

21 September 2015

The Manager
Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

Australian Industrial REIT - takeover offer by 360 Capital Investment Management Limited (ACN 133 363 185) as responsible entity of 360 Capital Industrial Fund (ARSN 099 680 252)

In accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth) please find attached a copy of the third supplementary target's statement supplementing the target's statement dated 26 February 2015, as supplemented by the first supplementary target's statement dated 30 March 2015 and second supplementary target's statement dated 31 March 2015 (**Third Supplementary Target's Statement**) in relation to the off-market takeover offer by 360 Capital Investment Management Limited as responsible entity of 360 Capital Industrial Fund (**Bidder**).

The attached Third Supplementary Target's Statement has been sent to the Bidder and lodged with the Australian Securities and Investments Commission today.

Yours faithfully



Susan Vuong
Company Secretary

AUSTRALIAN INDUSTRIAL REIT

Third Supplementary Target's Statement

This Third Supplementary Target's Statement supplements, and is to be read together with, the Target's Statement dated 26 February 2015 issued by **Fife Capital Funds Limited** (ACN 130 077 735) as responsible entity of **Australian Industrial REIT** (ARSN 165 651 301) in response to the unsolicited off-market predominantly scrip takeover bid made by **360 Capital Investment Management Limited** (ACN 133 363 185) as responsible entity of **360 Capital Industrial Fund** (ARSN 099 680 252), as supplemented by the first supplementary target's statement dated 30 March 2015 and second supplementary target's statement dated 31 March 2015.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION

IF YOU ARE IN ANY DOUBT ABOUT HOW TO DEAL WITH THIS DOCUMENT, YOU SHOULD CONSULT YOUR FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER IMMEDIATELY

ANI Unitholder Information Line

ANI has established the Unitholder Information Line which ANI Unitholders should call if they have any queries in relation to the Offer. The telephone number for the Unitholder Information Line is:

- 1300 730 659 (Toll Free for calls within Australia); or
- +61 1300 730 659 (for callers outside Australia),

which is available Monday to Friday between 9.00am and 5.00pm (Sydney time).

Financial advisers



Legal adviser



Important notices

Nature of this document

This document is the third supplementary target's statement ("**Third Supplementary Target's Statement**") to the target's statement dated 26 February 2015, as supplemented by the first supplementary target's statement dated 30 March 2015 and second supplementary target's statement dated 31 March 2015, ("**Target's Statement**") issued by Fife Capital Funds Limited as responsible entity of Australian Industrial REIT under Part 6.5 of the Corporations Act and lodged with the Australian Securities and Investments Commission ("**ASIC**") on 26 February 2015, in relation to the Offer made pursuant to the Replacement Bidder's Statement which was served on ANI by the Bidder on 13 February 2015 (replacing the original bidder's statement lodged with ASIC on 3 February 2015) (hereinafter referred to as the "**Bidder's Statement**") and the first supplementary bidder's statement dated 13 February 2015, the second supplementary bidder's statement dated 23 February 2015 and the third supplementary bidder's statement dated 24 March 2015.

This Third Supplementary Target's Statement supplements, and is to be read together with, the Target's Statement.

Defined terms

Unless the context otherwise requires, defined terms in this Third Supplementary Target's Statement have the same meaning as in the Target's Statement. This Third Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement.

Disclaimer regarding forward looking statements

This Third Supplementary Target's Statement contains forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which ANI operates as well as general economic conditions and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be

expected. None of ANI, Fife Funds any of its officers or employees, or any person named in this Third Supplementary Target's Statement with their consent or any person involved in the preparation of this Third Supplementary Target's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement.

The forward looking statements in this Third Supplementary Target's Statement reflect views held only as at the date of this Third Supplementary Target's Statement.

ASIC and ASX disclaimer

A copy of this Third Supplementary Target's Statement has been lodged with ASIC and sent to the ASX. None of ASIC, ASX or any of their respective officers takes any responsibility for the content of this Third Supplementary Target's Statement.

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- +61 1300 730 659 (for callers outside Australia),

which is available Monday to Friday between 9.00am and 5.00pm (Sydney time).

Further information relating to the Offer can be obtained from ANI's website at <http://www.aireit.com.au/>.

Table of Contents

1	Announcement	2
2	Additional Information	2
	Appendix 1 – Announcement	3

1 Announcement

Refer to Appendix 1.

