

360 Capital Industrial Fund



27 May 2015

TIX Offer Extended to 3 June 2015

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 extended the TIX Offer until 5.00pm (AEST) on 3 June 2015.

We enclose copies of:

- a letter sent today to ANI Unitholders in relation to the extension; and
- Section 650D(1) Notice.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alan Sutton', is positioned above the printed name.

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.

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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.

Dear Fellow ANI Unitholder,

TIX Offer Extended to 3 June 2015

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).

- The TIX Offer has been extended to 5.00pm (AEST) on 3 June 2015 to enable you to accept the TIX Offer;
- TIX owns over 30.0% of ANI and is the largest Unitholder in ANI with a circa \$64 million investment and its interests are fully aligned with yours to maximise the value of ANI's portfolio. TIX has the most at stake in relation to ANI's performance;
- The TIX Offer is unconditional meaning when you accept the TIX Offer you will receive 0.90 TIX units and 4.5 cents cash for each ANI Unit you own within 5 business days of valid acceptance;
- In addition, accepting ANI Unitholders will be entitled to an additional 10 cents cash per ANI Unit if the level of acceptances under the TIX Offer reach 50% of ANI Units before the close of the TIX Offer;
- You should accept the TIX Offer as it provides:
 - More certainty - the value of the TIX Offer is known and tangible and TIX's FY16 guidance is achievable. This compares to Fife's unidentified and undisclosed acquisition pipeline where any acquisitions would be funded by an equity raising that will be presumably dilutive to ANI unitholder value compared to the value under the TIX Offer.
 - Premiums to your current ANI investment – the main benefits of the TIX Offer include a premium to ANI's NTA per Unit and an increase over ANI's stand-alone FY16 earnings and distributions per Unit.
 - Greater liquidity, synergies and a re-rating - an investment in TIX will have a larger market capitalisation and greater liquidity. ANI's liquidity will materially reduce given its reduced free float and ANI's expected removal from the S&P/ASX 300 AREIT Index. TIX will have significantly greater market position, scale, diversification and liquidity which are expected to result in a substantial re-rating and reduced cost of capital.

How to Accept the TIX Offer

To accept the TIX Offer, please sign and return the enclosed Acceptance Form using the enclosed replied paid envelope, as per the instructions on page 5 of the Bidder's Statement or the Acceptance Form so that your acceptance may be processed before 5.00pm (AEST) on 3 June 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 Aanholt

Independent Chairman

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

Corporations Act 2001 (Cth)

Section 650D(1)

Notice of variation of offers - Extension of offer period

TO: Australian Securities & Investments Commission (**ASIC**)

Fife Capital Funds Limited in its capacity as responsible entity of Australian Industrial REIT (**ANI**)

AND TO: In accordance with section 650D(2), to those ANI Unitholders who have not accepted the TIX Offer.

Reference is made to:

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

Unless otherwise specified, terms used in this notice have the same meaning as in the Bidder's Statement.

Extension of offer period

The Bidder hereby gives notice under section 650D(1) of the Corporations Act that the TIX Offer is varied by extending the period during which the TIX Offer remains open for acceptance until **5:00pm (AEST) on 3 June 2015**.

ASIC lodgement

A copy of this notice was lodged with ASIC on 27 May April 2015. ASIC takes no responsibility for the contents of this notice.

Approval

In compliance with ASIC Class Order 13/521, this notice has been approved by a unanimous resolution passed by the directors of Bidder.

Signed by,



David van Aanholt
Independent Chairman
360 Capital Investment Management Limited
Date: 27 May 2015