

360 Capital Industrial Fund



6 May 2015

TIX Offer Declared Unconditional

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).

The Bidder has now declared the TIX Offer unconditional.

We enclose copies of:

- a letter sent today to ANI Unitholders in relation to the declaration; and
- the notice freeing the TIX Offer of defeating conditions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alan Sutton'.

Alan Sutton
Company Secretary
360 Capital Investment Management Limited

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.

Tony Pitt
Managing Director
360 Capital Group
+61 2 8405 8865

Ben James
Chief Investment Officer
360 Capital Group
+61 2 8405 8871

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 20.0cpcu. 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.

6 May 2015

Dear Fellow ANI Unitholder,

TIX Offer Declared Unconditional

360 Capital Investment Management Limited (360 Capital) as responsible entity for the 360 Capital Industrial Fund (Bidder or TIX) is pleased to make the following announcement in relation to its off-market takeover bid (TIX Offer) which it has made for all the units in Australian Industrial REIT (ANI).

- TIX has declared the TIX Offer UNCONDITIONAL;
- TIX will own 23.65% of ANI and become the largest Unitholder in ANI with a circa \$53 million investment. This is important as TIX will be fully aligned with ANI Unitholders to maximise the value of ANI's portfolio – TIX has the most at stake in relation to ANI's performance. TIX notes the 360 Capital Group has decided to accept the TIX Offer in respect of the interest in ANI which it controls;
- ANI Unitholders should now accept the unconditional TIX Offer which provides them with 0.90 TIX units and 4.5 cents cash per ANI Unit. In addition, accepting ANI Unitholders will be entitled to the Cash Payment of an additional 10 cents per ANI Unit upon satisfaction of the Cash Payment Condition;
- ANI Unitholders should now accept the TIX Offer as it provides:
 - More certainty to ANI Unitholders - the value of the TIX Offer is known and tangible. This compares to Fife's unidentified and undisclosed acquisition pipeline. Any ANI acquisitions proposed by Fife will be funded by an equity raising that will be presumably dilutive to ANI unitholder value compared to the value under the TIX Offer
 - An investment in TIX which will have a larger market capitalisation and liquidity (compared to ANI liquidity which is expected to materially reduce given TIX's holding in ANI)
- TIX intends to vote in favour at the meeting on 25 May 2015 to replace Fife Capital Funds Limited as the responsible entity of ANI with 360 Capital ANI Management Limited (360 CAML)
 - ANI Unitholders are reminded that should they accept the unconditional TIX Offer, they will be entitled to an additional 10 cents per ANI Unit if 360 CAML is appointed responsible entity of ANI
- The unconditional TIX Offer is currently open until 7.00pm on 27 May 2015 (AEST) and will be extended if 360 CAML is appointed responsible entity of ANI.

Consideration payment terms

Now that the TIX Offer is unconditional, TIX will dispatch to those ANI Unitholders (subject to the terms of the TIX Offer including the treatment of Ineligible Foreign Unitholders):

- who have already validly accepted the TIX Offer, their TIX scrip consideration and 4.5 cents cash by no later than 19 May 2015; and
- who have yet to validly accept the TIX Offer, their TIX scrip consideration and 4.5 cents cash within 5 business days of valid acceptance

How to Accept the TIX Offer

To accept the TIX Offer, please complete and sign the Acceptance Form enclosed and return the enclosed Acceptance Form so that your acceptance may be processed before 7.00pm (AEST) on 27 May 2015 using the enclosed replied paid envelope, as per the instructions on page 5 of the Bidder's Statement or the Acceptance Form.

The ANI Unitholder meeting is to be held at 9.30am on 25 May 2015 at the AGL Theatre, Museum of Sydney, the details of which are contained in the Notice of Meeting sent to Unitholders on 27 April 2015.

For those choosing not to accept the TIX Offer, you will still benefit from 360 Capital's proposal to reduce management fees by up to 50%, should 360 CAML be appointed responsible entity of ANI and TIX acquire less than 100% of ANI.

If you are unable to attend the meeting in person, please vote by filling out the enclosed Proxy Form and returning it in the reply paid envelope or in person to Boardroom Pty Ltd by no later than 3.00pm (AEDT), Friday 22 May 2015.

Further details 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 contacting 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.

Yours sincerely,



David van Anholt

Independent Chairman

360 Capital Investment Management Limited as responsible entity for the 360 Capital Industrial Fund

**360 Capital Investment Management Limited as responsible entity
for 360 Capital Industrial Fund**

**Section 650F Notice
Notice Freeing TIX Offer From Defeating Conditions**

TO: Fife Capital Funds Limited in its capacity as responsible entity of Australian Industrial REIT
(ANI) (ARSN 165 651 301)
Australian Securities Exchange

Reference is made to:

- (a) the takeover offer by 360 Capital Investment Management Limited as responsible entity for the 360 Capital Industrial Fund (**Bidder**) for all the units in ANI (**TIX Offer**) dated 17 February 2015; and
- (b) the replacement bidder's statement dated 13 February 2015 in relation to the TIX Offer (as supplemented) (**Bidder's Statement**)

Bidder gives notice under section 650F of the Corporations Act 2001 (Cth) declaring the TIX Offer free from all the conditions set out in Appendix 1 of the Bidder's Statement (being all of the defeating conditions to the TIX Offer).

Bidder's voting power in ANI is 16.13%

Signed by



David van Aanholt
Independent Chairman
360 Capital Investment Management Limited
Date: 6 May 2015