



23 February 2015

360 Capital Investment Management Limited

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The Manager
Company Announcement Office
ASX Limited
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Sydney NSW 2000

Dear Sir/Madam

360 Capital Investment Management Limited as responsible entity for the 360 Capital Industrial Fund - Off-market takeover bid for Australian Industrial REIT

On 3 February 2015, 360 Capital Investment Management Limited as responsible entity for the 360 Capital Industrial Fund (Bidder) lodged a bidder's statement in respect an off-market takeover bid (Takeover Bid) for all the units in Australian Industrial REIT (ANI).

We refer to the bidder's statement dated 3 February 2015, the first supplementary bidder's statement dated 13 February 2015 and the replacement bidder's statement dated 13 February 2015 (Bidder's Statement), in relation to the Takeover Bid.

Enclosed is a copy of the second supplementary bidder's statement dated 23 February 2015 which supplements the Bidder's Statement (Second Supplementary Bidder's Statement) in satisfaction of the requirement in section 647 of the Corporations Act 2001 (Cth).

The Second Supplementary Bidder's Statement was lodged with ASIC and given to ANI earlier today.

Yours sincerely,

Alan Sutton
Company Secretary
360 Capital Investment Management Limited

SECOND SUPPLEMENTARY BIDDER'S STATEMENT

23 February 2015

in respect of an off-market takeover bid to acquire all the units in

**Australian Industrial REIT (ARSN 165 651 301) (ASX:ANI) from
360 Capital Investment Management Limited (ACN 133 363 185),
in its capacity as responsible entity of the 360 Capital Industrial Fund
(ARSN 099 680 252) (ASX:TIX).**

Important Information

This document is the second supplementary bidder's statement (**Second Supplementary Bidder's Statement**) to the bidder's statement dated 3 February 2015 issued by 360 Capital Investment Management Limited (ACN 133 363 185) in its capacity as responsible entity of the 360 Capital Industrial Fund (ARSN 099 680 252) (**Bidder**) and lodged with the Australian Securities and Investments Commission (**ASIC**), in relation to the off-market takeover bid made by Bidder for all the units in Australian Industrial REIT (ARSN 165 651 301). A first supplementary bidder's statement (**First Supplementary Bidder's Statement**) and a replacement bidder's statement (**Bidder's Statement**) were lodged with ASIC on 13 February 2015. This Second Supplementary Bidder's Statement is given in compliance with section 643 of the *Corporations Act 2001* (Cth).

Definitions and Interpretation: Unless the context requires otherwise, capitalised terms in this Second Supplementary Bidder's Statement have the same meaning given to them in section 12 of the Bidder's Statement. This Second Supplementary Bidder's Statement is to be read together with the Bidder's Statement and the First Supplementary Bidder's Statement. In the event of any inconsistency with the Bidder's Statement, the Second Supplementary Bidder's Statement prevails.

ASIC: A copy of this Second Supplementary Bidder's Statement was lodged with ASIC on 23 February 2015. Neither ASIC nor any of its officers takes any responsibility for the contents of this Second Supplementary Bidder's Statement.

1. Increase in forecast distributions for Combined Group in FY16

360 CIML now forecasts that ANI Unitholders who accept the TIX Offer and receive TIX Units in the Combined Group¹ will receive distributions of 21.6cpu (or 19.2 cents per equivalent ANI Unit) rather than 21.3cpu per TIX Unit in FY16.

This means that ANI Unitholders will receive:

- **a FY16 distribution of 19.2 cents per equivalent ANI Unit, representing growth of 5.5% on your ANI standalone FY15 distribution guidance; and**
- **the same distributions in FY16 in the Combined Group per equivalent ANI Unit as compared to ANI on a stand-alone basis,**

whilst also benefiting from the Combined Group's improved earnings and distribution risk profile.

The following information in this section updates and replaces (to the extent necessary) the corresponding information in the Bidder's Statement regarding the financial information for the Combined Group in FY16 including on pages 2, 6, 9 and section 6.4.5 of the Bidder's Statement.