2 Additional Information

2.1 Consents

(a) Consents to be named

King & Wood Mallesons has given and has not, before the date of this Third Supplementary Target's Statement, withdrawn its consent to the inclusion of its name in this Third Supplementary Target's Statement as legal adviser to ANI.

Fort Street Advisers Pty Ltd and UBS AG, Australia Branch each have given and have not, before the date of this Third Supplementary Target's Statement, withdrawn their consent to the inclusion of their name in this Third Supplementary Target's Statement as financial advisers to ANI.

(b) Disclaimer regarding statements made and responsibility

Each person named above as having given its consent to the inclusion of a statement or to being named in this Third Supplementary Target's Statement:

- does not make, or purport to make, any statement in this Third Supplementary Target's Statement or any statement on which a statement in this Third Supplementary Target's Statement is based other than, in the case of a person referred to above as having given their consent to the inclusion of a statement, a statement included in this Third Supplementary Target's Statement with the consent of that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Third Supplementary Target's Statement, other than a reference to its name and, in the case of a person referred to above as having given their consent to the inclusion of a statement, any statement or report which has been included in this Third Supplementary Target's Statement with the consent of that party.

2.2 Date of Third Supplementary Target's Statement

This Third Supplementary Target's Statement is dated 21 September 2015, which is the date on which it was lodged with ASIC.

2.3 Approval of Third Supplementary Target's Statement

This Third Supplementary Target's Statement has been approved by a resolution passed by the Independent Directors.

Dated 21 September 2015



Rod Pearce OAM
Independent Chairman
Fife Capital Funds Limited
as responsible entity of the Australian Industrial REIT

Appendix 1 – Announcement

ASX Release

21 September 2015

Indicative, non-binding cash proposal to acquire all units in ANI

Fife Capital Funds Limited ("**Fife Funds**" or "**Responsible Entity**"), the responsible entity for the Australian Industrial REIT ("**ANI**" or the "**Fund**") announces that it has received an indicative, non-binding cash proposal from a credible consortia of offshore listed investors with an aggregate market capitalisation in excess of A\$3 billion ("**Offeror**") to acquire all units in ANI (the "**Proposal**").

The Proposal is for cash consideration of \$2.40 for every ANI unit. The Proposal is incomplete and subject to a number of conditions and there is no guarantee that any transaction will ultimately be put to ANI unitholders. The Proposal is not capable of being implemented prior to 28 September 2015, which is the scheduled closing date of the takeover offer from 360 Capital Investment Management Limited in its capacity as responsible entity for the 360 Capital Industrial Fund ("**TIX**").

The IBC considers that the Proposal is superior to the TIX Offer, and has sufficient merit to warrant further engagement with the Offeror. The IBC intends to provide the Offeror with access to due diligence information to enable the Proposal to be further progressed.

The Offeror has indicated in the Proposal that a number of pre-conditions need to be satisfied before a formal binding offer will be made, including:

- satisfactory completion of due diligence
- confirmation of the availability of debt funding and confirmation from ANI's lenders that existing loan facilities can be relied upon following a change of control
- the entering into of an implementation agreement including terms that the IBC unanimously recommends the offer, customary deal protections and exclusivity arrangements (including a break fee)
- Offeror Board approvals
- the directors of the Responsible Entity indicating publicly they would accept the offer in the absence of a superior proposal

The Proposal states that the terms of any formal binding offer would include the following conditions:

- Regulatory approvals
- Minimum acceptance condition: the Offeror acquiring at least 50.1% of total outstanding ANI units on issue
- No matter, change, condition occurs which has or is reasonably likely to have a material adverse effect
- Any change of control consents being obtained
- No regulatory action which restrains, impedes, prohibits or otherwise materially adversely impacts on the making of the offer and the acquisition of the ANI units
- No prescribed occurrences occur between the announcement date and the close of the offer

No action is required by ANI unitholders at this time.

The IBC continues to recommend that ANI unitholders reject the TIX offer and ignore all correspondence received from TIX.

The Responsible Entity will provide further updates to the market as appropriate.

The Responsible Entity is being advised by UBS AG, Australia Branch and Fort Street Advisers as financial advisers and King & Wood Mallesons as its legal counsel.

– ENDS –

For further information please contact:

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Company Secretary
Fife Capital Funds Limited

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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. The Fund's earnings are underpinned by the portfolio's long average lease term, with leases to a range of quality tenants.