

ASX Release

30 June 2015

Extension of 360 Capital Industrial Fund offer

Fife Capital Funds Limited ("**Fife Funds**"), the responsible entity of the Australian Industrial REIT ("**ANI**" or the "**Fund**") notes the announcement ("**TIX Announcement**") made by 360 Capital Investment Management Limited ("**360 Capital**") as responsible entity of 360 Capital Industrial Fund ("**TIX**") on 26 June 2015 that the unsolicited off-market takeover offer announced on 19 December 2014 and updated on 24 March 2015 ("**Offer**") has been extended until 5.00pm (AEST) on 28 September 2015 (unless otherwise extended or withdrawn).

The Independent Board Committee ("**IBC**") of Fife Funds notes that the structure and terms of the Offer have not changed. However, TIX has extended the Offer beyond ANI's 30 June 2015 half yearly distribution record date.

The IBC, along with its advisers is undertaking a review of the TIX Offer to consider, amongst other things, the Offer value to ANI unitholders in light of the distribution timing difference between ANI and TIX units.

It is recommended that ANI unitholders take no action until the IBC has concluded its review.

Fife Funds notes the TIX Announcement contains a number of incorrect or misleading statements. Fife Funds has previously responded to incorrect or misleading statements made by 360 Capital or its affiliated entities in prior disclosures including the Target's Statement released on 26 February 2015, the Explanatory Statement released on 4 May 2015 and the ASX Announcement released on 4 June 2015.

Incorrect or misleading statements contained in the TIX Announcement include, but are not limited to the following claims:

- **INCORRECT: "After spending \$4.4 million of your capital defending its management rights... Fife Capital has approached several parties in order to sell these management rights"**
 - Fife Funds is required to act in the best interests of all ANI unitholders and has incurred costs in responding to repeated proposals from TIX and 360 Capital, proposals which notably have failed to gain the support of the majority of ANI unitholders
 - the assertion that Fife Funds has spent \$4.4 million in transaction costs significantly overstates costs incurred to date in relation to responding to the Offer and ANI unitholder meeting on 25 May 2015. If the Offer is unsuccessful, the costs will be lower
 - Fife Capital has not sought to divest its management rights, and remains committed to the direction and long-term management of ANI
- **MISLEADING: "Fife Capital continues to acquire industrial properties for mandates in conflict with ANI"**
 - ANI's Product Disclosure Statement ("**PDS**") issued in connection with listing disclosed that ANI's first right to acquire properties that meet its investment policy was subject to an existing client mandate of Fife Capital Group which partially overlapped with the investment criteria of ANI. The client mandate has narrower investment criteria than ANI
 - the mandate is fully committed and therefore ANI's first right to acquire industrial properties that meet its investment policy is no longer subject to the client mandate or any other Fife Capital Group mandate

- Fife Capital presents acquisition opportunities which may be suitable for the Fund to Fife Funds in accordance with terms of the Co-operation Deed (as summarised in the PDS). The Board assesses these opportunities on a case by case basis, having regard to a number of factors including timing and funding, and not all opportunities offered to ANI are progressed
- **INCORRECT: " Fife Capital does not appear to be committed to the longer term management of ANI "**
 - Fife Capital and Fife Funds are highly committed to ANI
 - Fife Funds as the responsible entity of ANI will continue to implement its strategy for ANI, focused on sustainable long-term value creation and earnings growth for ANI unitholders

– ENDS –

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About the Australian Industrial REIT (ASX: ANI)

ANI is an Australian real estate investment trust that offers investors exposure to a quality portfolio of industrial properties. ANI owns 16 properties which are independently valued at approximately \$320.5 million located across Sydney, Melbourne and Perth. The Fund's earnings are underpinned by the portfolio's long average lease term, with leases to a range of quality tenants