Improved earnings and distribution risk profile

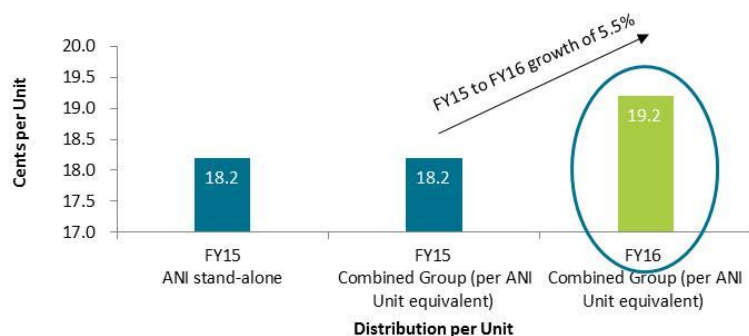
On the basis that TIX acquires 100% of ANI Units, ANI Unitholders, in the Combined Group:

¹ Assuming TIX acquires 100% of ANI

- will participate in the improved earnings and distribution risk profile of the Combined Group, reflecting its improved FY16, FY17 and FY18 lease expiry profile;6 and
- are forecast to receive a FY16 distribution of 19.2 cents per equivalent ANI Unit, representing growth of 5.5% on your ANI standalone FY15 distribution guidance of 18.2 cents per ANI Unit.

Figure A.3 and corresponding chart on page 6 of the Bidder's Statement

- Growth in FY16 distribution from FY15 of 5.5%



Section 6.4.5 Pro forma operating earnings and distribution per unit

100% Ownership Case

On the basis that TIX acquires 100% of ANI, TIX is now forecasting a Combined Group FY16 distribution of 21.6 cents per TIX Unit or 19.2 cents per equivalent ANI Unit, which is an increase from the 21.3 cents per TIX Unit or 19.0 cents per equivalent ANI Unit, respectively, contained in the Bidder's Statement.

50.1% Ownership Case

On the basis that TIX acquires 50.1% of ANI, TIX is now forecasting a Combined Group FY16 distribution of 21.6 cents per TIX Unit or 19.2 cents which is an increase from the 21.3 cents per TIX Unit or 19.0 cents per equivalent ANI Unit, respectively, contained in the Bidder's Statement.

30% Ownership Case

On the basis that TIX acquires 30% of ANI, TIX is now forecasting a Combined Group FY16 distribution of 21.4 cents per TIX Unit or 19.0 cents per equivalent ANI Unit, which is an increase from the 21.1 cents per TIX Unit or 18.8 cents per equivalent ANI Unit, respectively, contained in the Bidder's Statement.

	FY16 Guidance		100% Ownership Case		50.1% Ownership Case		30% Ownership Case	
	TIX Standalone (cpu)	ANI Standalone (cpu)	Combined Group (cpu)	ANI Equivalent (Scrip Ratio) ¹ (cpu)	Combined Group (cpu)	ANI Equivalent (Scrip Ratio) ¹ (cpu)	Combined Group (cpu)	ANI Equivalent (Scrip Ratio) ¹ (cpu)
Pro Forma Operating Earnings ²	22.0	20.4	22.4	19.9	22.4	19.9	22.2	19.8
Distributions ³	21.0	19.2	21.6	19.2	21.6	19.2	21.4	19.0

1. Represents Combined Group Operating Earnings and distribution per unit adjusted to reflect ANI Unitholder equivalent at scrip ratio of 0.89.
2. FY16 assumes the disposal of \$46.9 million in non core assets in March 2016 with the proceeds being used to repay debt.
3. Distributions under the Combined Group are assumed to be equivalent to a 96.5% payout ratio.

The assumptions in relation to the revised earnings and distributions forecast have not changed other than the Combined Group payout ratio for FY16 is now assumed to be 96.5%. Accordingly, all references to the FY16 payout ratio are changed from 95% to 96.5%.

2. Waiver of all conditions once acceptances exceed 30%

360 CIML announces that it will waive all Conditions to the TIX Offer once the number of ANI Units that are the subject of valid acceptances received under the TIX Offer and acceptance instructions provided to an institutional acceptance facility (which are able to be validly processed once released) exceeds 30% of the ANI Units.

This underlines the confidence which TIX has in the TIX Offer and increases the certainty for ANI Unitholders of receiving the TIX Consideration under the TIX Offer. This statement does not limit the ability of TIX to waive any Conditions at any time.

