

ASX Release

30 September 2015

TIX Offer and Competing Cash Proposal Update

Fife Capital Funds Limited ("**Fife Funds**" or the "**Responsible Entity**") in its capacity as responsible entity for the Australian Industrial REIT ("**ANI**" or the "**Fund**") notes the release of the Fourth Supplementary Bidder's Statement by 360 Capital Investment Management Limited ("**360 CIML**") in its capacity as responsible entity of 360 Capital Industrial Fund ("**TIX**") in relation to TIX's unsolicited, off-market, predominantly scrip offer for all the units in ANI ("**TIX Offer**").

Separately, the Responsible Entity also notes the release of a Notice of Meeting and Explanatory Meeting prepared by 360 CIML in its capacity as responsible entity of TIX to call a meeting of ANI unitholders to consider the replacement of the responsible entity of ANI ("**Unitholder Meeting**").

In regards to the indicative, non-binding cash proposal ("**Competing Cash Proposal**") announced to the market on 21 September 2015, the Responsible Entity announces that the due diligence process is underway.

As previously announced on 23 September 2015, the Independent Board Committee ("**IBC**") of the Responsible Entity, in conjunction with its advisers, is undertaking a detailed review of the revised terms of the TIX Offer. As part of its review, the IBC has engaged KPMG Corporate Finance (a division of KPMG Financial Advisory Services (Australia) Pty Limited) to provide an update to the Independent Expert's Report included in the Target's Statement dated 26 February 2015 and the Second Supplementary Target's Statement dated 31 March 2015.

The IBC currently expects to provide ANI Unitholders with a detailed response to the Fourth Supplementary Bidder's Statement and the Notice of Meeting and Explanatory Memorandum, including the IBC's recommendations in relation to the TIX Offer and Unitholder Meeting on Tuesday, 6 October 2015.

Your Directors advise you to DO NOTHING in relation to the TIX Offer or Unitholder Meeting until you have received the IBC's response to the Fourth Supplementary Bidder's Statement and the Notice of Meeting and Explanatory Memorandum. The IBC's response to the Fourth Supplementary Bidder's Statement will include an update to the Independent Expert's Report previously prepared by KPMG Corporate Finance.

The IBC recommends that ANI unitholders **DO NOT COMPLETE THE PROXY FORM** sent to them by TIX in relation to the Unitholder Meeting. The IBC intends to provide ANI unitholders with a separate proxy form for use in response to the Unitholder Meeting.

– 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 \$330.1 million located across Sydney, Melbourne and Perth. ANI's earnings are underpinned by the portfolio's long average lease term, with leases to a range of quality tenants.