation should be read together with, and is subject to, the information set out in the bidder's statement lodged with ASX on 3 February 2015 ("Bidder's Statement"). The Bidder's Statement is an important document and should be read in its entirety before deciding whether to accept the TIX Offer.

Given that TIX Units are offered as consideration under the TIX Offer, the implied value of the TIX Offer will vary with the ASX trading price of TIX Units. Further information on the implied value of the TIX Offer is contained in the Bidder's Statement. ANI Unitholders whose address in ANI's register of unitholders is not in Australia or its external territories or New Zealand will not be entitled to receive TIX Units on acceptance of the TIX Offer (unless TIX determines otherwise). This Bidder's Statement does not constitute an offer to issue or sell, or the solicitation of an offer to buy, any securities referred to in this Bidder's Statement in any jurisdiction in which the offer or issue of such securities would be unlawful. Ineligible Foreign Unitholders who accept the TIX Offer will be paid a cash amount calculated in accordance with section 11.5.4 of the Bidder's Statement. Unmarketable Parcel Unitholders who accept the TIX Offer, will also not receive TIX Units, but will be paid a cash amount calculated in accordance with section 11.5.4 of this Bidder's Statement.

This presentation is provided for general information purposes only. It is not a product disclosure statement, pathfinder document or any other disclosure document for the purposes of the Corporations Act and has not been, and is not required to be, lodged with the Australian Securities & Investments Commission. It should not be relied upon by the recipient in considering the merits of, or the acquisition of securities in, TIX or ANI. Nothing in this presentation constitutes investment, legal, tax, accounting or other advice and it is not to be relied upon in substitution for the recipient's own exercise of independent judgment with regard to the operations, financial condition and prospects of TIX or ANI. The information contained in this presentation does not constitute financial product advice. Before making an investment decision, the recipient should consider its own financial situation, objectives and needs, and conduct its own independent investigation and assessment of the contents of this presentation, including obtaining investment, legal, tax, accounting and such other advice as it considers necessary or appropriate. This presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. It is not an invitation or offer to buy or sell, or a solicitation to invest in or refrain from investing in, securities in TIX, ANI or any other investment product.

All of the information concerning ANI contained in this presentation has been obtained from publicly available sources including public documents filed by ANI or information published by ANI on its website. Neither TIX, 360 CIML or their respective related bodies corporate nor their advisers assume any responsibility for the accuracy or completeness of this information. The Corporations Act requires the directors of Fife Funds to provide a Target's Statement to ANI Unitholders in response to the Bidder's Statement, setting out all the information known to any of the directors which would enable you to make an informed assessment whether to accept the TIX Offer.

To the maximum extent permitted by law, 360 Capital, 360 CIML, TIX and their respective related bodies corporate make no representation or warranty, express or implied, as to the accuracy, completeness, timeliness or reliability of the contents of this presentation, and do not accept any liability (including, without limitation, any liability arising from fault or negligence) for any loss whatsoever arising from the use of this presentation or its contents or otherwise arising in connection with it. This presentation may contain forward-looking statements, guidance, forecasts, estimates, prospects, projections or statements in relation to future matters ('Forward Statements'). Forward Statements including indications, guidance or outlook on future revenues, distributions or financial position and performance or return or growth in underlying investments are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No member of the 360 Capital Group represents or warrants that such Forward Statements will be achieved or will prove to be correct or gives any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any Forward Statement contained in this presentation. Except as required by law or regulation, 360 CIML assumes no obligation to release updates or revisions to Forward Statements.

Terms not defined in this presentation have the same meaning as in the Bidder's Statement.

All dollar values are in Australian dollars (\$) or A\$ unless stated otherwise. The recipient should note that this presentation contains pro forma financial information, including a pro forma balance sheet, which are based on assumptions and adjustments explained more fully in section 6 of the Bidder's Statement.