3. Institutional Acceptance Facility

3.1 General

TIX has established an institutional acceptance facility open to wholesale clients (as defined in section 761G(7) of the Corporations Act)² (**Eligible Unitholders**) in order to facilitate receipt of acceptances of the TIX Offer (**Facility**). ANI Unitholders who are not Eligible Unitholders cannot participate in the Facility, however can accept the TIX Offer by following the instructions in the Bidder's Statement.

The Facility has been established to enable Eligible Unitholders to indicate their intentions to accept the TIX Offer.

360 CIML recognises that some Eligible Unitholders may not wish to accept the TIX Offer until it is unconditional. Accordingly, the Facility allows the Eligible Unitholders to instead indicate their intention to accept the TIX Offer, and enables 360 CIML to declare the TIX Offer unconditional once it is assured, by having received acceptance instructions into the Facility, that it will have acceptances of the TIX Offer in respect of more than 30% of the ANI Units.

The acceptance facility collection agent for the Facility is Moelis Australia Advisory Pty Limited (AFSL 345499) (**Facility Agent**).

3.2 Operation of the Facility

In summary, the Facility will operate in the following way:

- (a) Eligible Unitholders may lodge acceptance instructions with the Facility Agent, in the form of either:
 - (i) duly completed Acceptance Forms in respect of their ANI Units; and/or
 - (ii) where an Eligible Unitholder holds ANI Units as custodian for another person (the **Beneficial Holder**), a direction from the Beneficial Holder to the Eligible Unitholder to accept the TIX Offer (**Custodian Direction**),(together, **Acceptance Instructions**) that demonstrate their intention to accept the TIX Offer.
- (b) The Facility Agent will hold the Acceptance Instructions as acceptance facility collection agent only (being no more than a bare trustee for the relevant Eligible Unitholders) and will not acquire a relevant interest in any of the ANI Units the subject of the Acceptance Instructions.
- (c) TIX may provide a written notice to the Facility Agent (**Confirmation Notice**) which confirms that either:

² Provided that the Facility Agent must be satisfied, in its absolute discretion, that a person is a wholesale client for the person to be an Eligible Unitholder.

- (i) TIX will declare the TIX Offer unconditional no later than the time that all delivered Acceptance Instructions are processed; or
 - (ii) TIX has declared the TIX Offer unconditional.
- (d) The delivery of the Confirmation Notice will be at TIX's discretion.
- (e) As soon as reasonably practicable following receipt by the Facility Agent of a Confirmation Notice, the Facility Agent must deliver (or procure the delivery of):
 - (i) the Acceptance Forms in accordance with the instructions on the relevant Acceptance Forms; and/or
 - (ii) the Custodian Directions to the relevant custodian.
- (f) Eligible Unitholders are able to withdraw their Acceptance Instructions at any time prior to the Facility Agent receiving the Confirmation Notice from TIX.
- (g) If the Facility Agent does not receive a Confirmation Notice from TIX by the end of the Offer Period, the Facility Agent will promptly following the end of the Offer Period, return, or procure the return, of all Acceptance Instructions.

A copy of the appointment of the Facility Agent along with the full terms of the Facility (**Facility Documents**) will be provided to Eligible Unitholders and may also be requested from the Facility Agent by email TIX_Acceptance@moelis.com or by phone on the TIX Offer Information Line on 1800 247 697 (callers within Australia) and +61 2 8024 1189 (callers outside Australia).

The above summary is subject to the terms of the Facility set out in the Facility Documents.

3.3 Disclosure of Acceptance Instructions

Before 8.30am (Sydney time) on each Business Day, the Facility Agent will inform TIX of the number of ANI Units in respect of which Acceptance Instructions have been received as at 7.30pm (Sydney time) on the previous Business Day.

Following receipt of this information from the Facility Agent, TIX will disclose this information to ASX by 9.30am (Sydney time) on the Business Day following any movement of at least 1% in the aggregate of the number of ANI Units subject to the Facility and the number of ANI Units in which TIX has a relevant interest, together with a breakdown of the aggregate amount between those two categories.

3.4 Consent

The Facility Agent has given, and has not at the date of this Second Supplementary Bidder's Statement withdrawn, its written consent to being named in this Second Supplementary Bidder's Statement.

4. Approval

This Second Supplementary Bidder's Statement has been approved by a unanimous resolution of the directors of TIX.

Signed for and on behalf of the Bidder in accordance with section 351 of the Corporations Act.



David van Aanholt
Independent Chairman, 360 Capital Investment Management Limited